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

June 06, 2022

National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400 051	**BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001
Symbol: KEC	**Scrip Code: 532714**

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

Sub: Notice of Seventeenth Annual General Meeting and Integrated Annual Report of FY 2021-22

Dear Sir/Madam,

This is further to our letter dated June 02, 2022, conveying that the Seventeenth Annual General Meeting ("AGM") of the Members of the Company will be held on **Thursday, June 30, 2022 at 2.00 pm (IST)** through Video Conferencing (VC) / Other Audio - Visual Means (OAVM).

Pursuant to Regulation 34(1) and Regulation 30(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company for the financial year 2021-22 along with the Notice of AGM, which are being sent through electronic mode to the Members of the Company, whose e-mail address are registered with Depositories/ the Company/the Registrar and Share Transfer Agent. The Integrated Annual Report and Notice of AGM are also available on the website of the Company at https://www.kecrpg.com/agm under the tab "AGM 2022".

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

You are requested to take the same on records.

Thanking you,

Yours faithfully,
For KEC International Limited

Amit Kumar Gupta
Digitally signed by Amit Kumar Gupta
Date: 2022.06.06 15:31:49 +05'30'

Amit Kumar Gupta
Company Secretary & Compliance Officer

Encl: As above.

Empowering
Sustainable Growth

2021-22

KEC INTERNATIONAL LIMITED

INTEGRATED ANNUAL REPORT

About RPG

RPG Group is a global diversified conglomerate with businesses in the areas of infrastructure, tyre, information technology, pharmaceuticals, energy, agribusiness and venture capital. Founded by the legendary industrialist Dr. R.P. Goenka, the Group's lineage dates to the early 19th century. Today, the group has several companies in core sectors of the economy: the most prominent among them being KEC International, CEAT, Zensar Technologies, RPG Life Sciences, and Harrisons Malayalam. Built on a solid foundation of trust and tradition, the RPG name is synonymous with stability, steady growth, high standards of corporate governance and a culture of respect for people and the environment.

hello **happiness**

"Hello Happiness", is RPG's giant step towards becoming a truly happy organization, where inspired employees take ownership and march towards their greater purpose.

Ever since we embraced the philosophy a few years ago, we are sparing no effort to promote a culture and environment of happiness as a "way of life" at RPG Group. Amongst a slew of people-first policies, we have continued to work on different initiatives that promote the happiness of our people, investors, customers and the lesser privileged. Within this ecosystem, our people are happily committed to a high-performance culture, empathy, and customer delight.

The world of tomorrow needs to be taken care of today. That is our guiding philosophy for sustainable business growth while our social initiatives across sectors such as education, health, and empowerment, aim to create a better world for the communities we serve.

"Hello Happiness" is not just another tagline for us. It is action-oriented to finding and achieving our purpose in life, both organizational and personal. It is a proud proclamation that we are an organization where happy employees keep the interests of all our stakeholders ahead of themselves leaving a legacy for generations to come.

Empowering Sustainable Growth

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

We firmly believe that to build sustainable businesses, we need to create a sustainable ecosystem of environment, society, safety and governance.

As one of the most respected Engineering, Procurement, and Construction companies globally, we remain committed to develop businesses that promote overall sustainability, as well as embed planet-friendly initiatives across our operations to preserve the environment. Our effort towards building a better world is reflected not only in our green business portfolio but also in our work processes, people & safety practices, ethical culture & conduct, and CSR initiatives to touch lives of people and communities around us.

Our years of experience and unwavering commitment for a brighter future reaffirms our confidence to deliver sustained growth and create value for our stakeholders, as we continue to build infrastructure for the world of tomorrow.

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On the Cover

400 kV Overhead Transmission Line project, Saudi Arabia

High-rise residential project at Bangalore, Karnataka

Viaduct and Ballastless Tracks, Kochi Metro Rail Project, Kerala

KEC on Social Media:

@KEC International Ltd.
@KEC_Intl
@KEC International Limited
@kec.intl

Scan this QR code to download the Integrated Annual Report on your smartphone or tablet.

Hubli-Tinaighat railway electrification project, Karnataka

About the Report

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

Approach to Reporting

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

Responsibility Statement

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

Reporting Frameworks

The Report is prepared as per the IR Framework of the International Integrated Reporting Council (IIRC), which provides a useful basis for disclosing how the Company creates long-term sustainable value for its stakeholders across various forms of capitals. Refer page numbers 44 to 78 for the integrated report.

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

Forward-looking Statements

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

Report Scope & Boundary

The Report covers financial and non-financial information and activities of the Company and its subsidiaries during the period April 1, 2021 to March 31, 2022.

Statutory Audit

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

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

KEC at a Glance

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

Our robust and integrated capabilities span the entire EPC value chain from 'concept to commissioning'. We have successfully executed complex projects across some of the world's most difficult terrains and conditions, aided by robust engineering, procurement, execution and project management capabilities. We have vast manufacturing footprint extending across India, Dubai, Brazil and Mexico. Our vast global presence has enabled a robust and agile supply chain that extends across six continents in over 110 countries.

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

Vision Statement

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

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

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

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

Values

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

Integrity | **Openness** | **Courage** | **Passion** | **Respect**

9,114
Employees

2,562 km
Transmission Lines executed

35+
Nationalities

141
Substation Bays built

₹ 13,742 crore
Revenue

1,441 RKM
23% of India's Railway Tracks electrified

₹ 23,716 crore
Order Book (as on March 31, 2022)

Diversified Global Footprint

70+ Countries
EPC

90+ Countries
Cables Supply

65+ Countries
Tower Supply

110+
Footprint in no. of countries
(Includes EPC, Supply of Towers & Cables)

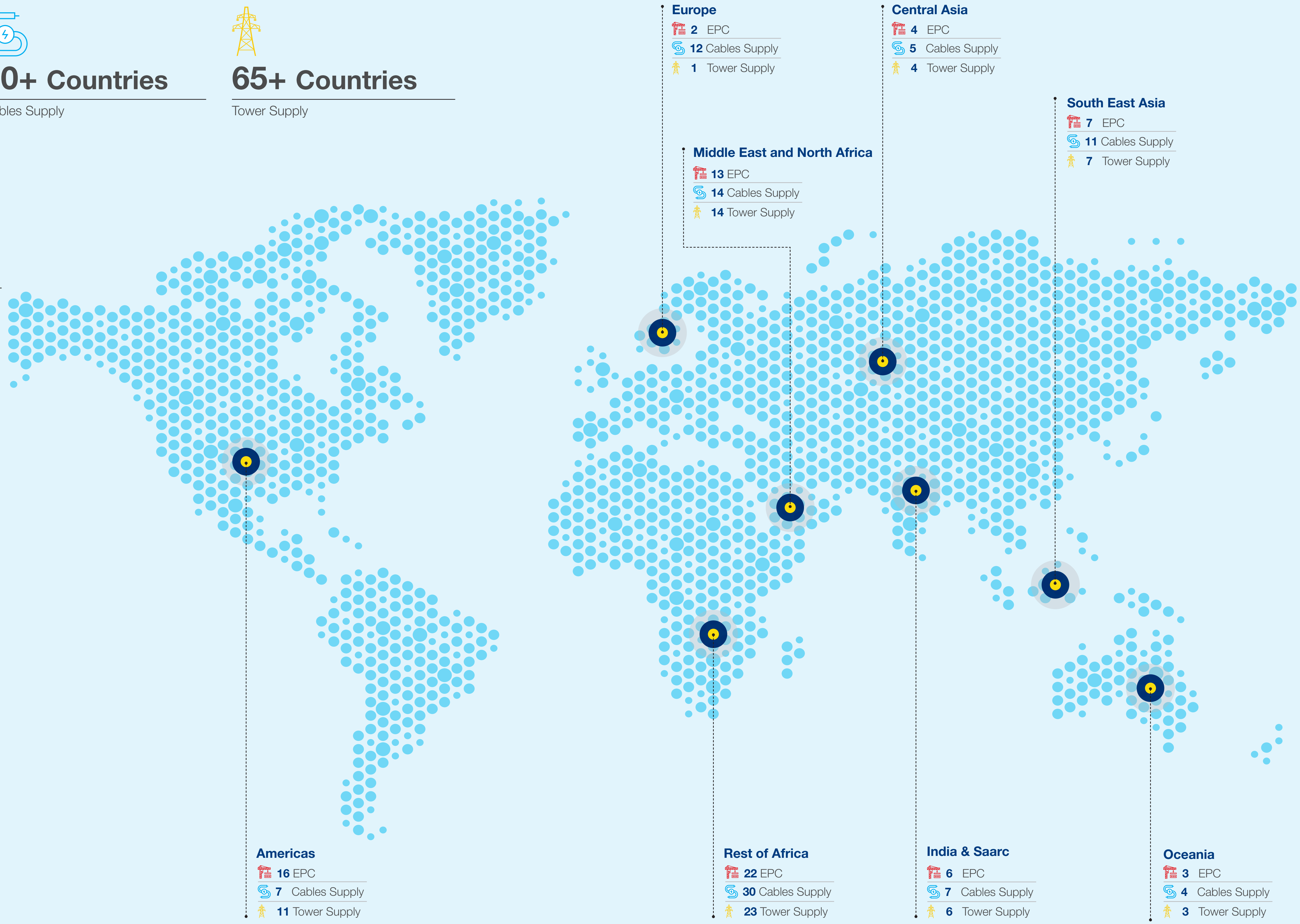
35 Countries
Executed/executing EPC projects in FY22

₹ 17,203 crore
Order Intake (Growth of 45% in FY22)

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

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

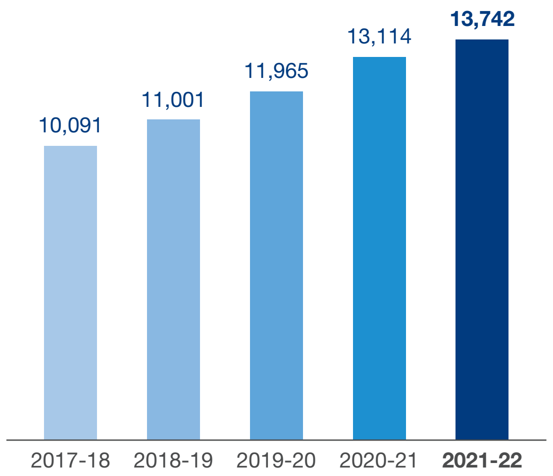
3,27,918
Lives impacted through CSR (including COVID-19 Response beneficiaries)



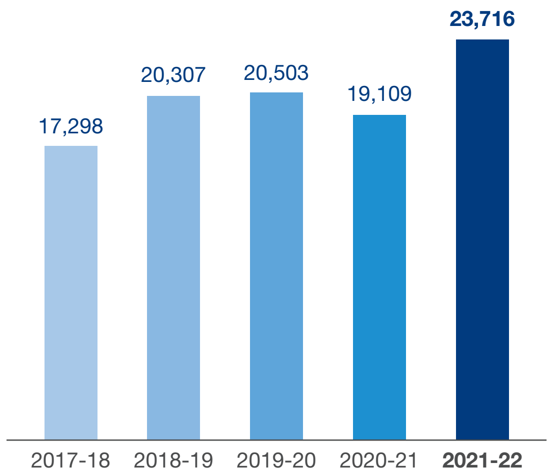
Map not to scale. For illustrative purposes only.

Financial Performance

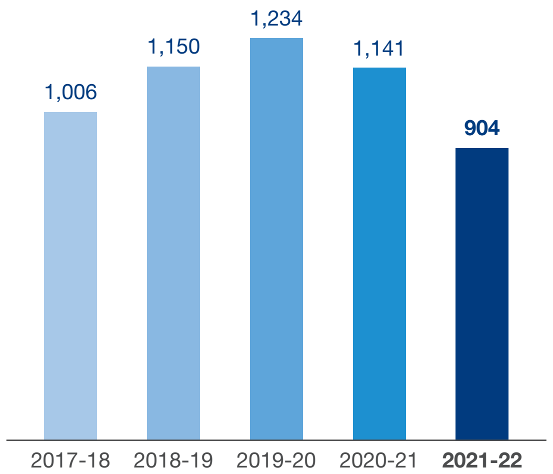
Revenue (₹ in crore)



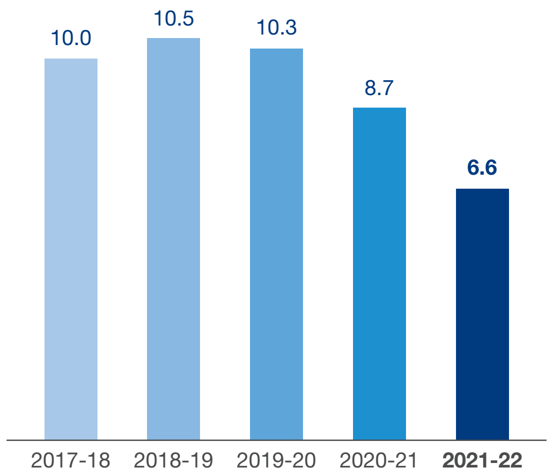
Order Book (₹ in crore)



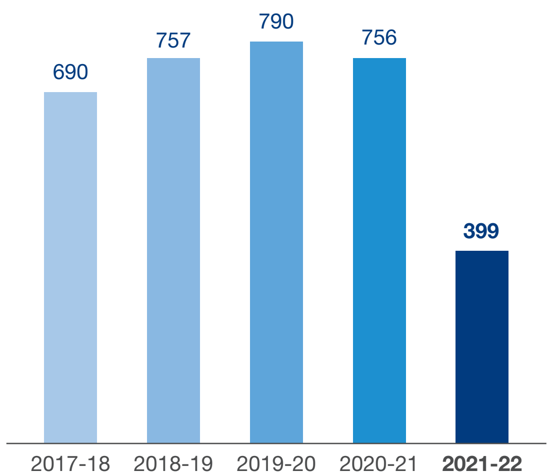
EBITDA (₹ in crore)



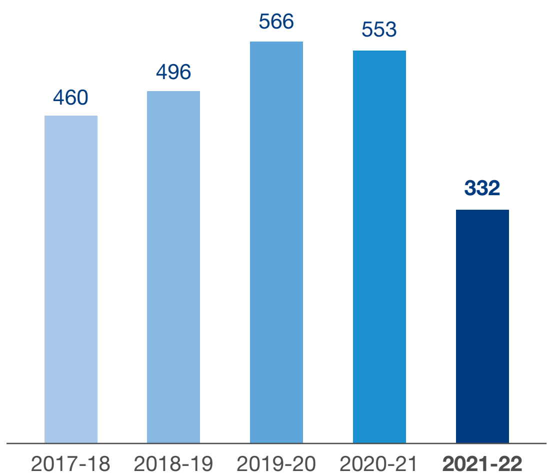
EBITDA Margin (%)



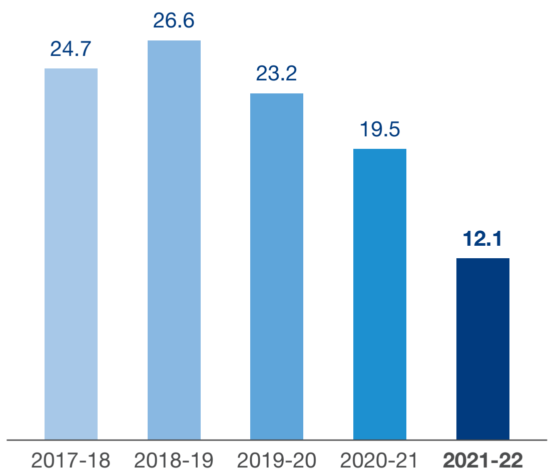
PBT (₹ in crore)



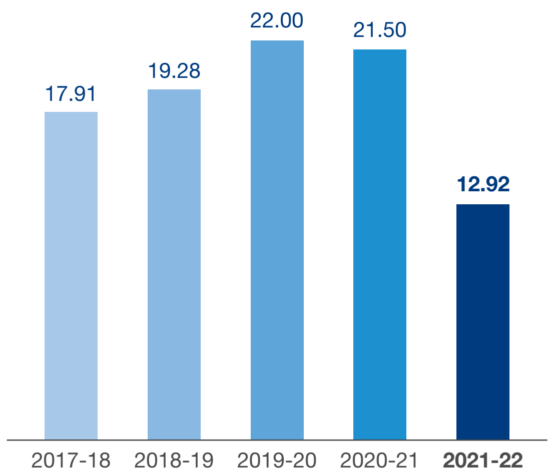
PAT (₹ in crore)



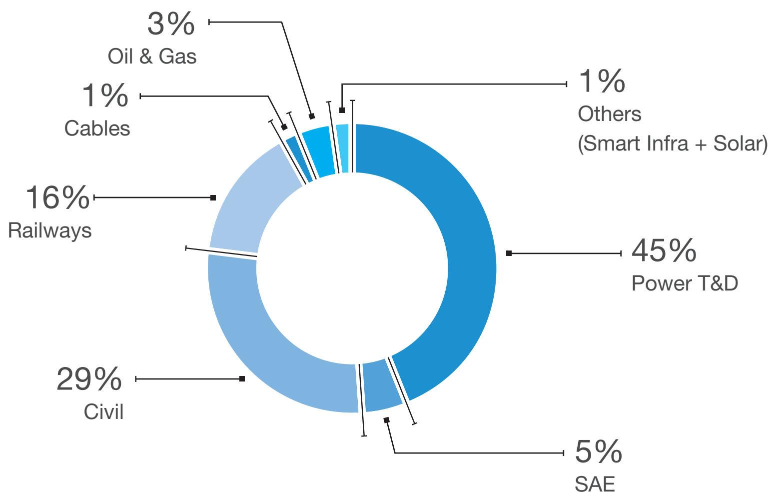
Return on Capital Employed (ROCE) (%)



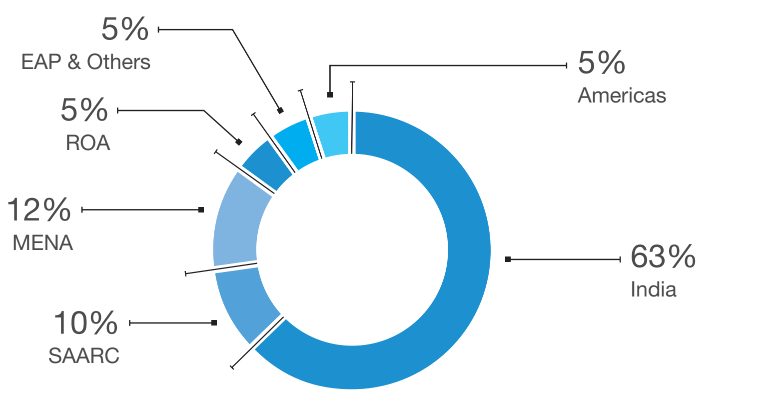
EPS (Face value ₹ 2 each)



Business-wise Order Book



Geography-wise Order Book



Notes:

1. SAARC – South Asian Association for Regional Cooperation Countries;
   MENA – Middle East & North Africa;
   ROA – Rest of Africa; EAP – East Asia Pacific
2. Graphs are not up to the scale

Corporate Information

Registered Office

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

Ph: 022-66670200

Fax: 022-66670287

Manufacturing Facilities

Towers and Structures (Substations, Railways & Solar)

India

Butibori:

B-190 Industrial Area, Butibori 441 108, Maharashtra

Jabalpur:

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

Jaipur:

Jhotwara Industrial Area, Jaipur 302 012, Rajasthan

International

Brazil:

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

Dubai:

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

Mexico:

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

Cables

Mysuru:

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

Vadodara:

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

Bankers

India

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

Middle East

Abu Dhabi Commercial Bank, Abu Dhabi
Bank Muscat, Saudi Arabia
First Abu Dhabi Bank, Abu Dhabi & Muscat
Arab Banking Corporation (B.S.C.)
National Bank of Oman, Muscat
ICICI Bank Ltd., Bahrain
Standard Chartered Bank, Dubai
Banque Saudi Fransi, Kingdom of Saudi Arabia
JP Morgan Chase Bank, Kingdom of Saudi Arabia
Arab Bank PLC, Bahrain
Bank ABC, Jordan

Brazil

Banco Itau BBA S/A
Banco Bradesco S/A
Banco do Brasil
ABC Bank
Banco Safra
Banco Intermedium
Banco Daycoval
Banco Semear
Citi Bank
Banco HSBC SA Brazil
Banco Santander
Caixa Econômica Federal
Banco Fibra
Banco CCB Bank
Banco Original
Banco Votorantim
Banco BOCOM
Banco Alfa
Banco Deustcshe

Mexico

Grupo Financiero BBVA Bancomer
Banco Santander
Banco Banamex
Banco HSBC

USA

Wells Fargo
JP Morgan Chase

Board of Directors

Harsh V. Goenka
Chairman

Vimal Kejriwal
Managing Director & CEO

A.T. Vaswani
Independent Director

Dilip G. Piramal
Independent Director

G.L. Mirchandani
Independent Director

M.S. Unnikrishnan
Independent Director

Nirupama Rao
Independent Director

Ramesh Chandak
Independent Director

S.M. Trehan
Independent Director

Vikram Gandhi
Independent Director

Vinayak Chatterjee
Non-Executive Director

Management Team

Vimal Kejriwal
Managing Director & CEO

Rajeev Agarwal
Chief Financial Officer

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

Anand Kulkarni
Executive Director – Business Operations

Kaushal Kodesia
Executive Director – Railways

Manjit Singh Sethi
Executive Director – Cables

Nagesh Veeturi
Executive Director – Civil

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

Gustavo Cedeno
CEO – SAE Towers

Pankaj Kalani
Chief Executive – Oil & Gas Pipelines

Somraj Roy
Chief Human Resources Officer

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

Amit Kumar Gupta
Company Secretary

Auditors

Price Waterhouse Chartered Accountants LLP
Chartered Accountants

Registrar and Share Transfer Agents

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

Ph: +91 22 49186270

Fax: +91 22 49186060

Email: rnt.helpdesk@linkintime.co.in

Cement manufacturing plant at Panna, Madhya Pradesh

Board of Directors

Harsh V. Goenka
Chairman

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

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

Vimal Kejriwal M M
Managing Director & CEO

Chartered Accountant, ICAI; Company Secretary, ICSI; Alumnus: Kellogg School of Management, USA; Narsee Monjee Institute of Management Studies (NMIMS), India

Mr. Vimal Kejriwal is the MD & CEO of KEC International Limited. He has been with the Company for close to two decades and has successfully led the Company towards profitable growth during his tenure. Mr. Kejriwal has close to four decades of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking. He serves on the Boards of KEC's wholly-owned operating subsidiaries, and Raychem RPG Private Limited, an RPG Group company. He is also an Executive Council Member of Indian Electrical and Electronics Manufacturers' Association (IEEMA). Mr. Kejriwal is a recipient of the prestigious 'CA Business Leader – Corporate' award for the year 2018, conferred by the Institute of Chartered Accountants of India.

A.T. Vaswani C M M C
Independent Director

Chartered Accountant, ICAI; Company Secretary, ICSI

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

Dilip G. Piramal
Independent Director

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

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

Ⓒ Chairman	Audit Committee	Nomination and Remuneration Committee	Stakeholders' Relationship Committee
Ⓜ Member	Sustainability and Corporate Social Responsibility Committee	Risk Management Committee	Finance Committee

G.L. Mirchandani
Independent Director

Bachelor of Engineering (Mechanical), BITS Pilani

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

M.S. Unnikrishnan
Independent Director

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

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

Nirupama Rao M M
Independent Director

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

Ambassador (retd) Ms. Nirupama Rao topped the All India Civil Services Examination in 1973 and joined the Indian Foreign Service. She became the first woman spokesperson of the Ministry of External Affairs in 2001 and was assigned to Sri Lanka as High Commissioner for India in 2004. She was India's first woman Ambassador to China in 2006 and was the Foreign Secretary of India from August 2009 to July 2011. She has also served as India's Ambassador to the United States of America from 2011 to 2013. She currently serves on the Boards of several listed companies. Ms. Rao is the author of "The Fractured Himalaya, India Tibet China 1949 to 1962" published by Penguin India in October 2021.

Ramesh Chandak M M C C M C
Independent Director

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

Mr. Ramesh Chandak is the CEO of RDC Business Advisory, which provides individualised leadership coaching, strategy, succession planning and management services. Prior to starting his Advisory practice, he was the MD & CEO of KEC International Limited up to March 2015. He has had a successful career spanning over 40 years across engineering, infrastructure, edible oils and textiles industries having global corporate experience working in India, Malaysia and USA. He currently serves on the Boards of various listed companies and not for profit organisations. He is a recipient of CA Business Leader Award in 2008 by the Institute of Chartered Accountants of India. He is a former President of Indian Electrical & Electronics Manufacturers Association (IEEMA).

S.M. Trehan M C M M M M
Independent Director

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

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

Vikram Gandhi
Independent Director

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

Mr. Vikram Gandhi is a member of the Faculty of the Harvard Business School (HBS) and is the Founder of Asha Impact, an impact investing platform addressing the critical development challenges in India and other emerging economies. Mr. Gandhi is a Senior Advisor to the Canada Pension Plan Investment Board and is a member of the Young Presidents Organization (YPO) since 1997. In his 25 years in Investment Banking, he has led various global teams at both Credit Suisse and Morgan Stanley.

Vinayak Chatterjee
Non-Executive Director

Bachelor of Economics (Hons), St. Stephen's College; MBA, Indian Institute of Management, Ahmedabad

Mr. Vinayak Chatterjee co-founded Feedback Infra Private Limited in 1990 and served as its Chairman from 1990 to 2021. Since stepping down from active management, he now devotes his time and energy to Infrastructure Policy, Advocacy and Capacity Building; and for this purpose has recently co-founded The Infravision Foundation, where he is a Managing Trustee. Currently, he is the Chairman of the Confederation of Indian Industry's (CII's) 'National Council on Infrastructure'. He is on the Board of ACC Limited, Apollo Hospitals Enterprise Limited, and L&T Infotech Limited; and is a member of the Advisory Board of JCB India. He also serves as the Chairman of the Board of Governors of the Indian Institute of Technology, Dharwad.

C Chairman M Member

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

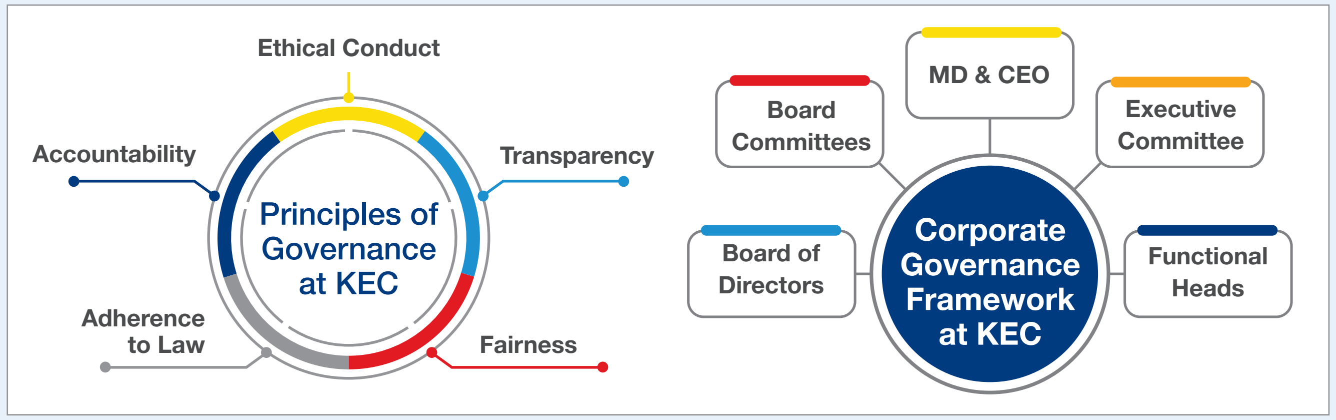
Governance

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

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements but also several inherent core values at a superior level of business ethics, transparency, effective supervision and enhancement of shareholders' value. The Company conducts its business responsibly and ethically wherein integrity is a way of life that is non-negotiable.

The RPG Code of Corporate Governance & Ethics ('Code') that outlines the principles of Corporate Governance is applicable throughout the Company. The Code covers important aspects such as Investor Relations, Ethics, Conflict of Interest, Equal Opportunities, Regulatory Compliance, Whistle Blower Mechanism etc.

The Company carries out its business with highest standard of business ethics and transparency. It does not encourage any business activity which is illegal, unethical or results in unfair trade practices. The Company and its employees adhere to anti-corruption and anti-bribery laws in all geographies where it operates.



Board of Directors

The Company has an optimum combination of Executive, Non-Executive and Independent Directors being eminent industrialists/professionals having a diverse range of expertise and experience. The Board provides strategic direction and reviews & monitors overall performance, while ensuring that the long-term interest of the stakeholders is being served.

Board Committees

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on diverse matters. Each Committee plays a very crucial role in the overall governance structure and deals with matters as mandated by the statutory regulations/terms of reference. Please refer to the Report on Corporate Governance on Page 130 for more details.

Managing Director & Chief Executive Officer (MD & CEO)

The MD & CEO manages the day-to-day affairs of the Company under the overall supervision of the Board and ensures implementation of the decisions of the Board/its various Committees.

Executive Committee (ExCom)

The Executive Committee (ExCom) comprises of Senior Management team of the Company which supports the MD & CEO to carry out the day-to-day affairs of the Company. The ExCom is accountable for overall business deliverables, addressing various business challenges and issues in respect of their respective Strategic Business Units.

Functional Heads

The respective functional heads either report to/are represented by ExCom members and look after operational matters. The Key Corporate Functions which includes Business Operations, Marketing & Business Development, Strategy & Transformation, Finance, Human Resource, Risk, Safety and Quality, Information Technology, Legal & Secretarial and Investor Relations play a strategic role besides being enablers in an environment of increased globalisation, technology disruption and cost pressures.

Transmission & Distribution

Building Icons of Power

San Rafael del Sur - Las Colinas Transmission Line, Nicaragua

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

We continue to maintain leadership in the T&D sector in India and overseas markets. During the year, the Business witnessed significant traction in order intake and secured new orders of over ₹ 7,400 crore. We are currently executing over 150 Transmission Line, Substation and Underground Cabling projects across 30+ countries. Our robust presence extends from the Americas in the north, all the way to Oceania in the south, where we have successfully executed challenging projects in extreme weather conditions and inhospitable terrains, spanning raging rivers and oceans, deserts, mountains, snowfields, and cities. Our deep understanding of local markets across geographies, advanced capabilities in surveying, design & engineering, manufacturing, execution and project management, and a pool of highly experienced professionals enable us to deliver outperformance year-on-year. We have also developed capabilities to execute Underground Cabling projects up to 220 kV in India and overseas and are currently executing several projects for PGCIL, state utilities and private players.

Our state-of-the-art, 50,000 MT tower manufacturing facility in Dubai is focussing on the high-growth Middle Eastern and African markets. Our Dubai subsidiaries, KEC Towers LLC (tower manufacturing facility) and KEC EPC LLC (EPC services), have been successful in securing orders of over ₹ 250 crore from third-party customers during the year. These include orders for supply of towers and maiden EPC orders from reputed utilities and private clients.

Our thrust on identifying and implementing advanced mechanisation, digitalisation, and automation technologies across our projects continued throughout the year. Leading-edge solutions in areas such as execution, safety, workforce management and quality have enabled us to significantly enhance productivity and quality. This year, we have also enhanced the use of drones for surveys as well as for quality inspection of towers. Our focus on innovation in project execution has earned us appreciation from our clients and reinforced our leadership position in the industry.

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

Our quest for delivering world-class projects ahead of time, while maintaining superior quality enables us to create a unique competitive advantage in the global EPC industry. Our success has been a result of:

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

765 kV Thiruvalam Gas Insulated Substation, Tamil Nadu

FY 2021-22 Highlights

South Asia business (India and SAARC)

- Strengthened presence in India with large orders of ~ ₹ 1,500 crore from PGCIL (under Tariff Based Competitive Bidding), private players, and state utilities, including Green Energy Corridor projects
- Enhanced presence in SAARC with one of our largest T&D orders to construct 400 kV Transmission Lines in Bangladesh from Power Grid Company of Bangladesh, funded by Exim Bank of India
- Physically completed 19 transmission line and substation projects across India and SAARC during the year
- Received appreciations for excellence in EHS practices and promoting a culture of safety at project sites from Power Grid Corporation of India Ltd., State Electricity Boards in Bihar, West Bengal, Karnataka and Tamil Nadu, and Nepal Electricity Authority

International business (Middle East, Africa, South East Asia, CIS, Europe, Americas)

- Achieved robust order intake and L1 of over ₹ 4,000 crore, including several large-sized orders in UAE and Saudi Arabia
- Successfully entered/re-entered over 20 countries in the last five years, including two new countries in FY22
- Strengthened substation portfolio with significant orders in UAE and Burundi; 20% of our order book now consists of substations across regions
- Physically completed 18 transmission line and substation projects during the year in countries such as Senegal, Ghana, Jordan and Papua New Guinea, amongst others
- Recognised for superior execution and utmost focus on EHS and Quality by clients in Nicaragua, UAE, Thailand, Malaysia, Sierra Leone and Uganda, amongst others

SAE Towers

- Secured order intake of ~₹ 1,400 crore including supply of towers, hardware and poles
- Currently executing three Transmission Lines projects spanning ~900 km, including three substations totalling to over 1,000 MVA in Brazil
- Successfully delivered three EPC projects during the year

Railways

Diversification on Track

Kharagpur Third Line project, West Bengal, comprising track laying, OHE, stations, bridges, S&T works, and other railway infrastructure

With over five decades of experience in the railway infrastructure EPC sector, we continue to diversify our presence across conventional railway as well as technology-intensive Metro and DFCC segments, and augment our capabilities to fulfil the evolving needs of the industry.

We continue to maintain leadership in the existing conventional areas of Railways which include, Overhead Electrification (OHE), doubling and tripling of tracks and new railway lines, civil infrastructure works such as road over bridge, bridges, tunnels, stations, and platforms, and establishing signalling & telecommunication systems and traction substations. During the year, seven projects were commissioned ahead of contractual schedule, in line with our motto of fast-track project execution. We are proud to have executed ~23% of India's railway electrification in FY22, contributing towards achieving Indian Railways' 100% Electrification Mission, in addition to commissioning 131 route kilometres (RKM) of track laying works. During the year, we have widened our presence in conventional areas with seven new speed upgradation orders in the High-Speed Rail segment under Mission Raftaar and our second order in the port connectivity segment from a large private player.

In line with our vision to strategically diversify our portfolio into adjacencies, we have further expanded our presence in technology-enabled areas of Urban Infrastructure and have bagged several new orders in Metro electrification – OHE as well as Third Rail, power supply systems, and track laying for reputed Metro clients. We are also executing next-generation Signalling & Telecommunication (S&T) systems for Dedicated Freight Corridor.

The business continued its growth momentum and achieved a revenue of ₹ 3,860 crore, a growth of 13% despite COVID-19 related challenges. Some of the nation-building projects commissioned in FY22 include the Rani Kamalapati (Habibganj) - Barkhera Third Line project, which was inaugurated by the Hon'ble PM, Shri Narendra Modi, Hubli-Tinaighat Electrification project, executed amidst numerous challenges arising owing to dense forest with wildlife, tough terrains & site accessibility issues, and Dumka Electrification project, where our commitment towards quality, health & safety, and overall project management was greatly appreciated by the client.

Our pursuit to achieve execution excellence is further enhanced by our constant focus on deploying innovative technologies in our projects to mechanise, digitalise and automate processes and procedures. We are utilising the latest machinery to expedite project execution and implementing advanced digital solutions using technologies such as AI, IoT, mobility, and analytics to help improve CRS, debottleneck block hour activities, track train movements, optimise costs, and manage workforce at project sites. These initiatives are enabling us to significantly enhance efficiency, safety and quality, fast track project execution and deliver superior value to our clients.

We continue to leverage synergies with our Cables business to improve competitiveness of the Railways business. In order to strengthen the Railway supply chain, we have enhanced backward integration to manufacture new railway cables such as contact wires, feeder, jumper and dropper wires, catenary conductors, signalling power cables, railway OFC cables, and Quad cables for railway applications. We are also in the process of developing a few more cables for the Railway segment. We continue to manufacture galvanised steel structures for Railways at our tower manufacturing units.

We are taking great strides in Project Excaliber, the business transformation program of the Railways business to enable growth in newer segments and improve profitability. The program has delivered significant results during the year, enabling the business to diversify into technology-intensive and emerging segments and redesign its end-to-end business processes, including construction, procurement, and manufacturing practices.

Hubli-Tinaighat railway electrification project, Karnataka

Overhead Electrification for Delhi Metro Rail project

FY 2021-22 Highlights

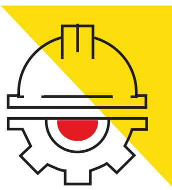
- Achieved revenue of ₹ 3,860 crore, a significant growth of 13% backed by robust execution across projects
- Secured new orders of over ₹ 2,500 crore, robust growth of 46%
- Deepened presence in technology-enabled areas of Urban Infrastructure with new orders in Metro electrification – OHE as well as Third Rail, power supply systems, and track laying
- Widened presence in conventional segments such as speed upgradation, port connectivity, tunnel ventilation and railway siding
- Seven projects commissioned ahead of contractual schedule during the year
- Delivered 23% of India's railway network electrified during the year, totalling to 1,441 RKM; Commissioned railway track laying of 131 RKM
- Presented with the "Innovation in Planning and Design" award by Rail Analysis for exemplary focus on innovation and technology adoption; Received recognition and appreciation from clients such as RVNL and CORE for our continued focus on execution excellence, safety and quality

Civil

Building the India of Tomorrow

High-rise residential towers at Pune, Maharashtra

Our Civil business focusses on EPC for industrial factories & process plants, residential buildings, public spaces, water pipelines & water treatment plants, defence, data centres and warehouses. One of our key growth drivers this year, the business has added over 20 new projects and 10 new clients in FY22 and is currently delivering world-class construction for over 40 projects across sectors.



In line with our growth plan, the Civil business has achieved a revenue of ~₹ 1,900 crore, a remarkable growth of ~75% compared to last year. The business has also delivered its highest ever order intake of over ₹ 5,800 crore across sectors, paving the way for significant revenue visibility in FY23.

The business continued its diversification journey and secured breakthrough orders in the growing public spaces segment for the construction of an airport and a High Court building. Post foraying into the water pipeline segment last year, the business reinforced its presence in this segment with four new orders as part of Government of India's Jal Jeevan Mission.

As a preferred contractor in the industrial sector, we have widened our client base with orders from new clients in the chemicals, minerals & mining and FMCG segments. Demonstrating execution excellence, we have delivered several complex structures in the cement and flue-gas desulfurisation (FGD) segments during the year, including a 126-metre preheater, 120-metre chimney, and an 82-metre blending silo, all of which required strict adherence to safety regulations and maintaining a fast construction cycle.

In the residential segment, we are currently delivering world-class construction for several high-rise projects comprising 23 towers for prestigious clients in Mumbai, Bangalore, Pune, and Goa. We have also expanded our footprint in the strategic Defence civil and data centres, and are now executing six projects across these segments, including two data centres.

During the year, we have embarked on a Civil Execution Excellence programme with a global consultant. The business transformation programme is aimed towards strengthening our engineering capabilities and processes and building deep execution capabilities for consistently delivering projects ahead of schedule.

We are also constantly setting ourselves apart from the competition by integrating leading mechanisation and digitalisation technologies in our processes to deliver excellence to our clients. Our dedicated efforts towards implementing robust quality and EHS standards across projects has earned us numerous awards and appreciation from our clients and the industry.

Flue-Gas Desulfurisation project, at Dhanbad, Jharkhand

Water intake well

FY 2021-22 Highlights

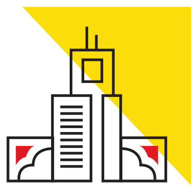
- All-time high order intake of over ₹ 5,800 crore, with a well-diversified project portfolio
- Forayed into the public spaces segment, with maiden orders to construct an airport and a High Court complex
- Expanded client portfolio in industrial sector with new orders in chemicals, minerals & mining and FMCG segments
- Executed/executing close to 10 Cement Silos and Preheaters during the year, taking the total number of Silos, Preheaters and other critical structures to 35 till date
- Building six water transmission and distribution pipeline projects as part of Government of India's Jal Jeevan Mission, comprising 1,700+ km of water pipelines, 330+ elevated storage reservoirs and nine water treatment plants to touch lives of ~3.4 lakh households across rural India
- Delivered 11 high rise residential towers in Bangalore and Pune
- Achieved 30 million+ safe person hours across projects
- Received several notable accolades including three awards by National Safety Council, India (NSCI) and three Construction HSE awards at 13th CIDC Vishwakarma Awards for various projects, in addition to a platinum award at CII National 3M Competition, for excellence in execution, quality and EHS

Urban Infrastructure

Driving Urban Mobility


Delhi-Meerut Regional Rapid Transit System (RRTS) project

Our Urban Infrastructure business focusses on EPC for viaducts, stations, track works and electrification & power supply systems for Metro Rail and Regional Rapid Transit System (RRTS) segments, across our Railway and Civil businesses. In line with our strategy to expand into adjacencies, we are currently executing 15 projects with a combined project value of ₹ 5,500 crore.



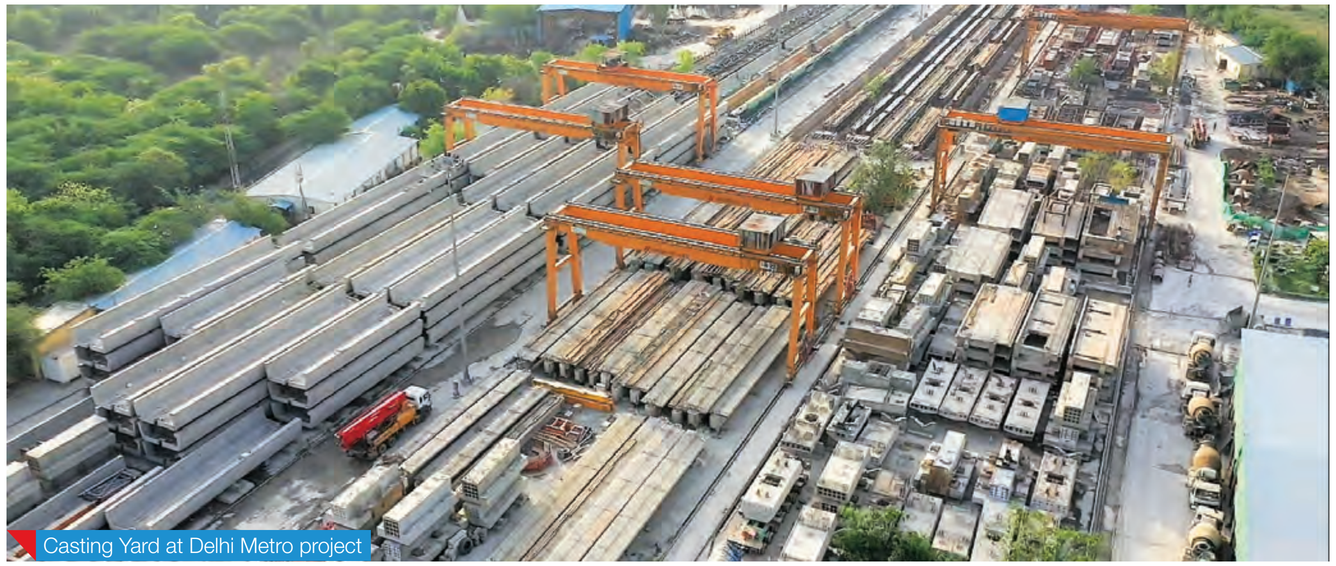
We are now constructing viaducts and stations for seven Metro and RRTS projects, which include two projects each for Delhi Metro Rail Corporation, Kochi Metro Rail Corporation and Chennai Metro Rail Limited, one for National Capital Region Transport Corporation to construct a section of the Delhi-Meerut RRTS. We are building over 55 km of elevated viaducts, crossing over metro lines, railway lines, flyovers, and rivers, in addition to 43 stations in high density urban areas. We have established seven well-equipped casting yards and have developed superior expertise in erecting heavy precast superstructures using sophisticated equipment such as launching girders and high-capacity cranes.

We have further strengthened our Urban Infrastructure portfolio with a significant order to build a depot cum workshop for Bhopal Metro secured during the year, in addition to the existing Duhai depot cum workshop being executed as a part of the RRTS project. Furthermore, we have built significant capabilities to deliver a range of projects in the technology-enabled areas of Urban Infrastructure. We are now executing several projects for reputed Metro clients in the areas of power supply systems, electrification – OHE as well as Third Rail, and track laying works.

In a significant achievement, post handing over a section of Kochi Metro viaduct as per schedule, Kochi Metro Rail Corporation successfully completed the trial run from Petta to SN Junction stations. The section is KEC's first elevated viaduct in operation, for which the Company has also executed ballastless track works within scheduled timelines. We are also building New Delhi's first double decker viaduct for Delhi Metro Rail Corporation, which involves construction of a viaduct over a flyover, resulting into a 1.4 km long integrated elevated viaduct. As part of the project, we are also constructing a 560-metre-long Balanced Cantilever bridge over Yamuna riverbed.

We continue to leverage advanced digital technologies such as BIM, including 4D and 5D to design and monitor projects, drones for topographical surveys and tracking real-time project progress and Ground Penetrating Radar (GPR) for utility detection, in addition to digital project management platforms and smart wearables. These have enabled us to achieve faster and superior project execution, in line with our objective of delivering projects before or on time.

Our focus on execution excellence and strict adherence to the highest safety and quality standards have significantly enhanced customer satisfaction levels, which is reflected from several awards and appreciation earned from clients. With a well-diversified order book and continued thrust on delivering excellence in the segment, the business is well-poised to deliver growth.


Casting Yard at Delhi Metro project


SN Junction Station, Kochi Metro project, Kerala

FY 2021-22 Highlights

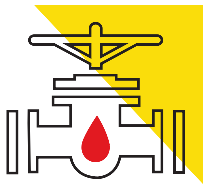
- Secured new orders to construct Metro viaduct and stations for Chennai Metro and depot cum workshop for Bhopal Metro
- Successful trial run of KEC's first elevated viaduct conducted by Kochi Metro, for which the Company had also executed ballastless track works
- Constructing complex structures such as a 1.4 km double decker viaduct and a Balanced Cantilever bridge over River Yamuna for Delhi Metro
- Demonstrated execution excellence in the Delhi-Meerut RRTS project by completing the installation of a 73-metre, 850-tonne steel arch over four railway tracks; Project to be commissioned shortly
- Expanded presence in technology-enabled areas of Metro Electrification – OHE & Third Rail, Power supply systems, and Ballast-less track works
- Achieved 8 million+ safe person hours across projects
- Awarded 'Suraksha Puraskar' for Delhi Metro and Certification of Appreciation for Kochi Metro by National Safety Council, India (NSCI) for excellent safety practices adopted at our project sites, in addition to two Construction HSE and a Corona Warrior award at 13th CIDC Vishwakarma Awards

Oil & Gas Pipelines

Energising Fast-Track Growth

Tundla - Gawaria Pipeline project, Uttar Pradesh

Our Oil & Gas Pipelines business focusses on the construction of Oil & Gas cross-country pipelines in India as well as in international markets. In order to accelerate the growth of the business, we acquired 100% equity in Spur Infrastructure Private Limited, an Indian EPC company engaged in setting up of cross-country oil & gas pipelines.



The acquisition of KEC Spur Infrastructure Private Limited (name change post acquisition) is in line with our vision to strategically expand our business portfolio into adjacencies and create valuable synergies to scale up the Oil & Gas Pipelines business. Our proven project management capabilities, extensive experience of executing cross-country linear projects, expertise in managing Right of Way (RoW) and global market outreach, coupled with KEC Spur Infrastructure's profitable track record, technical knowhow, experienced manpower and relevant pre-qualifications significantly enables us to capture the lucrative growth opportunities in the oil and gas cross-country pipelines EPC sector.

In our quest to achieve excellence, we have laid special emphasis to integrate KEC Spur Infrastructure with KEC's policies and processes during the year, which is helping us leverage synergies between the teams for faster growth. We are focussing on implementing best practices in project management, building efficient supply chain, and enhancing EHS and quality practices across all our projects.

The business is presently executing over 20 projects for marquee customers such as Indian Oil Corporation Ltd. (IOCL), Gas Authority of India Ltd. (GAIL), IHB Ltd., Indraprastha Gas Ltd. (IGL) and Bharat Gas Resource Ltd. (BGRL), including the Tundla-Gawaria pipeline project, KGPL pipeline project, Sultanpur-Jhajjar-Hissar pipeline project and BGRL projects for Ahmednagar & Sangli gas authorities. The business is also exploring strategic partnerships with established players in international markets.

FY 2021-22 Highlights

- Delivered revenue of over ₹ 180 crore in its second year of operations
- Secured significant orders of over ₹ 300 crore post acquisition of KEC Spur Infrastructure from PSUs such as IOCL and GAIL, and a large order for laying slurry pipelines for a reputed steel major
- Robust and diversified order book of over ₹ 800 crore comprising government and private players
- Successfully ensured seamless transition and integration of KEC Spur Infrastructure and KEC's Oil & Gas Pipelines business
- Special emphasis on fast-track execution to improve pre-qualifications, enabling us to participate in tenders across Indian and overseas markets

Kandla (Gujarat) - Gorakhpur (Uttar Pradesh) LPG Pipeline project

Cables

Gaining Momentum

Cables Manufacturing Facility at Vadodara, Gujarat

With over six decades of rich experience, KEC Asian Cables offers an extensive range of cables and HT & EHV turnkey cabling solutions across 90 countries. Synonymous with superior quality and reliability, we specialise in manufacturing power cables, control & instrumentation cables, railway contact, catenary conductors, signalling & quad cables, telecom cables & special cables for wide range of applications. We continue to diversify our portfolio by adding new products to tap into the growing cables market globally.

The Cables business delivered a quantum leap in revenue during the year and achieved a growth of 44% along with significant improvement in profitability, on the back of higher sales in Power cables and Railway cables segment and increased efficiency in manufacturing and procurement.

The business' focussed efforts to diversify its client base yielded positive results, as it successfully executed prestigious projects for major Metro Rail applications and tunnel electrification & ventilation projects, in addition to partnering with premier EPC companies and bespoke industries for projects in sectors such as Steel, Oil & Gas, Cement and Tyres. The business was also successful in securing robust orders for railway products from internal as well as external clients. Additionally, the business is increasing penetration in the EHV segment through several prestigious orders, including an order for supplying 220 kV EHV cables for a data centre being developed by a multinational conglomerate.

The Cables business continued its thrust on new product development at the two state-of-the-art manufacturing units at Vadodara and Mysuru, both located in India. In line with our focus on developing new products for the Railway segment and strengthening backward integration, the business has commercialised a wide range of cables, which include new varieties of contact wires, catenary conductors, feeder, jumper, and dropper wires, railway OFC cables, and Quad cables for Railway applications. Demonstrating our manufacturing competencies in HV Power cables and Telecom cables, we have also successfully commercialised Hybrid cables for a large private utility during the year. We have also received approval for manufacturing LV & MV multicore mining cables and signalling power cables during the year and are on track to develop and commercialise more products for domestic and exports market in FY23.

The business continues to be a strategic partner for the Company's other SBUs to cater to captive demand. This approach is significantly helping us to improve the performance of the Cables business and at the same time, enhancing competitiveness of our other business segments such as Railways Overhead electrification, Urban Infra Power supply systems and electrification, Solar, Substation and Underground Cabling.

The business continues to lay special emphasis on improving its portfolio mix of cabling projects, especially in the EHV and HT segment. The need for enhanced reliability in power supply, especially in severe weather conditions and cyclone-prone areas and focus on building modern and smarter cities is driving the demand for underground power cabling. The Company offers unparalleled expertise to manage and deliver such projects.

FY 2021-22 Highlights

- Delivered highest ever revenue and profitability; Achieved revenue of ₹ 1,524 crore; a robust growth of ~44% and significant improvement in profitability
- Achieved 100% growth in Railway cable orders during the year
- Delivered a growth of 45% in LT cable segment as compared to last year
- Strategic enabler for KEC's other businesses; ~40% of captive consumption contributed by Railway and T&D businesses
- Exported cables and cabling solutions to 35 countries across the globe, including 7 new countries; 40% of export business was contributed by new customers
- In-house R&D centres in Vadodara & Mysuru manufacturing facility received recognition from Department of Scientific & Industrial Research (DSIR), Ministry of Science & Technology, Government of India
- Vadodara manufacturing facility presented with an award in Engineering category at the India Manufacturing Excellence Awards 2021, recognising our superior manufacturing capabilities

110 kV Underground Cabling project for Al Woaslia Substation, Saudi Arabia

Product Portfolio

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

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

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

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

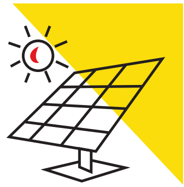
SPECIAL CABLES
- Solar Cables
- CPR Compliant FR Cables
- 110°C FR Cables
- Lead Sheathed LT Power and Instrumentation Cables
- Nylon Sheathed Termite Resistant Cables
- Hybrid Cables
- Mining Cables

Solar

Enabling a Green Future


20 MW Solar Carport project, Haryana

Our Solar business offers integrated EPC solutions for power generation and evacuation across large-scale ground-mounted and rooftop solar projects. KEC is one of the few companies with capabilities to execute large-scale projects of up to 150 MWp, including Single Axis Tracker technology and unique solar projects such as carports.



The Company has a unique edge to provide comprehensive construction and evacuation solutions for the solar sector based on its rich expertise in delivering challenging transmission lines, substations and underground cabling projects across geographies and strong relationships with utilities. Our in-house capacities for supplying module mounting structures and special solar cables, together with a firm focus on accelerated project execution enable us to create value for our esteemed clients.

As part of our diversification strategy, we continue to explore select EPC opportunities in the domestic market and with international developers in MENA, Latin America, and South East Asian markets.

FY 2021-22 Highlights

- Delivered projects aggregating to over 33 MW during the year, including one of Asia's largest solar carport project for a reputed automobile manufacturer and four rooftop solar projects for an automobile ancillary company
- Successfully completed four Operations & Maintenance contracts, exceeding performance guarantees
- Strengthened partnership with various developers in the domestic and international arena

Smart Infra

Digitalising Infrastructure


Command and Control Centre at Aurangabad Smart City, Maharashtra

Our Smart Infra business plays the role of a Master System Integrator and works closely with Central and State Governments, Urban Local Bodies and Utility Departments for creating Digital Infrastructure in the areas of Smart Cities, City Safety, Communication, Mobility, and Smart Utility.

In a short span of time, the business has grown to become a trusted provider of Digital Infrastructure solutions for urban India through intelligent and innovative technology offerings, customised for Indian conditions and city-specific needs.

With Government of India's continued focus on establishing and expanding core ICT infrastructure as part of the Digital India Mission along with the development of 100 smart cities, the business is well-poised to cater to the technology-driven solutions to enhance digital infrastructure for the citizens of India.

FY 2021-22 Highlights

- Strengthened our portfolio by securing an order to deploy smart city components for three smart cities in Punjab
- Commissioned Bidkin Smart City and Aurangabad Smart City projects, which include Command Control Centres, an Operations Control Centre, 700+ surveillance cameras and several IoT applications components
- Implemented Integrated Perimeter Security Systems across six air base stations in India

Delivering Outperformance

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

01 400 kV Suwayhat - Duqm - Mahout Transmission Lines, Oman

Scope

- Design, supply, and installation of two 400 kV overhead transmission lines to connect Suwayhat Grid Station (GS) to Duqm GS, and Duqm GS to Mahout GS, for Oman Electricity Transmission Company (OETC)
- A critical nation-building project for the rapidly growing port city of Duqm and neighbouring cities

Challenges

Spanning 348 km, this is one of the longest Transmission Line projects being implemented in Oman. A significant portion of the project's corridor is located in hilly terrain with hard rock surface profile, which led to several execution challenges for the team. Being a fast-developing region, the city of Duqm has several ongoing projects being executed simultaneously, owing to which mobilisation of local manpower is a major concern. Additionally, Oman had implemented a travel ban, which impacted deployment of resources, from April to September 2021.

Outperformance

To overcome the execution challenges arising due to the rocky surface, KEC is implementing pile foundation in this project as against open foundation; the first project in Oman to adopt this approach. In view of the shortage of manpower, the team is mobilising resources from neighbouring areas to ensure smooth project progress. The team is also maintaining the highest of safety standards, in line with OETC's stringent safety procedures towards deployment of manpower and machineries, and is maintaining zero LTI consistently.

Project Status

Expected Completion: Q4 FY23

02

225 kV Transmission Lines and Substations for OMVG Interconnection Project, Senegal

Scope

- Design, engineering, supply, and installation of four 225 kV transmission lines - Kaolack - Birkalane, Birkalane - Tambacounda, Birkalane - Soma and Soma - Tanaff, and four 225 kV substations – Kaolack (expansion), Tambacounda, Tanaff and Kedougou, including installation of transformers, reactors, and other electrical equipment, and associated civil works, for OMVG, in Senegal
- Part of the OMVG Interconnection Project, spread across four countries - Senegal, Guinea, Guinea Bissau & The Gambia, being executed to strengthen national grids to ensure affordable and reliable power for industrial development and rural electrification

Challenges

KEC is constructing 430+ km of transmission lines through terrains with sandy soil, hard laterite strata and marshy land, combined with river crossing, forest area and cashew plantations. Carrying out construction activities on varied terrains, in addition to availability of limited skilled manpower posed significant execution challenges. The construction of substations involved transportation and installation of large aluminium Bus Bar tubes spanning 18 metres. Absence of sufficient as-built data of the existing Kaolack substation, changes in design, limited availability of local resources and equipment, and non-availability of equipment manufacturer's onsite support team owing to COVID-19 travel restrictions compounded execution challenges for the team.

Outperformance

The project team conducted a detailed survey using digital technologies such as LiDAR to analyse the terrain and ascertain alternative routes for certain portions of the transmission lines. The team also leveraged the Company's engineering and design proficiencies and developed special towers to overcome Right of Way issues, which ensured minimum damage to cashew plantations, and eased tower erection in marshy land and on the riverbed. Before proceeding with the construction of Kaolack substation, the team put in added efforts and captured as-built data from the existing substation, created designs for the substation extension scope and integrated it with the existing setup. In order to fast-track construction, KEC deployed multiple teams on ground to carry out simultaneous works. The project team also established a remote onsite support system with equipment manufacturer's engineers to ensure smooth installation and project execution. Notwithstanding the challenges, KEC's efficient project management and execution capabilities ensured delivery of the Kaolack and Tambacounda substation well ahead of other contractors. These substations were amongst the first ones to be energised on the OMVG grid, earning us appreciation from the client as well as funding agency.

Project Status

Project completed in Q3 FY22

03

765/400 kV GIS Pooling Station, North Chennai, Tamil Nadu

Scope

- Design, engineering, supply and installation of 765/400 kV GIS Pooling Station, including 33 substation bays and associated electrical components, automation systems, and civil works in North Chennai, for TANTRANSCO
- First 765 kV Gas Insulated Substation of TANTRANSCO; part of the Chennai-Kanyakumari Industrial Corridor Project

Challenges

The project site was spread across a huge area of over 60 acres, which required manpower in large numbers to execute and supervise each activity. The large size of the substation building – 18 metres tall and 164 metres in length – required special equipment to lift materials and elaborate safety measures to carry out work-at-height tasks. Furthermore, the project involved ground levelling using fly ash, which turned slushy in wet conditions and emitted dust in dry conditions, posing numerous challenges for the project team.

Outperformance

For a project of this stature and complexity, ensuring maximum safety of our workforce was of paramount importance to the team. All site personnel were provided high-grade safety glasses, face masks and PPE kits to minimise their exposure to fly ash. A separate approach road was constructed for safe movement of vehicles, staff, and machinery transportation. Mechanisation played a key role to ensure efficient and safe construction. Sophisticated machinery such as 360-degree 25MT Swing Crane and 16-metre Extendable Boom Lift were deployed to accelerate construction. Additionally, the project team conducted special training for work-at-height tasks and engaged Safety Marshalls to ensure highest levels of quality compliance and EHS standards, which was appreciated by the client.

Project Status

Expected Completion: Q1 FY23

04

765 kV and 400 kV Transmission Lines for Khargone Transmission Limited

Scope

- **Engineering, procurement and construction of 765 kV Khandwa - Indore, 765 kV Khandwa - Dhule, 400 kV Khandwa - Dhule and 400 kV LILO Khandwa - Rajgarh transmission lines associated with Khargone Transmission Limited, for a private player**
- **765 kV Khandwa - Dhule Transmission Line is part of Western Region Strengthening Scheme**

Challenges

The 313 km transmission line route passed through hilly and forest areas of Madhya Pradesh and Maharashtra, and involved crossing of over 40 railway lines, roads, and rivers, leading to several execution challenges, especially for stringing works. The 765 kV Khandwa - Dhule line faced severe Right of Way (RoW) constraints as the originally planned route passed through the construction area of a proposed dam in Maharashtra. While the line was rerouted, 12 towers were still needed to be erected in the water catchment area of the dam, which led to significant engineering and execution related complexities. Extremely hot climate, with temperatures around 45° Celsius between March to July also posed challenges in execution.

Outperformance

To minimise exposure of the transmission tower to water in submerged area, KEC developed a unique engineering solution to raise the height of tower base. The project team undertook meticulous planning to construct these towers with utmost care taken towards ensuring safety and quality through advanced scaffolding structures and focussed trainings for workers and engineers. Sophisticated mechanisation tools, including 50T and 100T Boom Pressure crane and Gin Poles, were deployed for tower erection works.

Project Status

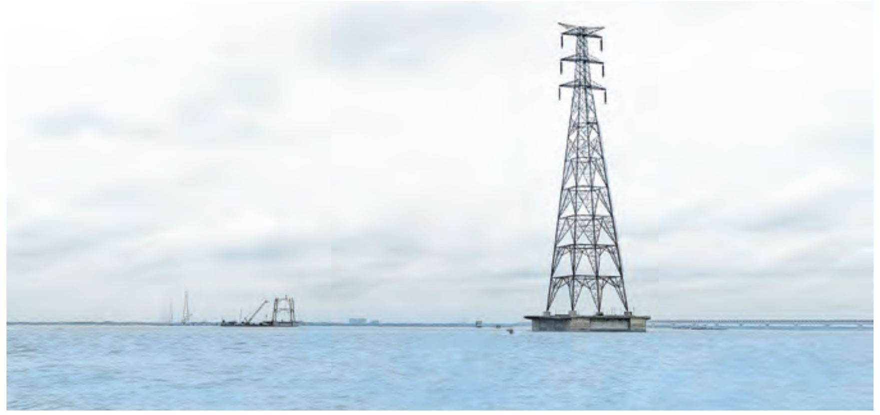
Project completed in December 2021

05

400 kV Padma River Crossing Transmission Line, Bangladesh

Scope

- **Design, supply, and installation of Padma River Crossing portion of 400 kV Aminbazar-Maowa-Mongla Transmission Line for Power Grid Company of Bangladesh (PGCB)**



Challenges

With a route length spanning 7.5 km across the mighty Padma River, this major crossing portion of the 400 kV Aminbazar-Maowa-Mongla Transmission Line is a vital link to evacuate power from Payra and Rampal power plants for power supply to Dhaka. One of the biggest challenges involves the erection of 11 tower structures with an average height of 122 metres and weighing 250 MTs each. Additionally, stringing of long spans in strong water currents is also a significant challenge and requires thorough planning and execution expertise.

Outperformance

With extensive experience of constructing specialised transmission lines across raging rivers, including the erection of the tallest transmission towers in Bangladesh as part of the 400 kV Ashuganj-Bhulta River Crossing project, KEC is well-placed to deliver execution excellence in the Padma River Crossing Project. The project team is deploying highly innovative techniques to erect the massive tower structures. For stringing, the team is using special conductors, which are ideal for long tower spans.

Project Status

Expected Completion: Q3 FY23

06

Construction of 3rd railway line between Mathura, Uttar Pradesh & Dholpur, Rajasthan

Scope

- **Track laying, roadbed, stations, bridges, overhead electrification, signalling and telecommunication works from Mathura in Uttar Pradesh to Dholpur in Rajasthan, for RVNL**
- **Part of Delhi-Chennai Railway route, one of the busiest routes with ~160 trains passing through the section daily**

Challenges

Due to heavy rail traffic, it was a challenge for the project team to obtain rail traffic block permissions from authorities to execute deep excavation works near tracks, especially for bridges, and to erect main Foot Over Bridge (FOB) girders at stations. The project also involved construction of an underpass under the National Highway using the advanced 'box pushing' technology, which could be done only by blocking one complete lane of the highway, requiring special permissions from NHAI, Indian Railways and local administrative authority. Furthermore, operational signalling & telecommunication and other underground cables restricted earth cutting works at several areas, creating additional execution challenges. Owing to deterioration in air quality in Delhi NCR region in November and December every year, pollution control authorities prohibited the use of crusher plant, which impacted supply of construction materials such as aggregate, blanket and ballast.

Outperformance

In absence of adequate rail traffic blocks, the project team implemented mechanised techniques alongside the existing tracks to execute three major bridges and ensure the safety of running trains. The team deployed two high capacity cranes at stations for the erection of the FOB girders, while adhering to stringent safety requirements. For the critical box pushing technique, the team demonstrated exemplary engineering and project management proficiencies to protect the Railway structures, in addition to making necessary arrangements to divert and regulate highway traffic. The team undertook manual earth cutting under close supervision of railway representatives to protect underground cables and ensure smooth functioning of existing railway lines. Despite the challenges, the team successfully commissioned the 43 RKM Dholpur - Bhandai section, one of the longest track length commissioning for a Third Line project in India, within the committed timelines and with high standards of safety & quality, earning us appreciation from the client.

Project Status

Expected Completion: Q3 FY23

07 Construction of Doubling line for Dhamra Port connectivity, Odisha

Scope

- Track linking, major and minor bridges, buildings, yards, overhead electrification, signalling and telecommunication works from Manthai river to Bhatatira in Dhamra, Odisha, for a private client
- The project marked KEC's entry into the port connectivity segment

Challenges

The project requires ground strengthening before the railway track can be laid. Black cotton soil and poor soil pressure across the construction area is leading to significant challenges in ground improvement, OHE foundations and building of culverts, especially during rainy season. Being on the coastal belt, the team is facing adverse climatic conditions such as prolonged monsoon, frequent floods, and cyclones, which is hampering work progress. Additionally, several sections of the project involve high embankment, which is causing significant hurdles in the movement of railway structures, rails, and sleepers. OHE Mast erection on the bridge over Manthai river is also giving rise to execution challenges for the project team due to the bridge's narrow width.

Outperformance

In view of the weak soil strength, the project team implemented innovative ground improvement techniques in the entire stretch, which is ensuring timely execution on marshy land. With the main working window available only for six months, the team is undertaking meticulous planning and implementing comprehensive project management practices to overcome the problems being posed by adverse climatic conditions. Multiple project teams are deployed simultaneously for various sections to carry out concurrent works. Additionally, several mechanisation tools are deployed to increase productivity and expedite execution.

Project Status

Expected Completion: Q2 FY24

08 Delhi-Meerut Regional Rapid Transit System (RRTS)

Scope

- Construction of elevated viaduct from Sahibabad RRTS Station to Ghaziabad RRTS Station, including all special spans and the two aforementioned stations
- Part of the first ever RRTS being built in the country

Challenges

This challenging project involves the construction of an 8.5 km viaduct with two special spans, one over Railway lines and other over Red Line of Delhi Metro, alongside complex crossings across Hindon river and over & under multiple flyovers. The large size of the stations, located in congested areas, along with hybrid construction sequences comprising of precast and cast-in-situ technologies further increased execution challenges. The project was also impacted by the NGT construction ban in FY21 and impact of COVID-19 in the last two years, leading to non-availability of skilled labour and restrictions in movement of crucial materials to project sites on several occasions. It thus became critical for KEC to significantly accelerate construction and complete major works ahead of schedule.

Outperformance

The project team significantly scaled up project management and execution capabilities to recoup the lost time and expedite execution, with special emphasis on planning, coordination, and timely resource mobilisation. Construction work sequences at many critical viaduct locations and stations were modified to expedite the progress. The team increased pre-cast production by adding new capacity and enhancing utilisation of existing capacity. Additional resources such as launching girders, cranes, gantries, and manpower were also engaged to open multiple fronts and accelerate execution. Heavy duty equipment such as Tandem Lifting cranes of greater than 300T capacities and specially designed lifting tackles were deployed to erect the station precast structures. To reduce the impact of the pandemic, comprehensive protocols were defined at the project sites to create a safe environment, including regular testing of the workforce, and achieving 100% vaccination of the entire staff. The team has demonstrated execution excellence by installing mammoth structures with complete proficiency, such as a 73-metre, 850-tonne steel arch over four operational railway tracks and erection of eight spans of Precast Box Girders over Hindon River, each having a span length of 25m. Around 85% of the project now stands complete. We have handed over 7.5 km of viaduct to the client within schedule, for track laying and signalling & telecommunication works.

Project Status

Expected Completion: Q2 FY23

09

Ballastless Track works for Kochi Metro Rail project, Kerala

Scope

- Supply, installation, and commissioning of ballastless track works from Petta station to Tripunithura station, as part of Phase 1 extension of Kochi Metro Rail Project
- The project marked KEC's entry into the technology-intensive area of Urban Infrastructure. KEC's Civil team has executed elevated viaduct, stations, and a two-lane river over bridge across Panamkutty River as part of this project

Challenges

The project involved several specialised machines and tools to be procured from different vendors, with some of the equipment having a long delivery schedule, leading to long lead time between project award to start-up. The rail transportation from Bangalore depot to the Kochi Metro project site also took a long time as the scope got changed during the course of the project. Furthermore, as rails tend to expand during the day due to high temperatures, the project team had to cast plinths only at night, increasing execution challenges. In addition, the project route passes through densely populated residential areas and narrow roads, owing to which the team was not able to leverage mechanisation equipment to their maximum level of productivity. Adverse climatic conditions like frequent, incessant rainfall and cyclones during the working season also affected smooth progress of the project.

Outperformance

As a majority of plinth-related works were required to be carried out at night, the project team re-planned the schedule for round-the-clock execution, leading to timely completion of the work as per client satisfaction. KEC also made special logistical arrangements to transport 18m rails weighing over 500 MTs to the project site. After close coordination with project consultant and Kochi Metro Rail authorities, we were successful in deploying sophisticated cranes and boom placers across the project and optimise their utilisation to achieve maximum productivity. We have completed the first phase of the project, for which the client has successfully conducted a trial run in February 2022.

Project Status

Expected Completion: Q3 FY24

10

Cement Manufacturing plant at Dhar, Madhya Pradesh

Scope

- Civil works for construction of an integrated 7500 TPD brownfield cement plant, including preheater, silos, clinker cooler, boiler, coal stacker & reclaimer, kiln substation, and associated structures

Challenges

The integrated cement plant presented significant challenges for the team owing to the towering critical structures such as the 140+ metre preheater and 80+ metre blending silo. This required strict adherence to safety regulations while maintaining a faster construction cycle. Being a brownfield project, the site was located adjacent to a functional manufacturing plant, causing restrictions in smooth movement of manpower, machinery, and material. The project's peak execution period fell during the second and third wave of COVID-19, which significantly impacted its progress due to reduced manpower availability amongst other hurdles. Additionally, the remote location of the project site and extreme temperatures during summer further compounded execution challenges.

Outperformance

The project team deployed advanced mechanisation equipment, including high-performance tower cranes, to expedite construction of tall structures such as preheater and blending silo. A comprehensive strategy was implemented to recoup the time lost due to COVID-19 and enhance the construction cycle, which included installation of additional formwork sets, mobilisation of manpower from nearby states and organising special training in consultation with the client for seamless induction of workmen at site. A separate logistics corridor was also created to minimise interference with the functional area of the running plant and expedite day-to-day progress. The team completed construction of the preheater within 12 months, demonstrating superior project management capabilities. Since a significant portion of the execution involved working at height, we undertook elaborate safety measures including vertical and horizontal fall protection systems at all major structures to achieve the highest safety and quality standards, earning us appreciation from the client, in addition to an award at the CIDC Vishwakarma Awards 2022 for excellence in EHS practices.

Project Status

Expected Completion: Q1 FY23

11 High-rise residential towers in Bangalore, Karnataka

Scope

- Core and shell work for five high-rise residential buildings with a total built-up area of 8 lakh square feet, for a renowned real estate developer

Challenges

The team faced significant challenges in the early phase of the project towards establishing the site, managing Right of Way (RoW) issues due to interference by local people and obtaining certain external approvals. The project commenced during the peak pandemic period amidst partial lockdown conditions and restriction in railway transportation, which hampered mobilisation of labour and resources such as machinery and raw materials. Strict adherence to COVID-19 rules post lockdown relaxation, which included labour testing and quarantine protocols, restricted working hours and strict social distancing norms also impacted the project's progress. The project also faced difficulties in labour retention during the pandemic's second wave, in addition to increased labour costs.

Outperformance

The team put in substantial efforts towards mobilising and retaining the required labour strength throughout the project. We arranged special transportation for the workforce to ease their commute to the project site and set up a well-established labour camp with facilities such as quarantine room, grocery shop, recreation area, etc. to create a lively and safe working environment. Thorough execution planning and deployment of mechanisation solutions such as tower cranes, aluminium formwork and boom placers further helped us accelerate construction and consistently maintain an average floor slab cycle time of 7 days. Comprehensive focus on health and safety of our workforce enabled the team to deliver close to two million safe person-hours without any LTI. As a testament to our professional project management capabilities and superior quality execution, we were able to secure several repeat orders from the client.

Project Status

Expected Completion: Q1 FY23

12 Elevated Metro Rail Project in Chennai, Tamil Nadu

Scope

- Construction of elevated viaduct spanning 19.5 km, 19 elevated stations, and associated works, as part of C4 and C5 phases of Chennai Metro Rail project, for Chennai Metro Rail Corporation Limited

Challenges

The project's alignment is along very busy, highly congested roads of the city amidst commercial and residential areas. Presence of a significant number of charted and uncharted utilities, both above and below the ground needs shifting, for which close coordination and liaison with relevant authorities is required to secure necessary permissions. The narrow width of the roads allows execution in a very restrictive manner, making it difficult to manoeuvre large, heavy cranes and require superior expertise and adoption of stringent safety practices. Furthermore, availability of free work fronts is a significant challenge as the existing infrastructure needs to be shifted in the congested pathway, which could lead to increase in time cycle, disconnected operations as well as risk to men and machines.

Outperformance

The project team has taken up the diversion of utilities on the route on a priority basis, in close coordination with local officials. We have deployed modern survey technologies and working closely with various government bodies to detect utilities in advance, enabling us to expedite excavation and piling related activities. We have set up a separate team, which is well-versed with the local language, culture, and processes, to actively work with agencies for securing necessary permissions for shifting of utilities, diversion of traffic and resolving local issues. The project team is undertaking meticulous pre-construction planning and a daily work plan with detailed logistics is being shared with all stakeholders in advance to enhance synchronisation of all activities and enable accelerated execution. To carry out piling and U-girder erection work in restricted spaces, we are deploying advanced piling rigs and heavy-duty 360-Degree Swing Cranes, which are designed to work in congested areas. KEC is progressing well with the project and has commenced erection of pier caps and U-Girders much ahead of the agreed timelines.

Project Status

Expected Completion: Q1 FY25

13

Data Centre project in Hyderabad, Telangana

Scope

- Design, engineering, fabrication, supply, and erection of a data centre, with 30 MW electrical installation, HVAC chilled water network, control panels, substations, and associated accessories, in Hyderabad
- First data centre project for KEC under design and build mode

Challenges

This greenfield project is spread across an area of nine acres in a restricted corridor, making movement of manpower, raw materials, and machinery a challenging task, requiring meticulous planning for seamless logistics. The project witnessed design changes during the course of execution, creating delays in the project's smooth progress. During excavation, hard rocks were found in most parts of the site, which also compounded execution challenges in the initial phase of the project. The project team also faced volatility in prices of raw materials due to global and local challenges.

Outperformance

The project team successfully mobilised all the resources during the pandemic, with special focus on following stringent protocols. The project team created separate isolation rooms for the workforce, made special transport arrangements for the workforce and built temporary storage sheds for materials within the site to avoid unforeseen lead time and lockdown delays. A separate approach road was also made to enhance movement within the restricted area. Breaking of rocks were meticulously planned and executed on time with the use of heavy-duty hydraulic machines. The team engaged with various raw material vendors and finalised large value contracts for better economies of scale. Despite the challenges, the team has physically completed 90% of the project. Firm focus on implementing best practices in EHS and Quality has enabled the team to deliver over 16 million safe person-hours without any reportable incidents, which has been appreciated by the client. KEC has won more projects, based on our performance and credentials developed through this data centre.

Project Status

Expected Completion: Q2 FY23

14

Rural Piped Water Supply projects at Bheden and Barpali, Bargarh District, Odisha

Scope

- Engineering, procurement, and construction of water pipelines, intake well, water treatment plant, elevated storage reservoirs (ESR), and associated structures for Government of Odisha
- Part of the Central Government's Jal Jeevan Mission, the project will supply water to over 50,000 households, benefitting over 3.6 lakh people

Challenges

The project involves laying of 870 km of pipeline, construction of 53 ESRs at various locations and installing over 50,000 house service connections across 116 villages spread over a large area. Owing to the expanse of the project, correspondence with various Gram Panchayats and government organisations such as Public Works Department, Roads & Building Department, State Water Resource Department etc. is a critical priority. Right of Way (RoW) management was important as clear water main pipeline passes through agricultural fields and crosses national / state highways. Additionally, the project team needs to meticulously plan excavation work for laying distribution pipeline, especially alongside domestic households, as water supply needs to be stopped to lay pipelines and provide house service connections. Furthermore, Odisha experiences severe heat waves in summer and heavy rainfall during monsoon, which leads to flooding in Mahanadi River and intake well locations, thus increasing the execution challenges.

Outperformance

The project team appointed a dedicated representative to liaison with government organisations and maintain up-to-date documentation to work on various approvals and accelerate project progress. KEC brought in its expertise of delivering cross-country linear projects and managing Right of Way issues by deploying multiple teams to facilitate simultaneous execution of work across various locations. The Company has also strengthened its engineering capabilities to fast-track approvals of critical structures. In the interest of providing uninterrupted water supply during the day, the team is executing pipe laying works in highly populated areas at night when water usage is less, causing minimum inconvenience to households. Additionally, work schedules are revised in summers to avoid extreme heat during the day and facilitate work at night. The team is also deploying technologies such as Horizontal Directional Drilling to avoid damage to roads and expedite laying of pipes over long stretches, in addition to using advanced lifting equipment for speeding up concreting works. KEC's focus on maintaining execution schedules, safety and quality has been well-appreciated by the client.

Project Status

Expected Completion: Q3 FY23

15

Tundla - Gawaria Oil & Gas Product Pipeline project, Uttar Pradesh

Scope

- Laying, testing, and commissioning of 16" Tundla - Gawaria product pipeline in Uttar Pradesh (UP), for Indian Oil Corporation Ltd.

Challenges

The 126 km product pipeline was slated to pass through politically sensitive areas and agricultural land, which gave rise to severe Right of Way (RoW) issues, leading to material transport and execution hurdles. The project corridor also included around three km of marshy area, which increased execution challenges, especially during monsoons. With strict timelines set by the client, it was critical for the team to execute this project as per schedule, especially amidst the pandemic.

Outperformance

Post acquiring Spur Infrastructure Pvt. Ltd., (name changed to KEC Spur Infrastructure Pvt. Ltd. post acquisition), KEC brought in its strong project management experience to optimise efficiency and accelerate execution, in order to deliver the project within the stipulated timelines. The team prepared a detailed plan of action to fast-track construction by deploying multiple crews simultaneously, with a rigorous focus on monitoring project progress. A dedicated team was deployed to strategically address the RoW issues, to avoid any conflicts with landowners during project execution. Deployment of advanced drilling technologies such as Horizontal Directional Drilling further helped improve productivity, reduce dependency on labour and save costs. KEC is progressing well to deliver the project as per the client's priorities and satisfaction.

Project Status

Expected Completion: Q1 FY23

Delivering Sustainable Growth

Our Green Portfolio

We create and develop businesses that promote overall sustainability by ensuring efficient use of natural resources and other forms of capital and creating meaningful impact to lives of people in the society.

Transmission & Distribution

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

Civil

- Providing clean water by building cross-country water pipelines
- Building energy-efficient factories and residential complexes
- Constructing environmentally conscious structures for municipal waste to energy conversion plants and Flue Gas Desulphurisation (FGD) units

Railways

- More efficient than road in terms of energy efficiency and land utilisation
- Electrification of Indian Railways to reduce consumption of fossil fuels, curb pollution and contribute significantly towards United Nation's Sustainable Development Goals (UNSDGs)
- Focussing on areas that aims to enhance safety of Indian Railways with world-class technology

Urban Infrastructure

- Most effective way of urban commuting, leading to improvement in quality of life
- Significantly eases traffic congestion, saves fuel and reduces pollution
- Use of precast/prefab construction techniques, which are environment-friendly and generate less carbon footprint

Solar

- Construction of large solar-based power generation plants, which have one of the lowest lifecycle emissions
- Innovative industrial solar solutions leading to reduced dependency on fossil fuels
- Optimisation of resources through innovative solutions such as single axis solar tracking systems

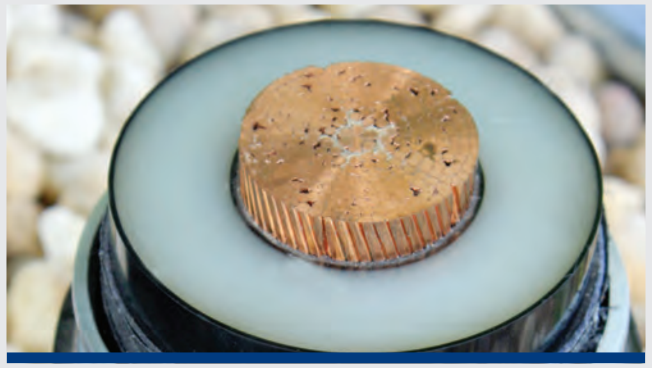
Oil & Gas Pipelines

- Energy-efficient and environment–friendly mode for transportation of gas, crude oil, and petroleum products
- Safe and cost-effective solution to replace the usage of tankers
- Promoting utilisation of gas-based clean energy
- Building iron ore slurry pipeline to reduce carbon footprint in transportation

Smart Infrastructure

- Developing Smart Cities to encourage efficient use of resources
- Solid waste management solutions for Swachh Bharat mission
- Providing City surveillance solutions to improve safety of citizens
- Installing Environmental sensors and monitoring systems to improve air quality

Cables



- Enhancing energy efficiency through reduction in transmission losses
- Improving land utilisation through Underground Cabling solutions
- Developing innovative cable designs to minimise usage of raw materials and reduce energy consumption

Brief Description of the Six IR Capitals

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

Financial Capital

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

Manufactured Capital

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

Intellectual Capital

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

Human Capital

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

Natural Capital

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

Social & Relationship Capital

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

Our Business Model

Enduring value through sustainable outperformance

INPUT CAPITALS FY22

Financial Capital
Total equity (INR Cr): **3,620**
Capital expenditure (INR Cr): **157**
Net Debt (INR Cr): **2,613**

Manufactured Capital
No. of Manufacturing Units: **8**
Global manufacturing capacity (Tower, Poles, Hardware, Structures for Railways & Solar) (MT): **4,22,200**
Project Sites: **290**
Safe Man Hours: **89,19,266**

Intellectual Capital
Expenditure on R&D (INR Cr): **31**
New Products Development (Cables): **8**
Engineering / Design Team: **302**
Patents Applied: **2**

Human Capital
No. of employees: **9,114**
Temporary/contractual employees: **31,137**
Employee Benefit expense (INR Cr): **1,259**
Average training (hours per employee per year): **29.1**
EHS trainings (man hours per employee per year): **25.0**
Diversity (Women Employees and People With Disability): **479**

Natural Capital
Raw Material Consumed (INR Cr): **6,091**
Renewable Energy Generation (kWh): **43,34,597**
Energy Consumed (Mwh): **88,098**
Water Consumed (kL): **2,39,397**

Social & Relationship Capital
CSR Spend (INR Cr): **10.6**
Employee Volunteers for CSR: **201**
Environment-related spend (INR Cr): **30.2**
Vendor base: **30,323**
Customer base: **5,134**

BUSINESS PORTFOLIO

OUR VISION

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

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

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

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

OUR VALUES

- Integrity
- Respect
- Openness
- Courage
- Passion

BUSINESS ACTIVITIES

Railways
Civil
Power Transmission & Distribution
Urban Infrastructure
Solar
Oil & Gas Pipelines
Cables
Smart Infra

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

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

OUTPUT CAPITALS FY22

Financial Capital
Revenue (INR Cr): **13,742**
Order Book (INR Cr): **23,716**
PAT (INR Cr): **332**
Interest (% to Revenue): **2.3%**

Manufactured Capital
Total Galvanised Steel Structures (Towers, Railway, Solar and Poles) (MT): **2,63,018**
Cables manufactured (km): **62,445**
Transmission Lines executed (km): **2,562**
Substation Bays built: **141**
Percentage of India's Railway Tracks electrified: **23**
Railway Tracks Commissioned (RKM): **131**

Intellectual Capital
Revenue from new/emerging businesses - Railways, Civil, Solar, Smart Infra, Oil & Gas Pipelines (INR Cr): **6,005**
Revenue from New Products (INR Cr): **418**
Savings from Design Improvements (INR Cr): **40**

Human Capital
Revenue per employee (INR Cr): **1.5**
Happiness Quotient (%): **80**
Staff with tenure more than 10 years: **1,534**
Lost Time Injury Frequency Rate (LTIFR): **0.26**
Occupational Disease Frequency Rate: **0**

Natural Capital
Reduction in steel consumption per km of EHV Transmission line (kg/ km): **1,250**
GHG Emission (Tonnes Carbon emission in total per annum): **34,558**
Energy Saved (kWh): **3,50,496**
Water Saved (kL): **23,770**
Water Reused (kL): **22,322**

Social & Relationship Capital
Total number of CSR beneficiaries: **3,27,918**
COVID-19 Response beneficiaries: **2,42,252**
Children educated : **3,002**
Teachers trained: **4,303**
Training for employability beneficiaries: **6,231**
Customer Satisfaction Rating (%): **88.5**

OUTCOMES

Financial & Non-financial Outperformance

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

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

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

Preservation and enhancement of natural capital

Socioeconomic development of local communities

Stakeholder Engagement and Materiality

KEC's approach towards sustainability

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

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

ESG & Sustainability Structure

The Company's ESG and sustainability policies and structure is driven under the supervision of the Board of Directors. The Board of Directors are responsible for ensuring the alignment and incorporation of ESG practices into the Company's long-term vision towards sustainability.

At the Board Committee level, the Sustainability and Corporate Social Responsibility Committee, which comprises of four independent directors, is responsible for recommending the Sustainability Policy, reviewing the performance on sustainability goals, targets & strategy, and providing guidance to achieve the same.

At the Corporate level, the Executive Committee (ExCom), which comprises of the Senior Management team, is responsible for overseeing the progress of ESG and sustainability agenda and ensuring implementation and adherence to the sustainability roadmap.

At the Business level, the Steering Committee, which comprises of business & functional heads and members drawn from corporate functions like investor relations, corporate secretarial, corporate strategy, and corporate communications, is responsible for driving and implementing the sustainability roadmap and initiatives.

KEC's Commitment to ESG

> "Value creation has been one of the core ethos of the Company, driving enhanced integration of Environmental, Social and Governance (ESG) factors in its business practices."

We had embarked on our ESG and Sustainability journey and published our maiden Integrated Annual Report in FY20. Last year, we undertook an exhaustive engagement to develop our strategic sustainability roadmap that enumerated our aspirations and action plan towards sustainable business transformation. This included an extensive stakeholder engagement and materiality analysis exercise that led to the identification and prioritisation of material topics as well as sustainability initiatives for the Company.

This year, we have taken great strides in deployment of several initiatives across ESG and Sustainability focus areas. Our progress on this front has been well appreciated, which is reflected in the improvement of our ESG Rating by S&P Global and our selection in the Top 50 Most Sustainable Companies in India by Business World.

Stakeholder Engagement & Materiality

We place great emphasis on being receptive to the expectations of our stakeholders, which allows us to continually recalibrate our approach on the most pertinent issues identified by our internal and external stakeholders. The key element in the process of materiality assessment and value addition through various capitals is Stakeholder Engagement. An elaborate and evolved process of stakeholder engagement has always been at the core of our operations and the effort is to strengthen this aspect as we go forward.

Ongoing communication with stakeholders enables us to keep ourselves abreast of the latest industry developments and incorporate the required changes in our materiality assessment model. We engage with a wide spectrum of stakeholders on a continual basis through a combination of several predetermined, structured, and need-based engagement mechanisms. A summary of the engagement mechanisms is provided below:

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

Materiality Assessment

As a rapidly progressing organisation, the material issues that surround KEC are highly dynamic, which requires the Company to constantly monitor and assess them in order to ensure its continued success. For KEC, materiality assessment is an approach that helps the Company in identifying significant economic, environmental, and social issues. The assessment helps us to better understand the sustainability landscape, which enables the Company to focus and act on the issues that are in the highest order of priority for the business. It is a dynamic process which continuously incorporates important topics, new challenges, stakeholder inputs and is compiled periodically.

The outcome of this materiality exercise is presented below:

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

Risks and Opportunities

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

The Company continues to adopt various measures to minimise the impact arising out of the global pandemic risk on the stakeholders as well as the business. Health and safety of the employees remain a key priority for us in times of the pandemic with Work from Home (WFH) policy institutionalised for all corporate offices and standard operating procedures set in place for employees working from our various project sites.

For more details on Risk Management, please refer 'Management Discussion & Analysis', page numbers 98 to 118 of this report.

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

Identified Risk	Capitals Impacted
Geopolitical Risks	Social and Relationship Capital; Financial Capital
Commodity Price Variations and Currency Fluctuations	Financial Capital
Execution Challenges	Manufactured Capital; Intellectual Capital; Financial Capital; Natural Capital; Social and Relationship Capital
Cyber Security Risk	Financial Capital; Intellectual Capital
Pandemic Risk	Human Capital; Social and Relationship Capital; Financial Capital
Demand Risk	Social and Relationship Capital; Manufactured Capital; Financial Capital
Succession Planning Risk	Human Capital; Financial Capital

Sustainability Roadmap 2026 - Performance

The concept of sustainability is engrained in the core ethos of our operations. Over the years, we have adopted various sustainable practices which have enabled us in delivering outperformance. Taking our commitment to the next level, we had embarked upon a sustainability journey which is in harmony with the evolving business landscape in India as well as our other global operations. This sustainability journey is guiding us to strengthen our commitment on focus areas that are timely and relevant for our operations as well as for our stakeholder groups.

Last year, as a part of our sustainability roadmap, we have set measurable targets after extensive consultations with all our stakeholder groups. A detailed materiality assessment and benchmarking exercise had been conducted before narrowing down to our sustainability focus areas.

Happiness Quotient

Target:
Increase Happiness Quotient to 85% by FY26

Status:
Happiness Quotient for FY22 is 80%, in line with FY21

Diversity & Inclusion

Target:
Increase in diversity by 25% by FY26

Status:
Diversity has increased by 4% YoY in FY22

Occupational Health & Safety

Target:
Work towards the goal of achieving Zero accidents

Status:
Lost Time Injury Frequency Rate (LTIFR) has reduced to 0.26 in FY22 vis-à-vis 0.68 in FY21, a reduction of 62% YoY

Corporate Social Responsibility

Target:
Reach 2 lakh CSR beneficiaries by FY26

Status:
CSR beneficiaries for FY22 are 3.3 lakh (includes COVID-19 response beneficiaries of 2.4 lakh)

Circularity

Target:
Zero waste to landfill by FY26 for manufacturing plants

Status:
Waste to landfill has reduced by 34% YoY in FY22

Water Positive Approach

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

Status:
Water consumption intensity has reduced by 16% YoY in FY22

Energy Consumption

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

Status:
Energy consumption intensity has reduced by 26% YoY in FY22

Carbon Emission

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

Status:
GHG emission intensity has reduced by 12% YoY in FY22

Sustainable Procurement

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

Status:
- Formulated a Sustainable Procurement Policy and shared with 250 major partners; Assessment process initiated
- Formulated Code of Conduct based on ESG criteria; Signed by 395 vendors

Financial Capital

Judicious use of financial capital is a key focus area for KEC. Our focused approach on diversification and de-risking, maintaining asset light model, prudent capital allocation, and commercial execution of projects have helped us navigate the challenging social, political and economic environment during the year. Our sustained business growth over the years, highlight the success of our diversification strategy where non-T&D business has increased from 13% in 2016 to 50% as on March 31, 2022, majorly contributed by growth in Railways, Civil and Cables businesses. Our entry into the Oil & Gas Pipelines EPC segment and the acquisition of Spur Infrastructure Pvt. Ltd. during the year further diversify and de-risk our business portfolio.

During the year, we have delivered a revenue growth of 5% despite COVID-19 induced disruptions, supply chain constraints, socio-political and environment related challenges. We have achieved an all-time high order intake of ₹ 17,203 crore and have built a robust order book to drive growth. On the other hand, we have seen an impact on profitability owing to an unprecedented rise in commodity prices and losses in the Company's subsidiary in Brazil. We are focusing on transforming our business operations and driving cost optimisation across the value chain to improve profitability. Considering the strong order book and robust business outlook, the Board of Directors have recommended a dividend of 200% i.e. ₹ 4/- per equity share, in line with last year.

Our Net Debt-to-Equity ratio, which has reduced from 1.2 in 2016 to 0.7 at the end of FY22 reflects the optimisation of capital structure, which has enabled optimal returns for our stakeholders consistently over the last few years. We have also delivered a significant reduction in interest costs over the last few years. However, the interest cost, at 2.3% of revenue, has marginally increased this year on account of higher debt level and rising interest rates. Given the inflationary pressure in the economy, we expect further hardening of interest rates in the next year. We are fully prepared to manage the debt and interest costs by better management of working capital through efficient execution of projects, war room focus on collecting receivables, judicious use of foreign borrowing and innovative solutions with our banking partners.

We continue to be very careful while allocating capital to maximise the returns to our stakeholders. We continue to optimise our capital expenditure, which remained at ~1% of our revenues. During the year, we have acquired Spur Infrastructure Pvt Ltd, an EPC company specialising in cross country Oil & Gas pipelines and City Gas Distribution networks. The acquisition has been value accretive right from the start and has enabled us to fast track our growth in the Oil & Gas EPC pipeline business and establish it as one of our many growth drivers going forward.

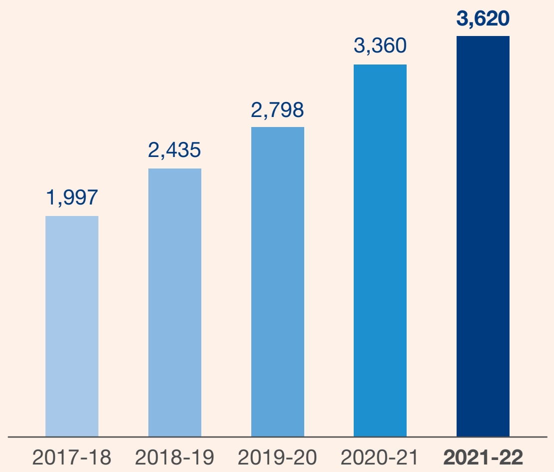
The Company has managed the high volatility in commodity and currency prices in the past years by following a prudent and effective hedging mechanism guided by well-drawn and established hedging policies. The Company manages the cross-currency exposure under the net hedging policy and has earned considerable premium on hedging of forex exposure over the last few years.

Ongoing digitalisation efforts in banking transactions have driven effective utilisation of resources, reduced transaction time and costs and reduced manual intervention. We are adopting latest technologies such as Blockchain for LC payments, Robotic Process Automation (RPA) tools in multiple finance and accounting processes to significantly improve turnaround and response time.

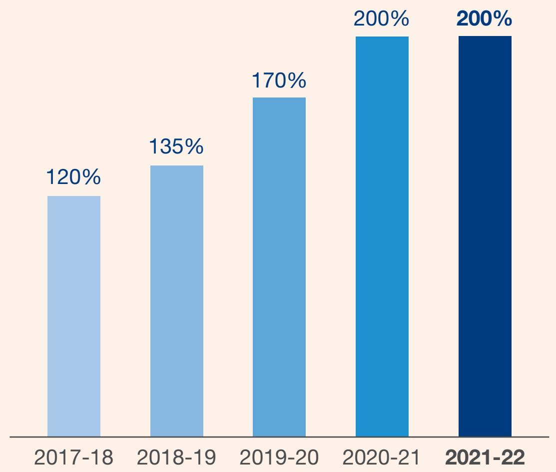
Key initiatives undertaken during the year to optimise financial efficiency:

- Synergistic diversification of business portfolio
- Monitoring of working capital through daily/ weekly war rooms
- Efficient mix of Rupee and Foreign Currency Borrowings
- Enhancing digitalisation efforts

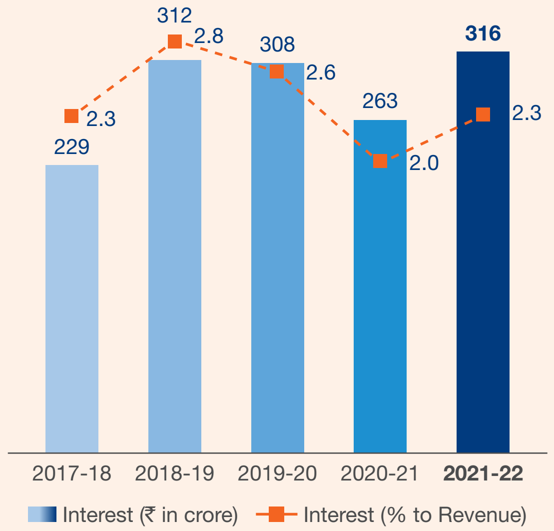
Net Worth (₹ in crore)



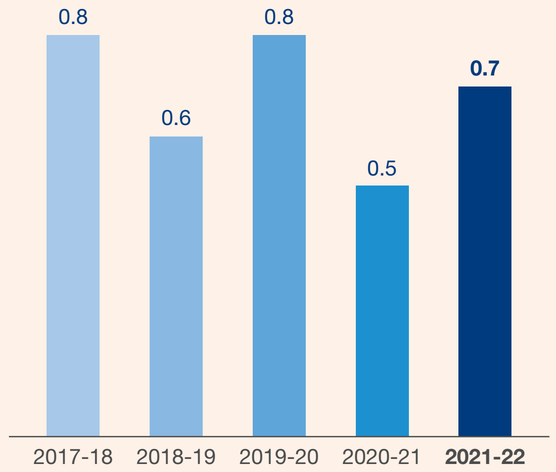
Dividend History on face value of ₹ 2/- per equity share



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



Net Debt to Equity

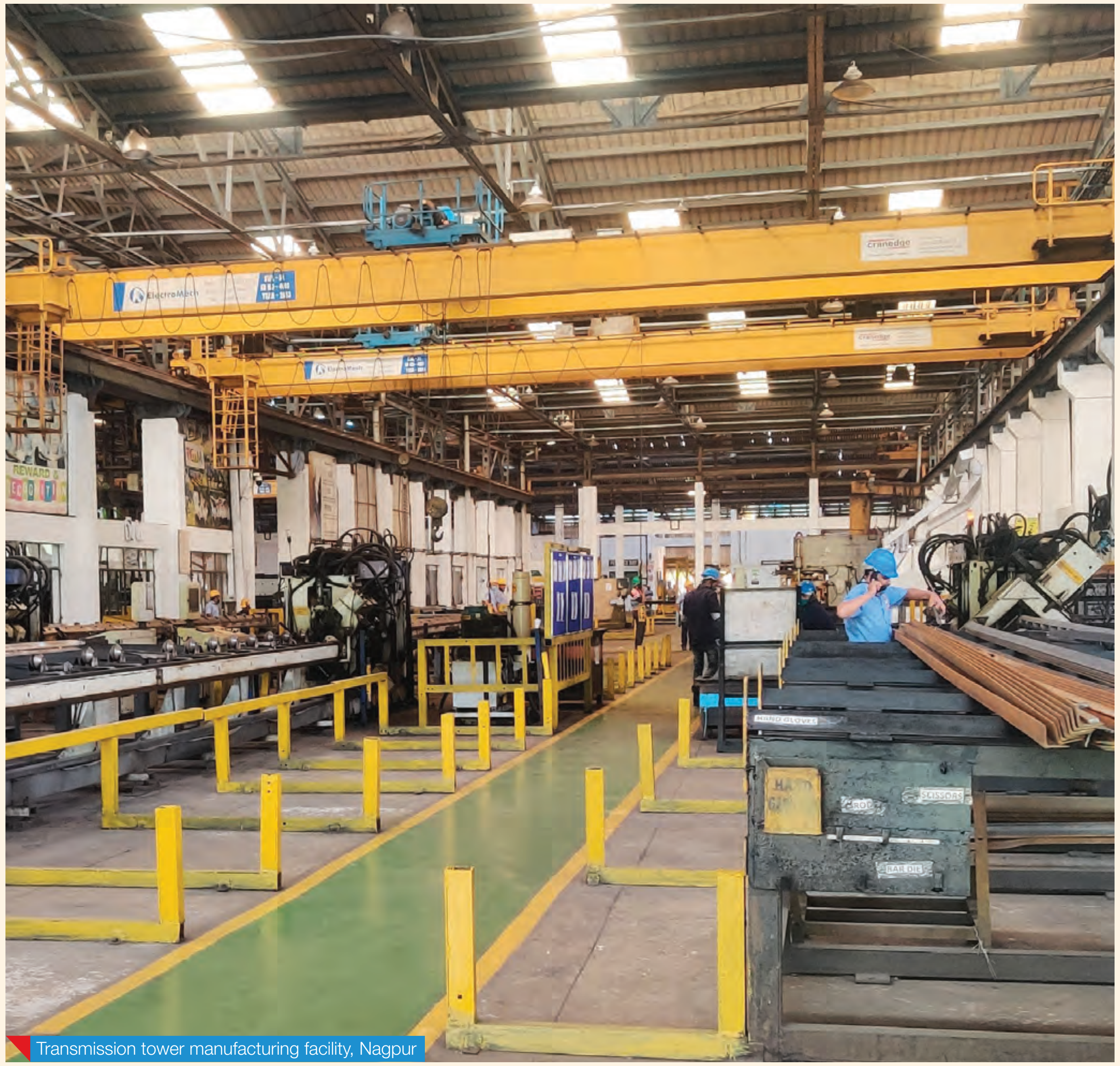


Stakeholders impacted	Material issues addressed	Key risks addressed
Employees Investors & Analysts	Financial Performance	Pandemic risk Execution challenges Commodity price variations and currency fluctuations Geopolitical risk Demand risk Cyber security Succession planning risk

Manufactured Capital

Our manufactured capital consists of our strategically located plants and testing stations, machinery and equipment at factories, construction sites and stores, and all physical assets that are used to manufacture products and deliver EPC services in line with global standards and specifications.

Our strategic investments in manufacturing value chain, processes, quality, innovation, and technology have significantly strengthened our capabilities in manufacturing, testing and supply chain, improved productivity at plants and project sites, and enhanced safety and reliability of our operations. Our quest for continuous process improvement and endeavour for operational excellence enable us to maintain cost and quality leadership in the market.



Transmission tower manufacturing facility, Nagpur

MANUFACTURING

Our geographically well-distributed manufacturing footprint and presence near key local markets enable us to drive efficiencies and enhance our competitive advantage globally. We have vertically integrated our operations through in-house manufacturing of transmission towers, monopoles, hardware, cables, and structures for substation, railways and solar at our eight state-of-the-art tower and cables manufacturing facilities located in India, UAE, Brazil, and Mexico. Our manufacturing unit in Dubai, acquired in FY20, is supplying transmission towers for internal as well as external customers, and is helping us enhance our competitiveness in MENA and other regions.

Our six tower manufacturing facilities possess a consolidated capacity of 3,62,200 MTs per annum, making us one of the largest globally operating T&D player. As part of backward integration strategy to enable tighter control over the supply chain and enhance our competitiveness, we continue to manufacture galvanised steel structures for our Railway and Solar businesses, with a capacity of 60,000 MTPA.

Our fully integrated cables manufacturing units located in Vadodara and Mysuru, in India, manufacture a wide range of products, viz. power, control & instrumentation, railway, telecom and several special cables for a wide range of clients and applications. We continue to lay emphasis on developing new products, and have developed eight new cables during the year, especially for our Railways business. This is in line with our plan to make the Cables business a strategic enabler for Railways business and address the growing demand for railway products in the external market. We continue to develop more products catering to varied applications, for the domestic and exports market.

In our pursuit to deliver superior quality products and services with lower carbon footprint, we are leveraging efficient solutions such as induction furnaces to replace fossil fuels with electricity, which is resulting in reduction in emission intensities. We are also deploying best-in-class equipment and advanced technologies, including digital and automation tools to strengthen our manufacturing capabilities year-on-year. These solutions are helping us fulfill strict quality assurance standards and at the same time, contribute towards achieving ESG and Sustainability goals.

8
Number of Transmission Tower & Cables Manufacturing facilities

Transmission Tower:	Cables:
6	2
3 in India, 1 each in UAE, Brazil and Mexico	(India)

4,22,200 MTPA
Global consolidated manufacturing capacity

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

48,000 MTPA
Railway structures

12,000 MTPA
Solar structures

Cables Manufacturing Capacity:

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

All manufacturing units are Integrated Management System (IMS) certified

Tower Testing Station, Nagpur

TOWER TESTING

KEC is one of the only companies in the world with four tower testing stations - three in India and one in Brazil. These world-class facilities are located in close proximity to our manufacturing plants and provide complete testing solutions for all kinds of transmission towers of up to 1,200 kV, including Lattice and Guyed Towers, Tubular and Monopoles.

As the pandemic made travel difficult in the last two years, we commenced virtual tower testing at the Butibori testing station, which offered an opportunity to our customers across the globe to verify design and quality parameters of towers through live video-streaming. This unique digitalisation initiative is helping us accelerate project progress and is being well-appreciated by our esteemed clients.

Nagpur testing facility, India:
One of the largest facilities in the world, with a capability to test towers up to 1,200 kV

Belo Horizonte testing station, Brazil:
One of the largest tower testing station in the Americas

Accreditations

Testing stations in India:
ISO 17025:2005 accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL)

Testing station in Brazil:
ISO 9001:2015 accredited by Bureau Veritas

SUPPLY CHAIN MANAGEMENT

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

During the year, the Company has efficiently managed the supply chain risk arising out of challenges such as COVID-19 induced lockdowns, port congestions, price volatility, etc. followed by the Russia - Ukraine conflict. We adopted a structured approach with advance planning and undertook various proactive actions by working closely with our partners to ensure uninterrupted supplies.

In addition, we digitalised our quality processes and implemented various IoT solutions at manufacturing plants and project sites for monitoring and optimising asset utilisation. We also leveraged various tools and techniques such as Lean Six Sigma, Kaizen, Value Base Design, Internal/External Benchmarking, Artificial Intelligence, Blockchain etc.

With an aim to ensure sustainable supply chain, we published a Sustainable Supply Chain policy and initiated key vendors assessment on ESG parameters.

Loading operation of Over Dimensional Cargo on break-bulk ship in Mumbai, Maharashtra

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

Focus Areas	Key actions and initiatives
Quality and Service Delivery	• Digitisation of Quality process across the Company through an in-house Quality Management platform – iQuality, which offers proactive solutions to enhance customer satisfaction • Quality enhancement across the organisation through Kaizen Championship • Certified through latest international standards, such as IMS, NABL, ISMS, CE-EN • Continuous improvement program through advanced Quality tools, such as DMAIC, PDCA, TPM – Training and development program

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

Intellectual Capital

Our Intellectual capital has been instrumental for us to stay ahead of the curve and sustain our leadership position in the industry. Our extensive experience coupled with deep engineering and designing capabilities, well-defined systems and processes, and focus on innovation and digitalisation form the core of our intellectual capital. Being intangible and difficult to replicate, our intellectual capital enables us to deliver unmatched customer experience and making it a major source of our competitive advantage in the industry.

ENGINEERING & DESIGN

We possess an experienced talent pool of over 261 engineers spread across eight locations in India and the Americas, utilising the latest design and digital technologies to deliver innovative engineering and design solutions for complex and challenging projects. Over the years, we have designed various types of transmission line towers, substations - AIS, GIS & Hybrid, and solar structures for projects located in varied terrains and geographies. We are continuing to augment our engineering team for Civil and Railways businesses and have developed capabilities to design Metro Rail systems including viaducts and stations, water supply networks, residential, commercial & industrial buildings, overhead electrification systems, Metro power supply systems, etc. We have also formed centres of excellence for PEB structures, MEP systems, BIM, and geotechnical designs.

Our Strengths:

- Vast library of Transmission Line design database, including Towers, Hybrid Poles, and Monopoles, spanning over 60 years
- Equipped with the latest software for design, detailing, and profiling
- Expertise in all types of Ground improvement techniques
- Adoption of latest technology – LIDAR, Drones, and Photogrammetry to conduct surveys
- Expertise in use of Building Information Modelling (BIM) for improving design and construction efficiency
- Proven processes and best practices to ensure quality designs that are environment-friendly
- Stringent design-to-delivery cycle time


Engineering and Design Centre, Mumbai

We have identified building a "World Class Engineering Organisation" as a game changer initiative for KEC that will elevate the Company to the next level and further help gain a competitive edge globally. Towards this, we have embarked on a transformational journey during the year and have launched NuOrbit - World Class Engineering Excellence programme, in collaboration with a global consultant. Through the programme, we aspire to strengthen our engineering capabilities and processes and expand our footprint into diverse technology intensive and engineering-led EPC projects. The programme will enable us to become the engineering partner of choice for complex, large and iconic infrastructure projects going forward.

DIGITAL & INNOVATION

We embarked on our digital transformation journey a few years ago to become more agile, efficient, and competitive in a constantly evolving business environment. We have taken great strides on this front by empowering ourselves with the latest digital and emerging technologies for building world-class infrastructure and improving client experience. During the year, we have developed digital platforms and tools using technologies such as Robotic Process Automation, BIM, Drones, Artificial Intelligence, Machine Learning, Augmented Reality (AR), Virtual Reality (VR), and Smart Wearables, which is helping us enhance our productivity and deliver cost, quality, time, and safety advantage over our industry peers. We continue to design multiple digital solutions, some of which are amongst the first in the EPC sector, to drive benefits in areas of productivity improvement, cost reduction and improved compliances.

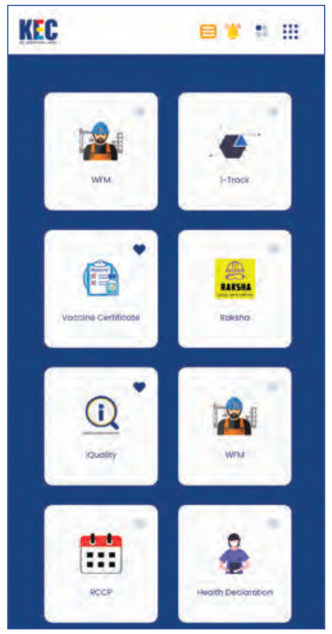
Besides continuously reimagining our digital roadmap, we are also fostering a culture of innovation within the Company. We have also developed and implemented robust processes to drive innovation in our businesses, especially in transmission, substations, railways and civil, and functions such as engineering, manufacturing, supply chain, finance, and human resources. These innovations help us enhance our construction productivity, accelerate project execution, reduce costs, ensure superior quality and safety standards, and reduce wastage.

We also continue to leverage our homegrown digital platform, named "Raksha", for end-to-end EHS management at our sites, factories, and other workplaces, to achieve our goal of zero incidents.

The Company's key initiatives in digital and innovation undertaken during the year include:

MyZone - KEC's own Digital platform

During the last couple of years, KEC has rolled out multiple digital tools for employees, workforce at project sites, and partners. During this journey, we felt a need to have a medium which can provide seamless experience to all users and enable them to use a digital workspace which provides all the required business insights at their fingertips. This led to the launch of a customised digital workspace for KEC called 'MyZone' – a first in the EPC industry in India. The platform bundles all digital and other business apps within a single mobile app, with an easy-to-use interface and secured access control embedded in it. The app is being utilised by KEC employees across the globe and is also extended to business partners.

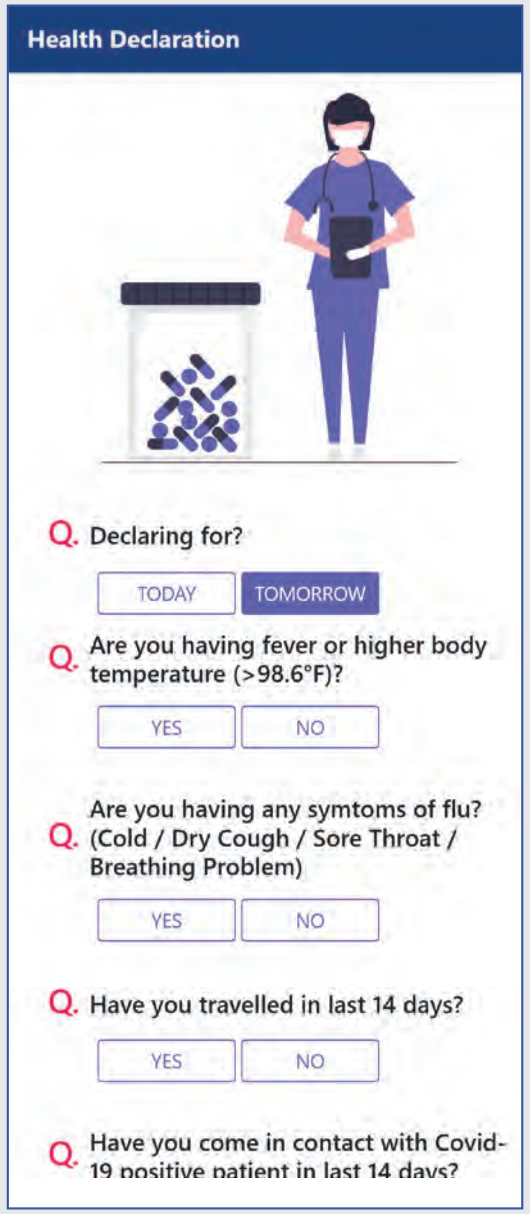


COVID responsiveness

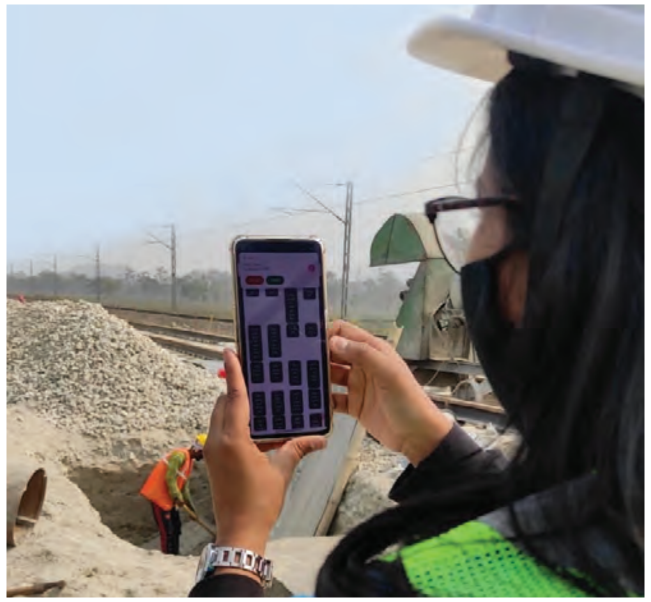
Enhancing the functionality of our home-grown platform "Raksha", we effectively executed COVID-19 crisis management action plan and ensured timely support to our workforce. Resumption of workspaces and project sites was fast-tracked with the help of digital checklists for compliances. Face recognition-based attendance at project sites using smartphones helped in keeping track of site workforce with a no-contact approach.

Employee Safety and Well-Being

We provided mobility solutions to our employees for sharing health declarations, obtaining medical assistance, checking vaccination status, and uploading certificates. The app enabled HR Business Partners across various geographies to check the well-being of employees at their fingertips and provide the required support to them.



Quality Management



In an EPC project, Quality Control impacts every phase of the construction process. At KEC, we rigorously measure Cost of Poor Quality (COPQ) and continue to improve this critical KPI. We have developed an in-house Quality Management platform to improve the quality quotient across projects. This digital platform enables all the users to:

- report quality observations and non-conformity reports through their smartphones
- seek urgent resolution to quality-related issues from execution team
- view quality dashboards with statistics about their projects, region, and business unit

Intelligent Project Monitoring Platform

The pandemic made a significant part of our workforce to operate remotely, due to which it is difficult to obtain and track project progress updates from available ground data. To overcome this challenge, we developed and implemented a smart tool to receive frequent project updates from sites, enabling project teams and the leadership to take prompt decisions and actions.

Smart Factories

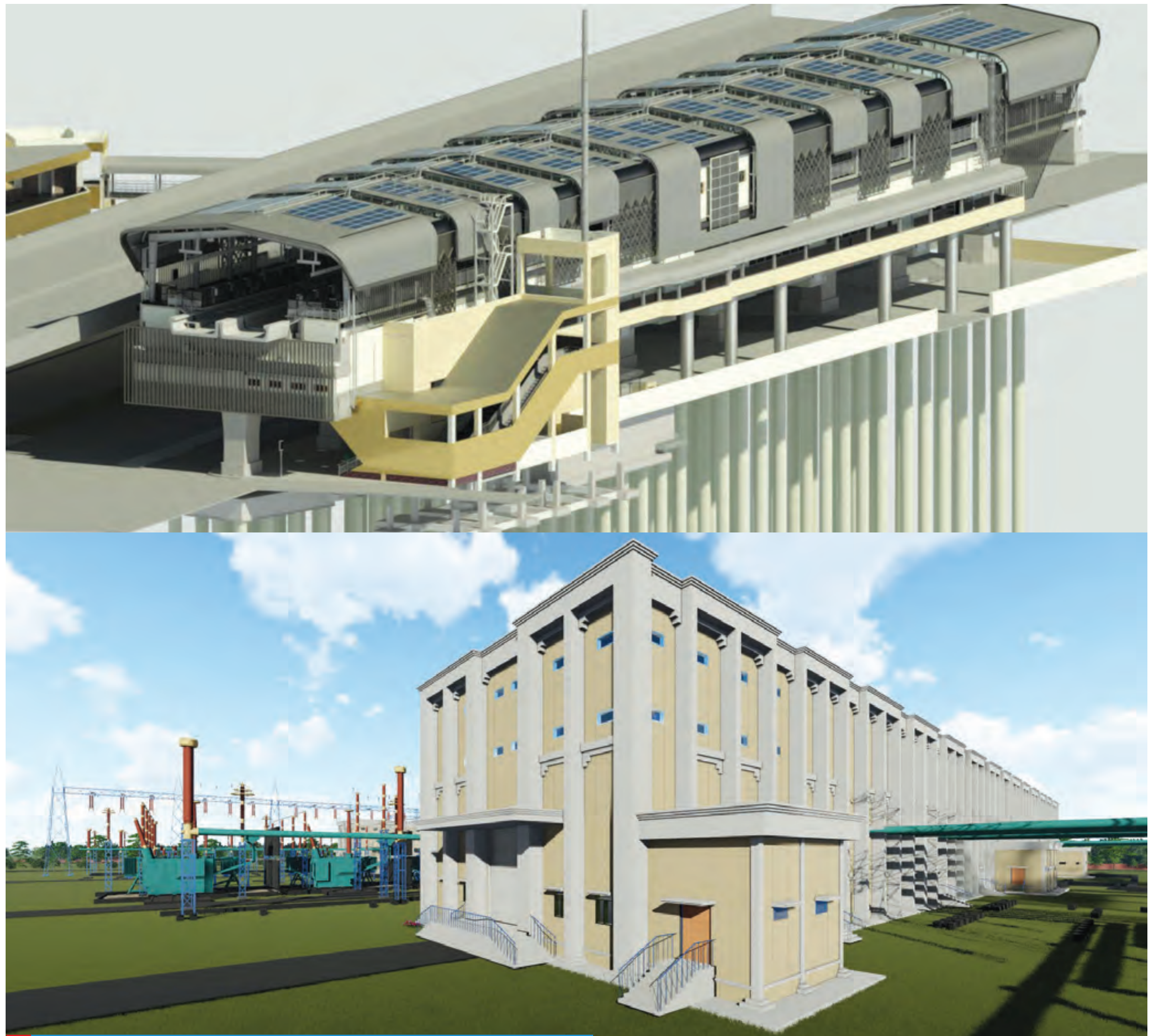
Using IoT-based digital platform, we have empowered our clients to witness transmission tower testing processes from anywhere in the world. This initiative has helped our customers to avoid physical visits to our plants, especially during the pandemic. We have also implemented RFID-based real-time location tracking solution at our manufacturing units to track and trace plant assets and inventory.

INNOVATION

Inspiring Innovation

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

KEC and the RPG Group is at the forefront of engaging employees through various platforms to celebrate the spirit of innovation and excellence. The 4th edition of RPG Innovation Festival launched during the year brought forth over 150 breakthrough innovative ideas from across KEC businesses and functions, a testament to our firm focus on innovation. The Group has also launched RPG Click, a platform where employees are given an opportunity to contribute impactful ideas and solutions to solve critical business challenges. These interventions are significantly helping us elevate our innovation agenda to greater heights.



Deployment of BIM technology for Metro Rail and Substation projects

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

Human Capital

Human capital is one of our most valued assets and a key enabler for KEC's consistent success over the years. We lay special emphasis in developing the diverse workforce through our well-defined values and progressive policies and programmes. At the core of the Company's people agenda lies the focus on Happiness, which is intrinsic at the RPG Group and at KEC, leading to the launch of the Group's new brand tagline – Hello Happiness, three years ago. With Happiness being the focal point, supported by RPG Group's Vision, Values and Capability tenets, we are enabling a performance-driven environment that encourages learning, transformation, and growth across the organisation. During FY22, the Group launched the 2nd edition of 'Happiness Survey', the employee engagement initiative for Group companies to understand the opinions of its employees. Owing to our sustained, employee-focussed initiatives across aspects such as growth, culture, recognition, and work-life balance, we have maintained our Happiness Quotient at 80%, in line with last year.

Aligning with the overarching RPG Vision of – Unleash Talent, Touch Lives, OutPerform, and ☺, we promote a culture of meritocracy, openness, mutual care, and respect across the organisation. As an equal opportunity employer, we encourage a diverse and inclusive workplace that embraces diversity across the spectrum – race, nationality, religion, marital status, gender, age, ethnic origin, physical ability, etc. In addition to strengthening our focus on hiring women employees and persons with disability, we have started recruiting transgenders during the year.

We promote a culture of learning and self-development for all employees across hierarchies. The learning process begins right from the time an employee is on-boarded and continues through their growth journey in the organisation. Learning and development needs of employees are periodically analysed and are addressed through a blend of learning formats encompassing digital, classroom, experiential, and virtual instructor-led learning programmes. We are also focussing on building long-term talent pipeline for leadership succession and continue to hire fresh graduates and postgraduates from esteemed academic institutions as part of our talent and leadership development programmes.

Promoting a positive, proactive culture of safety is vital for us to maintain physical and mental well-being of all employees. Our continued focus on implementing advanced and customised safety practices, along with enhancing safety awareness amongst the workforce through specialised, tech-enabled training programmes help us achieve high standards of Environment, Health, and Safety (EHS) excellence. We are also embedding digital safety solutions across the entire value chain of the business in our endeavour of building a future-ready organisation.

KEC continues to be the preferred employer in the construction and infrastructure sector. Our professional and global workforce helps us create remarkable value for our stakeholders and deliver excellence to our clients. KEC's ability to exceed expectations across engineering, projects, manufacturing, and services, further reinforces our leadership position in the industry. Our steadfast commitment towards achieving excellence and ensuring stakeholder satisfaction has earned us the 'India's Best Managed Companies' recognition, awarded by Deloitte in FY22.

PARAMETER	VALUE
Total employees	40,251
Management	9,114
Non-Management (Contractual / Temporary workforce)	31,137
Number of nationalities represented	39
Diversity – Number of Women Employees and People with Disability	479
Percentage of millennials	59%
Total Training hours	1,55,195
Classroom/Virtual Sessions	34,571
E-learning	1,20,624
Average Training hours (per employee, per year)	29.05
Managers	32.25
Officers / Associates	23.61
Occupational disease frequency rate	0
Lost Time Injuries Frequency Rate (LTIFR)	0.26
Total hours of safety-related training	9,88,747

KEC Happiness Quotient

80%

Happiness Quotient

Target:
Increase Happiness Quotient to 85% by FY26

Status:
Happiness Quotient for FY22 is 80%, in line with FY21

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

Human Capital Management

- Focus on building a progressive work culture and contemporary people practices with an emphasis on personal and professional learning as well as progress
- Launched the 7th edition of Digital Learning Championship, KEC's flagship event for eLearning through gamification for enhanced employee experience. The technology-driven initiative focusses on building employee capabilities across behavioural, functional, and technical competencies. During the year, over 7.7 lakh learning sessions were completed under this championship
- Introduced novel initiatives such as Knowledge Café, Learning-On-The-Go and DEAL - Drop Everything and Learn to encourage virtual learning, where interactive sessions were facilitated by KEC's senior leadership as well as external industry experts on varied topics
- Leveraged digital tools and technology to digitally onboard over 900+ new employees in FY22 amidst pandemic-related constraints
- Augmented functionalities of KEC's AI-powered chatbot, Electra by integrating features such as Attendance Management, Payslip, Form 16, and COVID-19 advisories
- Conducted periodic COVID-19 testing camps, awareness workshops and counselling sessions at the grassroot level
- Collaborated with an online counselling platform to launch an Employee Emotional Wellness Program to enhance mental health and emotional wellbeing of employees

Our talent and leadership capacity development initiatives include:

- Group Management Resource (GMR): A flagship programme of the RPG Group, where the sharpest minds from India's top B-schools are hired and groomed for managerial and leadership positions within the Company
- Engineering Leadership Program (ELP): Graduates and post-graduates from across India's best engineering campuses are hired and groomed through rigorous training & development programs, on-the-job & cross-functional exercises across projects, classroom sessions, assessments, and certifications
- Future Leaders Board (FLB): In line with RPG Group's vision of Unleashing Talent, this programme is designed to hone skills of top talent of the Company through leadership & personality development trainings, mentoring sessions, live projects etc. in order to develop their business acumen for becoming future leaders at KEC
- Armed Forces Program (AFP): Former Armed Forces personnel are hired as a talent pipeline from India's top-tier B-Schools to build our leadership capabilities

RPG Group's Group Management Resource (GMR) batch 2022

Diversity & Inclusion

- A 10-member Diversity & Inclusion committee ensures an inclusive environment by rolling out employee-friendly policies and programmes that address gender sensitisation, and unconscious bias, amongst others
- Deployed women employees on shop floors at manufacturing facilities, casting yards at Metro Rail projects, and international and domestic project sites
- Launched progressive policies for specialised hiring of women at senior level, mentoring programmes for women employees, and a focus on security of women employees
- Increased recruitment of Persons with Disability and commenced hiring transgenders for various roles


Women employees on shop floor

Diversity & Inclusion

Target:	Status:
Increase in diversity by 25% by FY26	Diversity has increased by 4% YoY in FY22

Occupational Health and Safety

- The Company continues to be certified under the single umbrella of the latest international standards of Integrated Management System (IMS) by M/s TUV Nord. During the year, Quality, Safety and Environment Management systems were also implemented for the Oil & Gas Pipelines business, post the acquisition of KEC Spur Infrastructure Pvt. Ltd

- Revised KEC's EHS Policy, which is applicable to all employees, including contractors, in line with international standards and considering external factors such as infectious diseases
- Review of KEC's EHS performance by the Management; establishment of Steering Committee for every business and Safety committee for each project site for effectively monitoring safety performance
- Conducted a total of 309 internal and external safety audits including the audit of our Environment and Safety Management Systems as per the requirements of ISO 14001 & ISO 45001 respectively
- Enhanced focus on safety training for all levels of employees and contract workers by leveraging modern technologies such as Virtual and Augmented reality; Achieved improvement of 27% in safety manhours training per person per month over FY21
- Special emphasis on implementing social and environmental management plan, especially at project sites in Africa, through health and safety awareness sessions, community development programs, including for our contract workforce

- Further strengthened the digital EHS reporting system, which now provides real-time reporting of safety observations, incidents, and near-misses across all levels of the organisation. The platform provides end-to-end EHS management and helps the Company to achieve zero incident way of working
- Framed and implemented a comprehensive Fatality Prevention Plan across all businesses to stringently monitor safety measures and deployed safety systems at high-risk operations to achieve the goal of zero accidents. Owing to our sustained efforts, we have achieved a 61% improvement in Lost Time Injury Frequency Rate over FY21
- Ensured strict compliance of COVID-19 Standard Operating Procedures to ensure protocols across all offices, project locations and manufacturing units. Additionally, through various interventions such as skits, poster, and quiz competitions, we are successful in achieving 100% vaccination for all KEC employees across project locations
- The Company was presented with several awards and recognitions during the year, including five National Safety Council of India awards and six CIDC Vishwakarma Awards, for excellent safety practices adopted at our project sites


Virtual Reality training

Safety Park at a cement plant project site, Madhya Pradesh

KEC team at CIDC Vishwakarma Awards 2022


Anti Smog Gun at project sites


Vertigo Test Structure, Bangladesh


Work-at-height Safety Training

Occupational Health & Safety

Target:	Status:
Work towards the goal of achieving Zero accidents	Lost Time Injury Frequency Rate (LTIFR) has reduced to 0.26 in FY22 vis-à-vis 0.68 in FY21, a reduction of 62% YoY

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

Natural Capital

We believe that preserving and enhancing Natural Capital is important in our journey to build a more resilient business. We remain committed to a year-on-year reduction in usage of natural resources and have undertaken several measures towards building sustainable operations. We have established a strategic sustainability roadmap that includes several environment-friendly processes, procedures, and policies to address the impact of our operations on climate change and promote responsible usage of natural resources.

Our plans to enhance the natural capital revolve around our strategies on three broad focus areas of decarbonisation, water positive approach and circularity. The core of this strategy includes initiatives to reduce energy consumption and minimise carbon footprint, conserve and recycle water, bring down material consumption and reduce and recycle waste, amongst others, in addition to deploying new technologies and enabling a sustainable supply chain.

KEC's comprehensive Environmental Health and Safety (EHS) policy ensures that the community and society at large accrue maximum benefits of its products and services. Over the years, we have successfully established credibility in effectively delivering sustainable products and services by minimising their impact on the environment.

Our progress on ESG and sustainability has been well appreciated by our clients and the industry alike. This is reflected in the improvement in our ESG rating by S&P Global and the Company being ranked in the Top 50 Most Sustainable Companies in India by Business World.

PARAMETER	UNIT	VALUE
Renewable Energy units consumed	Mwh	4,335
Total Energy consumed	Mwh	88,098
Energy consumption intensity - Manufacturing plants	Mwh/MT	0.29
Energy consumption intensity - Transmission line plants	Mwh/MT	0.26
Energy consumption intensity - Cable plants	Mwh/MT	0.47
Greenhouse Gas Emissions (GHG)	tCO_2e	34,558
Scope 1 GHG	tCO_2e	16,435
Scope 2 GHG	tCO_2e	18,123
GHG intensity - Manufacturing plants	tCO_2e/ MT	0.11
GHG intensity - Transmission line plants	tCO_2e/ MT	0.09
GHG intensity - Cable plants	tCO_2e/ MT	0.24
Water Consumed	KL	2,39,397
Water consumption intensity - Manufacturing plants	kL/MT	0.79
Water consumption intensity - Transmission line plants	kL/MT	0.68
Water consumption intensity - Cable plants	kL/MT	1.45
Percentage of water saved	%	10
Acid Neutralisation sludge diverted to landfill	MT	1,255
Specific Steel waste generated (per MT of production)	%	6.36
Specific Zinc waste generated (per MT of production)	%	0.84

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

DECARBONISATION

KEC is constantly striving to reduce the environmental impact of all its business activities, especially manufacturing and construction, with stringent internal control criteria for reduction in energy consumption and Greenhouse Gas Emissions (GHG) defined for all locations. Our Scope 1 emissions are due to the consumption of fuels such as petrol, high speed diesel, furnace oil, natural gas, LPG and CNG. Our Scope 2 emissions are on account of utilisation of the grid electricity supplied by state utilities.

We operate in an industry which is highly energy intensive and hence opportunities to minimise energy consumption is an important element of our journey towards decarbonisation. The Company continues to make process improvements and investments in energy efficiency initiatives to reduce carbon footprint.

Illumination through natural light at Cables plant, Vadodara

Induction Heater, Dubai

Solar rooftop power plant, Jaipur

Initiatives:

- Installation of additional solar energy capacity at manufacturing units in Jaipur and Nagpur, and a new solar plant in Dubai (in progress), to increase the share of renewable energy in our energy mix and reduce specific greenhouse gas emissions as well as costs
- Procurement of energy from renewable sources to fulfil energy requirement for Cables plants in Mysuru and Vadodara
- Use of induction furnace based on electricity instead of fossil fuel, for lower carbon emissions, resulting in an 8% reduction in emissions intensity this year
- Use of advanced multi-fuel fired furnaces with microprocessor-controlled burners to reduce fuel consumption
- Deployment of low-cost Kaizen's such as automation of fuel control valves for better control of fuel usage in Bending Furnace
- Installation of waste heat recovery system and use of latent flue gases for galvanising furnaces to conserve energy
- Deployment of energy-efficient LED lighting solutions and elimination of exhaust fans by replacing them with natural ventilators
- Shifting / re-planting of trees that may be affected by construction activities

Carbon Emission

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

Status:
GHG emission intensity has reduced by 12% YoY in FY22

Energy Consumption

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

Status:
Energy consumption intensity has reduced by 26% YoY in FY22

WATER-POSITIVE APPROACH

Water resource management plays a vital role at our manufacturing plants and project sites. The manufacturing and construction sectors are highly water intensive and various measures have been taken to bring down the overall water footprint.

During the year, we have also strengthened our portfolio of water business to provide potable water to ~3.4 lakh rural households as part of "Jal Jeevan Mission", Government of India's scheme to provide safe and adequate water to all households in the country.


Rainwater harvesting system, Jaipur

Initiatives:

- Complete recycling of both, trade effluents and domestic wastewater through Effluent Treatment Plants and Sewage Treatment Plants at our manufacturing facilities, to achieve 'Zero Wastewater Discharge'
- Installation of 14 rainwater harvesting structures in the manufacturing facilities to reduce water consumption, in our endeavour of making them water-positive facilities
- Establishing natural water harvesting system by constructing water ponds for enhanced water table throughout the year, even in peak summer
- Installation of pressure control valves to avoid wastages and leakages and conducting training sessions on managing and responding to major water leaks
- Use of aerator on taps and reduction in pipe sizes to reduce water flow in processes, ETP-STP recycled water
- Use of curing compounds as a partial alternative to water, for construction works at project sites to conserve water usage


Rainwater harvesting pond, Jabalpur

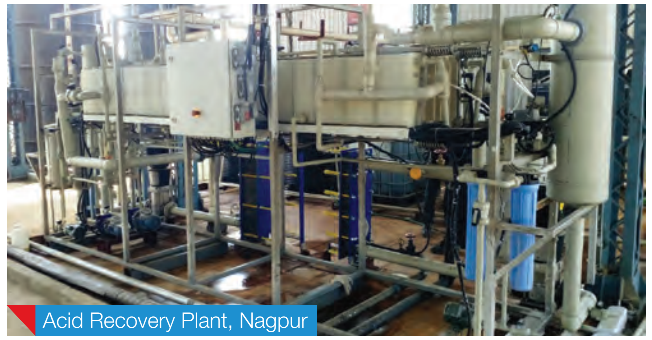

STP plant for waste water treatment, Jabalpur

Water Positive Approach

Target:	Status:
Reduce water consumption intensity in manufacturing plants by 20% by FY26	Water consumption intensity has reduced by 16% YoY in FY22

CIRCULARITY

Our EHS policy is embedded with the objective of reducing environmental degradation, with a focus on 3Rs – Reduce, Reuse and Recycle resources and hazardous waste, to help combat the perils of climate change. As an EPC company, we primarily use steel, zinc, aluminium, copper, and cement as raw materials for our business operations, which also generate waste by-products. We have strengthened our efforts to optimise the use of resources while delivering products and projects of best-in-class quality, and consistently minimise the generation of harmful waste.


Acid Recovery Plant, Nagpur


Hybrid Drums for Cables, Vadodara

Initiatives:

- Modernisation of our plant and machineries and adoption of Lean Manufacturing practices for continuous improvement in yield, resulting into reduction in usage and wastage of minerals and metals such as steel, zinc, and copper
- Cutting down acid, steel, and zinc waste –
  - Reduction in Acid Neutralisation sludge by improving acid life and installation of an acid recovery plant to utilise the regenerated acid; sending the by-product to cement players for incineration, thereby reducing the amount of hazardous waste reaching the landfills
  - Sending steel waste to nearby foundries, where 100% of the steel scrap is utilised in making billets and castings
  - Establishment of an inhouse zinc recovery mechanism from zinc ash, resulting into reduction of hazardous waste generation and its conservation. The Zinc process waste is sold to secondary Zinc product manufacturers resulting in more than 90% recycling
- Design optimisation of transmission towers and cables to enhance process efficiency and minimise overconsumption of raw materials
- Substituting wood-based packaging with flexi recyclable packaging material for transmission towers, structures, and cables
- Developing eco-friendly hybrid drums for cables with steel and HDPE sheets to reduce steel and eliminate wood

Gold and Silver awards for KEC Jabalpur (for Zinc Recovery Furnace) and KEC Jaipur (for Bending Fuel Optimisation) by CII TPM Club of India

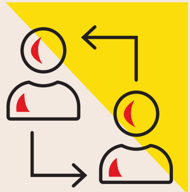
Gold and Silver awards for KEC Jaipur and Nagpur plant at SEEM National Energy Management Awards 2020

Circularity

Target:	Status:
Zero waste to landfill by FY26 for manufacturing plants	Waste to landfill has reduced by 34% YoY in FY22

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

Social and Relationship Capital



At KEC, giving back to the society and helping to make it stronger, especially during challenging times, is an important facet of our business operations. As we continue our endeavour to 'Touch Lives' of our stakeholders, driving their holistic empowerment remains at the core of our corporate philosophy. We are committed to creating maximum positive impact by envisioning a better tomorrow for the communities we operate in and the stakeholders we work with. We reinforce relationships through regular engagement and partnerships with our key stakeholders to understand their expectations from us and identify areas for improvement to work on with a purpose of generating long-term sustainable value for everyone.

In line with the RPG Group's CSR Vision, our society-centric projects are aimed at facilitating development and sustainable growth in communities through initiatives that are directed towards Education, Employability, Heritage Conservation and Community Development. We also encourage our employees to make a meaningful difference through participation in various volunteering initiatives that are aimed at achieving societal development. We are committed towards contributing to the socioeconomic development of local communities through creation of employment opportunities.

We continue to lay special emphasis on building strong, collaborative relationships with our vendors to create more value. We encourage our vendors across the globe to be conscious in their business actions and abide by the ethical standards, in order to ensure a sustainable value chain. We have undertaken several initiatives to ensure supply chain sustainability and responsible business operations and are formally integrating ESG considerations in our supply chain and aligning activities with the United Nations' Sustainable Development Goals (SDGs).

We also constantly strive to create value for our customers through delivery of world-class products and services. We focus on cultivating stronger bonds of trust with our customers and gain from the insights derived from enduring partnerships, which help us further refine our strategies to create long-term value for all. Our focus on customer-centricity, continuous quest for operational excellence and impetus on process re-imagining gives us an edge in the industry

SWAYAM HEALTH

Vocational skills training for entry level job roles in healthcare industry

Impact / Value Generated
- Geographical coverage: Nagpur, Jaipur, Jabalpur, Delhi NCR, Vadodara, Mysuru, Aurangabad
- Outreach: 3,056 trained and 3,109 placed

SWAYAM DRIVE

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

Impact / Value Generated
- Geographical coverage: Nagpur, Jaipur, Delhi NCR, Vadodara, Aurangabad
- Outreach: 539 trained and 495 placed

SWAYAM SKILLS

Skills training for micro-entrepreneurs to support their income-generating skills or trades

Impact / Value Generated
- Geographical coverage: Nagpur
- Outreach: 36 trained and 36 livelihoods enabled

SWAYAM DIGITAL

Vocational training on digital skills such as Hardware, Networking, Digital Marketing, Data Entry Operator, etc.

Impact / Value Generated
- Geographical coverage: Nagpur, Jaipur, Gurugram, Vadodara, Jabalpur, Aurangabad, Mysuru
- Outreach: 1,626 trained and 1,348 placed

SWAYAM CONSTRUCTION

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

Impact / Value Generated
- Geographical coverage: Nagpur, Jaipur, Gurugram, Vadodara, Aurangabad
- Outreach: 974 trained and 823 placed

PEHLAY AKSHAR SCHOOLING

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

Impact / Value Generated
- Geographical coverage: Mumbai
- Outreach: 3,002 children

PEHLAY AKSHAR TRAINING

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

Impact / Value Generated
- Geographical coverage: Mumbai
- Outreach: 4,303 teachers trained, 4,481 handholding sessions

HERITAGE

Upliftment and revival of sites, which are of historical significance

Impact / Value Generated
- Upliftment of the Banganga heritage site in Mumbai, through art interventions, heritage-themed street lights
- Installation of signages along 153 UNESCO-declared world heritage sites in Mumbai
- Development of a walking app called 'AMBLE', to enable self-guided and informative heritage walks

Corporate Social Responsibility

Target:
Reach 2 lakh CSR beneficiaries by FY26

Status:
CSR beneficiaries for FY22 are 3.3 lakh (includes COVID-19 response beneficiaries of 2.4 lakh)


Heritage Conservation


Pehlay Akshar - Schooling


Swayam Drive


Swayam Skills

OUR EFFORTS TOWARDS COVID-19 RELIEF AND OTHER NEED-BASED INTERVENTIONS

We support essential needs of the local community through various interventions to support public health systems, undertaking COVID-19 relief work, provide community water purification systems, etc.

Impact / Value Generated


Donation of Advanced Life Support Ambulance, Jhargram, West Bengal


Fever Clinic, Nagpur


Oxygen Plant, Jaipur

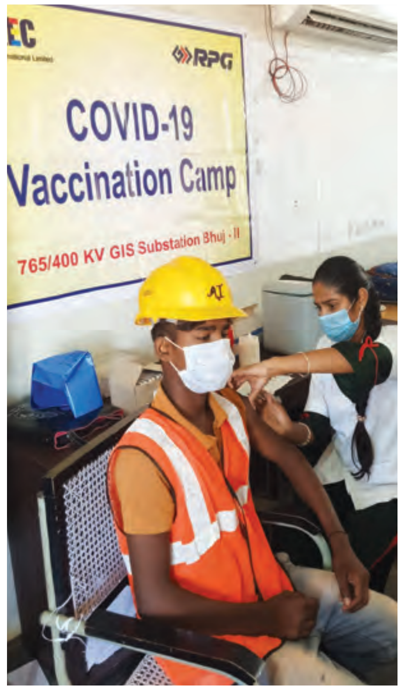

Oxygen Plant, Nagpur

- 45 fever clinics and two resting stations installed to upgrade and support existing public health system in Maharashtra; 2,63,276 beneficiaries
- Established two medical-grade oxygen plants in Nagpur and Jaipur with capacities of 500 and 200 cylinders/day, respectively
- Donated an Advanced Life Support Ambulance for the local community in Jhargram, West Bengal

- Established a 42-bed Quarantine Centre at Nagpur for the local community; 25 additional beds donated to hospitals; 2,504 beneficiaries
- 23 oxygen concentrators and 10 oxygen cylinders donated; 3,470 beneficiaries
- Meals distributed to health workers, police officers & community people; 9,528 beneficiaries
- 17,600 Cotton Masks donated to frontline health workers and police personnel; 5,867 beneficiaries
- 9,000 N-95 masks and 1,646 PPE kits were donated in Kochi
- Dry ration kits distributed to frontline health workers in Gujarat and to local citizens affected by cyclone in Odisha; 4,100 beneficiaries
- Face shields donated to frontline health workers and police personnel in Jaipur; 3,400 beneficiaries
- COVID care kits distributed to hospitals, truck drivers and frontline workers; 2,091 beneficiaries
- 100 insulators and sanitary pads donated to women and girls affected by COVID-19 in Latur, Maharashtra
- 1,200 households supported by providing clean drinking water in Gujarat under "Mission Jal Hai to Kal Hai"
- 10,000 medicines donated to Primary Health Centre in Gujarat; 2,500 beneficiaries

VACCINATION DRIVE AT KEC

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



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

Focus Areas	Key actions and initiatives
Customer Centricity	Enhanced VoC (Voice of Customer) programme, to proactively capture, analyse and improve customer's overall experience Conducted Quality workshops and undertook customer engagement initiatives Improved processes by adopting advanced quality tools and working closely with customers
Sustainable Procurement	Regular proactive engagement with value chain partners at the highest level, with periodic meetings and visits Enhanced focus on long-term, mutually beneficial partnerships Conscious efforts towards knowledge sharing, particularly on latest technologies and digital processes Significant thrust on ESG & sustainable business practices

Sustainable Procurement

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

Status:
- Formulated a Sustainable Procurement Policy and shared with 250 major partners; Assessment process initiated
- Formulated Code of Conduct based on ESG criteria; Signed by 395 vendors

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

Addressing Global Priorities

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

Financial Capital

The outcomes of financial capital reflect our commitment towards creating value not just for our shareholders but also for the business value chain and society at large.

8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Natural Capital

Our outcomes from the natural capital signify the importance we place in maintaining the quality of the natural environment. This commitment is reflected by the impact of our operations across value chain and adoption of environment-friendly ways of working.

6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION
15 LIFE ON LAND

Manufactured Capital

The outcomes of our manufactured capital enable us to create value for our customers and society through our buildings, manufacturing plants, machinery. These also create strong network with our equipment suppliers and technology providers.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS

Human Capital

Our employees and workforce are the pillars behind our continued ability to deliver projects ahead of time. As our responsibility, we strive to provide a safe, inclusive, diverse, supportive and highly engaging workplace for all our employees. This commitment is guided by our strong codes of conduct, policies and business ethics.

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
8 DECENT WORK AND ECONOMIC GROWTH

Intellectual Capital

The value generated by our intellectual capital is a product of the extensive research and development which helps us in offering market differentiating products and services.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Social & Relationship Capital

We are committed to creating value not just for our shareholders but also for the communities in which we operate. We invest in maintaining strong relationships with all our valued stakeholders who support us in driving our business operations to create value. These efforts, in turn, help us in enhancing the social capital of the nation.

1 NO POVERTY
2 ZERO HUNGER
4 QUALITY EDUCATION
10 REDUCED INEQUALITIES
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

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Directors' Report

To the Members of
KEC International Limited

The Directors are pleased to present the Seventeenth Annual Report (Integrated) of the Company together with Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended on March 31, 2022.

1. FINANCIAL RESULTS

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Revenue from Operations	13,742.26	13,114.20	12,573.27	11,851.79
EBITDA	903.50	1,141.21	1,129.32	1,231.73
Finance Cost	316.00	262.69	269.30	241.35
Depreciation & Amortisation	157.86	152.53	123.32	121.78
Profit Before Tax (PBT)	443.07	755.91	755.70	896.62
Exceptional Items - Gain/ (Loss)*	(43.64)	-	(142.84)	-
PBT after Exceptional Items	399.43	755.91	612.86	896.62
Tax Expenses	67.35	203.19	178.42	250.53
Profit After Tax	332.08	552.72	434.44	646.09
Dividend on equity shares	102.84	102.84	102.84	102.84

**Exceptional items include an amount of ₹ 43.64 Crore written off against a legacy arbitration in South Africa in both Consolidated and Standalone financial statements and an amount of ₹ 99.20 Crore towards provision for impairment of investments in subsidiaries in Standalone financial statement, which mainly includes ₹ 97.34 Crore for its investment in KEC Investment Holdings, Mauritius, on account of significant losses incurred by the Company's step down subsidiary in Brazil i.e. SAE Towers Brasil Torres de Transmissão Ltda.*

2. PERFORMANCE

Financial Performance

The Company commenced the financial year amidst a global upheaval due to the COVID-19 pandemic. The environment continued to be challenging due to a relapse of the pandemic in many countries, supply chain disruptions and continuous rise in commodity prices and logistics costs. The situation showed signs of improvement with gradual reduction in commodity prices in the last quarter of FY 2021-22. However, the ongoing conflict in Ukraine created fresh geopolitical uncertainties and a further surge in the already elevated commodity prices.

On a consolidated basis, the Company achieved a revenue of ₹ 13,742 Crore in FY 2021-22 with growth of about 5 percent over last year and a net profit of ₹ 332.08 Crore as against ₹ 552.72 Crore in the previous year. The growth in revenue has been contributed by good performance of Civil, Railways and Cable businesses. The Company progressed well in deploying several mechanization, automation, and digitalization initiatives, across projects to improve productivity and quality of execution. In line with the long term strategy, the share of Non-T&D businesses has now increased to 50 percent from 42 percent in the previous year. The growth could have been higher, but for a few unforeseen issues such as suspension of projects in Afghanistan, impact on Delhi metro projects due to environmental restrictions, COVID-19 challenges in international projects and increasing commodity prices. The Company achieved an EBITDA margin of 9 percent at the standalone level and 6.6 percent at the consolidated level for FY 2021-22. The margins and net profit have been impacted primarily due to cost and time escalations in EPC projects in the Company's step down subsidiary in Brazil coupled with significantly higher commodity prices.

The Company has adopted a prudent approach and made an exceptional provision of ₹ 99.20 Crore towards impairment of investment in Subsidiaries, which mainly includes ₹ 97.34 Crore for its investments in KEC Investment Holdings, Mauritius, due to significant losses incurred by the Company's step-down subsidiary in Brazil i.e. SAE Towers Brasil Torres de Transmissão Ltda. This has impacted the Company's profit at the standalone level. During the year, the Company made an exceptional write-off amounting to ₹ 43.64 Crore towards a legacy arbitration in South Africa. This has impacted the profit both at standalone and consolidated level. Excluding the impact of these exceptional items, the net profit for FY 2021-22 was ₹ 564.91 Crore at the standalone level and ₹ 363.34 Crore at the consolidated level. During the year, the Company witnessed slightly elevated level of working capital, owing to slower collections, losses in the Company's step down subsidiary in Brazil and increase in inventories due to higher commodity prices. This has led to higher interest cost during the year.

During the year, the Company secured highest ever orders of ₹ 17,203 Crore, a robust growth of 45 percent over the previous year. The orders have been led by large contributions in the Civil and International T&D businesses. This has significantly enhanced the Company's closing order book to ₹ 23,716 Crore, a growth of 24 percent over the previous year. The Company's order book is well diversified across businesses with an equal share in both T&D and Non-T&D businesses.

Power Transmission & Distribution (T&D) – The T&D business achieved revenues of ~ ₹ 6,900 Crore for the year. The revenues could have been higher but for global headwinds such as the political unrest in Afghanistan causing suspension of projects, pandemic challenges in international projects and the continued elevated levels of commodity prices. The business has secured significant orders of over ₹ 7,400 Crore across transmission lines and substations. The inflows are led by orders in the international markets, especially in the Middle East, SAARC, and Americas. In line with the Company's strategy, the business has expanded its footprint to two new countries this year. Despite a muted domestic environment this year, the business has strengthened its presence in India with orders of over ₹ 1,500 Crore from PGCIL, private players and state utilities including Green Energy Corridor projects. During the year, the business has also reinforced its presence in cabling solutions segment and has secured a large order for laying underground cables for a state utility in India.

Railways – The Railway business continued its growth trajectory as it achieved revenues of ₹ 3,860 Crore for the year, a growth of 13 percent compared to the previous year. The business has been successful in delivering double digit margins for the second consecutive year, despite a challenging environment. The Company continues to maintain leadership in the area of Overhead Electrification (OHE) by successfully executing about 23 percent of India's railway electrification in FY 2021-22, the highest in the industry. The business has secured orders of over ₹ 2,500 Crore, a growth of 46 percent over the previous year and a market share of over 20 percent. In line with its diversification journey, the business has deepened its presence in technologically enabled areas of metros with orders in OHE, Power supply, Ballastless tracks and Third rail and has also widened its presence in the conventional segments with orders in speed upgradation, port connectivity, tunnel ventilation and railway sidings. The Company has seen some good success with orders in these new areas especially in the Semi High-Speed Rail where the current market share is over 60 percent.

Civil – The Civil business has presented a robust performance with revenues of ~ ₹ 1,900 Crore, an impressive growth of 75 percent over the previous year. The growth has been delivered on the back of rigorous execution across metro, water pipeline and industrial projects. The business has also seen a record year in terms of order inflows in excess of ₹ 5,800 Crore in FY 2021-22, a growth of 4 times over the previous year. The business continued its diversification by foraying into public spaces segment with orders for construction of Airport and High Court buildings, reinforced its presence in Industrial and Residential segments, strengthened portfolio in Urban Infra and Water Pipelines segments and expanded footprint in data centers. The uptick in order intake has significantly enhanced the order book including L1 in this segment to an all-time high of over ₹ 7,500 Crore.

Oil & Gas Pipelines – The Company had entered the Oil & Gas cross-country pipelines business, in line with Government's thrust in this sector and the Company's vision to strategically expand its business portfolio into adjacencies. To accelerate growth in the business, the Company acquired KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) ("KEC Spur") making it a wholly owned subsidiary of the Company. The business has demonstrated notable performance post acquisition. The Company is leveraging cross-functional synergies with KEC Spur for faster growth. With an order book of over ₹ 800 Crore, this business is becoming a significant part of the Company's overall business portfolio.

Smart Infra – The Smart infra business secured an order as a Master System Integrator (MSI) for three smart city projects in Punjab. In terms of execution, the project for Integrated Perimeter Security System is progressing well towards completion.

Cables – The Cables business has delivered a strong performance registering its highest ever revenues and profitability during FY 2021-22. The business achieved revenues of ₹ 1,524 Crore with a growth of 44 percent over the previous year.

3. DIVIDEND

The Board of Directors recommends a dividend of ₹ 4/- per equity share i.e. 200 percent of the nominal value of ₹ 2/- per equity share for the financial year ended March 31, 2022. The said dividend if approved, by the Members at the ensuing Annual General Meeting, would involve a cash outflow of about ₹ 103 Crore.

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

4. TRANSFER TO RESERVES

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

5. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2022 was ₹ 51.42 Crore. There was no change in the share capital during the year under review.

6. DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ("the Act") and the Rules framed thereunder during the year under review. As on March 31, 2022, there were no deposits lying unpaid or unclaimed.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The Company funds its subsidiaries, from time to time, in the ordinary course of business and as per the funding requirements, through equity, loan and/or guarantee(s) to meet working capital requirements.

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

8. CONSOLIDATED FINANCIAL STATEMENTS

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

9. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has nineteen subsidiaries as on March 31, 2022, comprising of nine direct subsidiaries and ten step-down subsidiaries, of which nine subsidiaries are operating subsidiaries and three subsidiaries function as special purpose vehicles. The Company has one associate company under Section 8 of the Act for the welfare of the past employees.

During the year under review, a step-down subsidiary namely KEC EPC LLP was incorporated on October 06, 2021 in Dubai. KEC Towers LLC, a wholly owned subsidiary of the Company is the sole shareholder of KEC EPC LLP.

During the year under review, the Company acquired 100 percent equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) ("KEC Spur") on October 13, 2021. KEC Spur is engaged in setting up of cross-country Oil and Gas Pipelines and city gas distribution networks. The Company had entered into Oil and Gas Pipeline EPC business and this acquisition is in line with its vision to strategically expand this business. KEC Spur delivered revenues of ₹ 181 Crore and secured orders of ₹ 300 Crore in the second half of FY 2021-22. At a standalone level, KEC Spur delivered revenues of ₹ 255 Crore for FY 2021-22 against ₹ 104 Crore in the previous year, with a robust growth of 145 percent. The Company has laid special emphasis to integrate KEC Spur with the Company's policies and processes during the year.

Performance Highlights

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

The performance highlights of wholly owned operating subsidiaries and their contribution to the overall performance of the Company during the financial year ended March 31, 2022 are as under:

Subsidiary	Performance during FY 2021-22 (₹ in Crore)		Contribution to overall performance of the Company (%)	
	Revenue	Profit After Tax	Revenue	Profit After Tax
KEC Spur Infrastructure Private Limited*	180.74	16.69	1.32	5.03
SAE Towers Brasil Torres de Transmissão Ltda.	693.37	(238.61)	5.05	(71.85)
SAE Towers Mexico, S de RL de CV	185.12	0.22	1.35	0.07
SAE Towers Ltd.	186.92	0.44	1.36	0.13
KEC International (Malaysia) SDN.BHD.	145.61	4.78	1.06	1.44
KEC Towers LLC	369.19	21.27	2.69	6.41
SAE Prestadora de Servicios Mexico, S de RL de CV	12.61	(0.97)	0.09	(0.29)

performance given since October 13, 2021 being the date of acquisition.

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

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year ended on March 31, 2022, the applicable Accounting Standards have been followed and no material departures have been made from the same;
2. we have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2022 and of the profit of the Company for the year ended on March 31, 2022;
3. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. we have prepared the annual accounts for the financial year ended on March 31, 2022 on a going concern basis;
5. we have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

11. MANAGEMENT DISCUSSION AND ANALYSIS REPORT, BUSINESS RESPONSIBILITY REPORT AND CORPORATE GOVERNANCE REPORT

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

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

12.1 Directors

During the year under review, Mr. Vimal Kejriwal, Managing Director and CEO was re-appointed as "Managing Director and CEO" of the Company with effect from April 01, 2022 for a further period of two years. The re-appointment was approved by the Members of the Company at the last Annual General Meeting by passing the requisite resolution in this regard.

Based on the recommendation of the Nomination and Remuneration Committee (NRC), the Board of Directors had appointed Mr. Vinayak Chatterjee as an Additional Director in Non-Executive Non-Independent category, on the Board of the Company w.e.f. December 06, 2021 to hold office till the conclusion of ensuing Annual General Meeting. A notice under Section 160 of the Act, has been received from a Member proposing his candidature for appointment as a Director, liable to retire by rotation. Accordingly, the proposal for his appointment is included in the Notice convening the ensuing Annual General Meeting.

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

In compliance with sub-regulation (3) of Regulation 36 of SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings, brief resume, expertise and other details of Director(s) proposed to be appointed/re-appointed are given in the Notice convening the ensuing Annual General Meeting.

The Board recommends the appointment/re-appointment of Directors as stated above in the ensuing Annual General Meeting.

12.2 Key Managerial Personnel

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2022:

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

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

12.3 Declaration by Independent Directors

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

The Board is of the opinion that the Independent Directors of the Company possess requisite qualifications, experience and expertise and they hold highest standards of integrity.

The Independent Directors have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs ('IICA'). As per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company are exempted from undertaking the online proficiency self-assessment test.

12.4 Board Evaluation

The Board has carried out annual performance evaluation of its own performance, the Directors individually and of its Committees pursuant to the provisions of the Act and the SEBI Listing Regulations. The Board evaluation was conducted through questionnaire designed based on the criteria for evaluation laid down by the Nomination and Remuneration Committee. In order to have a fair and unbiased view of all the Directors, the Company engaged the services of an external agency to facilitate the evaluation process.

A meeting of Independent Directors was held on March 15, 2022 chaired by Mr. A. T. Vaswani, Lead Independent Director, to review the performance of the Chairman, Non-Independent Director(s) of the Company and the performance of the Board as a whole as mandated by Schedule IV of the Act and SEBI Listing Regulations. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. The feedback of the meeting was shared by Lead Independent Director with the Board of the Company.

The action areas identified on the basis of the feedback from the evaluation process are under implementation.

12.5 Familiarisation Programme for Independent Directors

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

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

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

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

12.7 Meetings of the Board of Directors

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

12.8 Meetings of the Audit Committee

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

13. AUDITORS

13.1 Statutory Auditors

The Statutory Auditors' Report for the FY 2021-22 does not contain any qualifications, reservations, adverse remarks or disclaimer and no frauds were reported by the Auditors under sub-section (12) of Section 143 of the Act.

As per Section 139 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, the term of M/s. Price Waterhouse Chartered Accountants LLP (Firm Registration No. 012754N/N500016) as the Statutory Auditors of the Company, expires at the conclusion of Seventeenth Annual General Meeting of the Company.

The Board of Directors of the Company at their meeting held on May 03, 2022, on the recommendation of the Audit Committee, has made its recommendation for re-appointment of M/s. Price Waterhouse Chartered Accountants LLP ("PwC") as the Statutory Auditors of the Company, to hold office from the conclusion of Seventeenth Annual General Meeting till the conclusion of Twenty Second Annual General Meeting of the Company, subject to the approval of the Members at the ensuing Annual General Meeting.

PwC has expressed its willingness to be re-appointed as the Statutory Auditors of the Company and also confirmed its eligibility in compliance with the provisions of Sections 139, 141 and other applicable provisions of the Act.

The Board of Directors recommends to the Members the re-appointment of PwC as the Statutory Auditors of the Company. Accordingly, the proposal for their re-appointment is included in the Notice convening the ensuing Annual General Meeting.

13.2 Cost Auditors

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

The Board of Directors of the Company at its meeting held on May 03, 2022 on the recommendation of the Audit Committee, approved the appointment of M/s. Kirit Mehta and Co., Cost Accountants (Firm Registration No.: 000353) as the Cost Auditors for the FY 2022-23 and recommends their remuneration to the Members for their ratification at the ensuing Annual General Meeting.

The Cost Auditors' Report of FY 2020-21 did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company under sub-section (12) of Section 143 of the Act. The said Cost Audit Report was filed with the Ministry of Corporate Affairs on August 16, 2021.

13.3 Secretarial Auditors

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Parikh Parekh & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the FY 2021-22. The Secretarial Audit Report in Form MR-3 is annexed to this Report as *Annexure 'B'*. The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and no frauds were reported by the Secretarial Auditors to the Company under sub-section (12) of Section 143 of the Act.

14. SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Sustainability and Corporate Social Responsibility ("SCSR") Committee of the Board of Directors *inter alia* gives strategic direction to the Corporate Social Responsibility (CSR) initiatives, formulates and reviews annual CSR plans and programmes, formulates annual budget for the CSR programmes and monitors the progress on various CSR activities. The scope of the functioning of the Committee was widened to cover sustainability and the Committee has been renamed as Sustainability and Corporate Social Responsibility Committee with effect from May 03, 2022. Details of the composition of the SCSR Committee have been disclosed separately in the Corporate Governance Report.

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

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

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

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

In accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has adopted a Policy on Prevention of Sexual Harassment at Workplace ("the Policy") to ensure prevention, prohibition and redressal of sexual harassment at workplace. The Policy has been formed to prohibit, prevent and deter the commission of the acts of sexual harassment at workplace and to provide the procedure for redressal of complaints pertaining to sexual harassment. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. The Company provides an equal employment opportunity and is committed for creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. All employees are covered under this Policy and the Policy is gender neutral. The orientation programs for new employees include awareness sessions on prevention of sexual harassment and upholding the dignity of employees. During the year under review, no complaints of any nature were received.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

17. RISK MANAGEMENT POLICY

The Company is a global infrastructure major engaged in Engineering, Procurement and Construction ("EPC") business and is exposed to various risks in the areas it operates. In a fast changing and dynamic business environment, the risk of political and economic uncertainties, market volatility, cut-throat competition, technological and digital disruptions and cyber threats have increased manifold. The Company's Risk Management Policy outlines guidelines in identification, assessment, measurement, monitoring, mitigating and reporting of key business risks associated with the activities conducted. The risk management mechanism forms an integral part of the business planning and review cycle of the Company. It is designed to provide reasonable assurance towards achievement of its goals by integrating management control into daily operations, ensuring compliance with legal requirements and safeguarding the integrity of the Company's financial reporting and the related disclosures.

The Company has a mechanism in place to inform the Risk Management Committee and Board members about risk assessment, minimization procedures and periodical review thereof. The Risk Management Committee of the Company *inter alia* reviews Enterprise Risk Management functions of the Company and ensures appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company. The Committee periodically, validates, evaluates and monitors key risks and reviews the measures taken for risk management and mitigation. The key business risks faced by the Company and the various mitigation measures taken by the Company are detailed in Management Discussion and Analysis section.

18. INTERNAL FINANCIAL CONTROL

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

19. RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and at arm's length basis. The Audit Committee grants an omnibus approval for the transactions that are in the ordinary course of the business and repetitive in nature. For other transactions, the Company obtains specific approval of the Audit Committee before entering into any such transactions. A statement giving details of all Related Party Transactions are placed before the Audit Committee on a quarterly basis for its review. Disclosure as required under Indian Accounting Standards ("IND AS")-24 have been made in the Note No. 56 to the Standalone Financial Statements.

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

20. ANNUAL RETURN

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

21. ENVIRONMENT HEALTH AND SAFETY (EHS)

The Company has undertaken various EHS management processes and implemented them under the EHS system, in line with the commitment to achieve its objective of providing a safe workplace for its stakeholders. The Company continues to be certified under the latest international standards of Integrated Management System that encompasses ISO 9001:2015, ISO 14001: 2015 and ISO 45001: 2018 standards.

The Company is successfully leveraging modern technology and analytics to enable data driven decisions, improve safety, and ensure strict adherence to safety rules and procedures. The Company has migrated to a digital Environment, Health and Safety (EHS) reporting system which provides a real time reporting framework at all levels of the organization, enabling immediate action. The Company continues to invest in imparting industry specific EHS training by leveraging cutting-edge technologies such as Virtual and Augmented Reality and focus on risk-based safety and skill development to its employees and workmen, to ensure that all its stakeholders become more safety conscious and thereby improve the organization's approach towards prevention of loss.

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

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

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

23. PARTICULARS OF EMPLOYEES

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

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

24. HUMAN RESOURCE / INDUSTRIAL RELATIONS

The Company understands that people are its most valuable asset and recognizes talent as the primary source of competitive edge. Realizing the criticality of talent, the Company continues to focus on capability building by building talent pool, through dedicated talent pipelines and competency upgradation through Behavioral, Technical, Functional, and Digital learning and development initiatives.

Creating employee happiness has been focus area for concerted efforts, which has led to conceptualizing, evolving and implementation of Happiness Framework, with the sole purpose of creating and sustaining Employee Engagement.

Despite unprecedented challenges posed by COVID-19 pandemic, the Company leveraged all channels of communication, reviewed and monitored crisis resolution, Health, Safety & Hygiene of employees, connected with employees and their family to align with the new normal.

The employee relations remained cordial throughout the year. As on March 31, 2022, the Company had 6,038 permanent employees, excluding its subsidiaries. The Board places on record its sincere appreciation for the valuable contribution made by the employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has always made the Company proud.

25. INTEGRATED ANNUAL REPORT

The Company has voluntarily provided Integrated Annual Report for the financial year 2021-22, prepared as per IR Framework recommended by the International Integrated Reporting Council (IIRC) and the same is aimed at providing the Company's stakeholders a comprehensive depiction of the Company's financial and non-financial performance. The Report provides insights into the Company's key strategies, operating environment, risks and opportunities, governance framework and its approach towards long-term sustainable value creation across six capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social & relationship capital and natural capital.

26. OTHER DISCLOSURES

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

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

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

c) There was no revision in the financial statements.

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

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

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

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

h) There are no proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at the end of financial year March 31, 2022.

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

27. ACKNOWLEDGEMENT

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

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

28. ANNEXURES

The following annexures, form part of this Report:

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

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

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

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

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

For and on behalf of the Board of Directors

Harsh V. Goenka
Chairman
(DIN: 00026726)

Place: Mumbai
Date: May 03, 2022

Annexure ‘A’ to Directors’ Report

NOMINATION AND REMUNERATION POLICY

1. INTRODUCTION

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

2. OBJECTIVE

The Policy sets out the guiding principles on:

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

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

iii. Formulating the criteria for performance evaluation of all Directors, Board and its Committee;

iv. Board diversity.

3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE

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

4. DEFINITIONS

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

“Board” means Board of Directors of the Company.

“Company” means KEC International Limited.

“Directors” means Directors of the Company.

“Independent Director” (ID) means a Director referred to in Section 149 (6) of the Companies Act, 2013 and Rules made thereunder and Regulation 16(1)(b) of the Listing Regulations.

“Key Managerial Personnel” (KMP) means

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

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

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

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

The following matters shall be dealt by the Committee:

a) Directors

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

b) Evaluation of performance

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of the Board, its committees, and every Director and review the implementation and compliance of the manner in which evaluation is carried out.

c) Familiarization

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

d) Remuneration framework and policies

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

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

ii. Remuneration of Non-Executive Directors and Chairman.

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

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

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

6. BOARD DIVERSITY

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

Diversity at the Board level shall be used as a tool for supporting the attainment of the strategic objectives of the Company and also to drive business results. Accordingly, while designing the composition of the Board, diversity shall be considered on all aspects and all appointments shall be based on the above parameters.

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

A. Appointment criteria and qualifications

NRC shall formulate the criteria for determining the qualification, positive attributes, expertise, experience and independence of the person, wherever required, eligible for appointment as Director, KMP or SMP. It shall identify such person and recommend to the Board his/her appointment.

For every appointment of an Independent Director, the Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director. The person recommended to the Board for appointment as an Independent Director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may avail the services of an external agencies, if required, consider candidates from a wide range of backgrounds, having due regard to diversity and also consider the time commitments of the candidates.

B. Term/Tenure

1. **Managing Director/CEO**

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

2. **Independent Director**

   An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in any case not exceeding five years and shall not hold office for more than two consecutive terms. Such Independent Director shall be eligible for appointment after the expiry of such period as prescribed under the applicable law.

C. Retirement

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

D. Removal

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

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

MD/CEO

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

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

NEDs

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

ii. Remuneration (including Commission) as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders of the Company, wherever required, and the same shall be paid in accordance with the applicable laws.

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

KMP & SMP

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

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

9. DIRECTOR AND OFFICER LIABILITY INSURANCE

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

10. GENERAL

This policy is framed based on the provisions of the Companies Act, 2013 and Rules framed thereunder and the requirements of Listing Regulations, as amended from time to time. In the event of any conflict between the provisions of this Policy and of the Act or Listing Regulations or any other statutory enactments, rules, the provisions of such Act or Listing Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment/modification in the Listing Regulations, Act and/or other applicable laws in this regard shall mutatis mutandis apply to/prevail upon this Policy. Subject to applicable laws the Board can further delegate any of its powers herein to the Committee.

Annexure 'B' to Directors' Report

SECRETARIAL AUDIT REPORT

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

(Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,
The Members,
KEC International Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period) and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

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

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 and amendments from time to time; (Not applicable to the Company during the audit period) and

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

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

1. The Electricity Act, 2003
2. The Indian Electricity Rules, 1956

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

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

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

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

In the case of Corporate Social Responsibility ("CSR"), the Company has spent an amount of ₹ 10.59 Crores out of the amount of ₹ 13.73 Crores to be spent during the year. The unspent amount of ₹ 3.13 Crores during the year pertaining to ongoing projects has been transferred to the unspent CSR account of the Company in accordance with the provisions of the Act.

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

1. The Company on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) thereby making it a wholly owned subsidiary of the Company from the aforesaid date.

2. The Company has issued 61,000 units of Commercial Papers aggregating to ₹ 3,050 Crores during the year and redeemed 55,500 units of Commercial Papers aggregating to ₹ 2,775 Crores. The Commercial Papers are listed on BSE Limited.

For Parikh Parekh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN:F000327D000255780
PR No.: 723/2020

Place: Mumbai
Date: May 03, 2022

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

'Annexure A'

To,
The Members
KEC International Limited

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

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

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

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

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

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

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

For Parikh Parekh & Associates
Company Secretaries

P. N. Parikh
Partner
FCS No: 327 CP No: 1228
UDIN:F000327D000255780
PR No.: 723/2020

Place: Mumbai
Date: May 03, 2022

Annexure 'C' to Directors' Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ("CSR") ACTIVITIES FOR FY 2021-22

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

As a responsible business corporation, the Company takes pride in implementing CSR activities to address key societal needs, both in the communities it operates in and the society at large. The Company's CSR activities are aligned with the Sustainable Development Goals (SDGs) established by the United Nations and it is working towards influencing micro and macro level development indicators in its target geographies.

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

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

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

2. **Composition of CSR Committee**

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

** Ms. Nirupama Rao was appointed as a member of the Committee effective January 31, 2022 and one meeting held during her tenure.*

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

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

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

Not Applicable

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

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

6. **Average net profit of the company as per section 135(5)** ₹ 686.30 Crore

7. (a) **Two percent of average net profit of the company as per section 135(5)** ₹ 13.73 Crore

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

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

(d) **Total CSR obligation for the financial year (7a+7b-7c)** ₹ 13.73 Crore

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

(₹ in Crore)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
10.59	3.13	April 25, 2022 & April 29, 2022	Not Applicable	Nil	Not Applicable

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

(₹ in Crore)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project	(8) Amount spent in the current financial Year	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	• Pehlay Akshar Schooling 21-22 • Pehlay Akshar Teachers Training 21-22	Promoting education	Yes	Maharashtra	Mumbai, Nagpur	2 years*	4.05	2.83	1.23	No	RPG Foundation	CSR00000030
2.	Vocational skill training: • Swayam Health 21-22 • Swayam Drive 21-22 • Swayam Digital 21-22 • Swayam Construction 21-22 • Swayam Skills 21-22 • Swayam Connect 21-22	Employment enhancing vocational skills	Yes	Maharashtra Maharashtra Rajasthan Madhya Pradesh Gujarat Haryana Karnataka Delhi	Nagpur Aurangabad Jaipur Jabalpur Vadodara Gurugram Mysuru Delhi	2 years*	2.98	2.75	0.23	No	RPG Foundation	CSR00000030
3.	• Revival & restoration of Banganga 21-22 • Walking App 21-22	Protection & restoration of National Heritage	Yes	Maharashtra	Mumbai	2 years *	1.51	1.46	0.05	No	RPG Foundation	CSR00000030
4.	• Fever Clinics 21-22	Promoting healthcare including preventive healthcare and Disaster management	Yes	Maharashtra Kerala Karnataka Rajasthan Gujarat Delhi West Bengal Jharkhand Madhya Pradesh Haryana Karnataka Odisha	Various districts ** Ernakulam Mysuru Jaipur Vadodara Delhi Kolkata Latehar Jabalpur Gurugram Bengaluru Bhadrak	2 years *	4.15	2.52	1.62	No	RPG Foundation	CSR00000030
	Total						12.69	9.56	3.13			

** The years mentioned include the financial year 2021-22 in which the project has commenced.*

*** Mumbai, Nagpur, Akola, Amravati, Aurangabad, Beed, Buldhana, Chandrapur, Gadchiroli, Hingoli, Jalna, Latur, Nanded, Osmanabad, Parbhani, Sindhudurg, Washim and Yavatmal*

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

(₹ in Crore)

(1) Sr. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Amount spent for the project	(7) Mode of Implementation - Direct (Yes/No)	(8) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	COVID Response 21-22	Promoting healthcare including preventive healthcare and Disaster management	Yes	Maharashtra Kerala Gujarat	Various districts** Ernakulam Vadodara	0.47	No	RPG Foundation	CSR00000030
2.	COVID Response 21-22	Promoting healthcare including preventive healthcare and Disaster management	Yes	Maharashtra Karnataka Delhi West Bengal Jharkhand Rajasthan Madhya Pradesh Gujarat Haryana Karnataka Odisha	Nagpur Mysuru Delhi Kolkata Latehar Jaipur Jabalpur Vadodara Gurugram Bengaluru Bhadrak	0.56	Yes	Not Applicable	
	Total					1.03			

***Mumbai, Nagpur, Akola, Amravati, Aurangabad, Beed, Buldhana, Chandrapur, Gadchiroli, Hingoli, Jalna, Latur, Nanded, Osmanabad, Parbhani, Sindhudurg, Washim and Yavatmal*

(d) **Amount spent in Administrative Overheads** Nil

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

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e)** ₹ 10.59 Crore

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

Sr. No.	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the Company as per section 135(5)	13.73
(ii)	Total amount spent for the Financial Year	10.59
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

(₹ in Crore)

Sr. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2020-21	4.27	4.28*	Not Applicable			Nil

** Includes interest of ₹ 0.01 Crore earned on unspent CSR amount, utilised for CSR activities*

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

(₹ in Crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed /Ongoing
1	FY31.03.2021_1	• Pehlay Akshar Schooling 20-21 • Pehlay Akshar Teachers Training 20-21	2020-21	2 years	1.61	0.08	1.61	Completed
2	FY31.03.2021_2	Vocational skill training: • Swayam Health 20-21 • Swayam Drive 20-21 • Swayam Digital 20-21 • Swayam Construction 20-21 • Swayam Skills 20-21 • Swayam Connect 20-21	2020-21	2 years	6.37	3.41	6.37	Completed
3	FY31.03.2021_3	• Revival & restoration of Banganga 20-21 • UNESCO World Heritage Site signage project 20-21 • Walking App and Digital Archives 20-21	2020-21	2 years	1.61	0.79	1.62	Completed
	Total				**9.59**	**4.28**	**9.60**	

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

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

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

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

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

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

During the financial year 2021-22, the Company has spent ₹ 10.59 Crore on various CSR projects and transferred ₹ 3.13 Crore related to ongoing CSR projects to the Unspent CSR account pursuant to the provisions of the Act.

Vimal Kejriwal
Managing Director & CEO
(DIN:00026981)

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

Place: Mumbai
Date: May 02, 2022

Annexure 'D' to Directors' Report

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

(In terms of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

(A) CONSERVATION OF ENERGY

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

1. Installation of LED Lights in the plants and surrounding area alongwith deployment of light sensing devices for auto switching on-off at various locations resulting in saving of energy.
2. Installation of additional Solar power plant in couple of factories resulted in reduction of carbon footprint.
3. Installed Energy efficient Overhead Cranes in galvanizing process and Loading area replacing Slip ring motors cranes resulted in energy conservation.
4. Installation of timers on manual machines resulted in savings of energy during production idle time.
5. Replaced plate induction furnace coil along with tap changer facility resulted in energy conservation.
6. With continuous monitoring, maintained power factor and maximum demand average of electricity which resulted in energy conservation.
7. Continuous monitoring & optimization of power intensive utilities like air compressors, water pumps & chillers, HVAC systems.
8. Various utility water pumps which run continuously replaced with energy efficient Motors.

(B) TECHNOLOGY ABSORPTION

Research & Development ("R&D")

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

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

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

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

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

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

ii. Year of import: Not Applicable

iii. Has the technology been fully absorbed? Not Applicable

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

IV. Expenditure on R&D

i. Capital: Nil

ii. Recurring: ₹ 31.20 Crore

iii. Total: ₹ 31.20 Crore

iv. Total R&D expenditure as a percentage of total turnover is 0.25 percent.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(₹ in Crore)

Particulars	FY 2021-22	FY 2020-21
Foreign exchange earned	3,315.62	4,016.35
Foreign exchange used	2,606.35	2,743.35

Annexure 'E' to Directors' Report

INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

	Ratio of the remuneration of each Director to the median remuneration of the employees in FY 2021-22	Increase in remuneration in FY 2021-22 (%)
Mr. Harsh V. Goenka	78.65	(27.33)
Mr. Vimal Kejriwal	104.44	13.68
Mr. A. T. Vaswani	3.03	4.40
Mr. Dilip G. Piramal	2.30	5.88
Mr. G. L. Mirchandani	2.17	-
Mr. M. S. Unnikrishnan	2.30	5.88
Ms. Nirupama Rao	2.20	1.47
Mr. Ramesh Chandak	3.10	2.97
Mr. S. M. Trehan	3.10	2.97
Mr. Vikram Gandhi	2.04	14.29
Mr. Vinayak Chatterjee(1)	0.77	-
Mr. Rajeev Aggarwal, Chief Financial Officer	-	7.84
Mr. Amit Kumar Gupta, Company Secretary	-	8.90
The percentage increase in the median remuneration of employees in the financial year	8.06 percent	
The number of permanent employees on the rolls of Company (excluding subsidiaries)	6,038 (as on March 31, 2022)	
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees during FY 2021-22 was 7.95 percent as against an increase of 13.68 percent in the salary of the Managing Director & CEO (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience, performance and contribution to the Company's growth over a period of time and also benchmarked against Industry standard. The percentile increase in managerial remuneration was higher in comparison with percentile increase of other employees. Under the leadership of MD & CEO, the Company achieved improvement in its revenue and order book despite several challenges.	
Affirmation that the remuneration is as per the remuneration policy of the Company	The Company affirms that remuneration to employees of the Company is as per the remuneration policy of the Company.	

Note:

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

Management Discussion & Analysis

Mathura - Dholpur Third Line Railway project, comprising track laying, stations, bridges, overhead electrification and signalling & telecommunication works, for RVNL

GLOBAL ECONOMY

The global economy, as per IMF estimates, grew at 6.1% during 2021, as compared to a 3.1% contraction during 2020. The recovery was driven primarily by fiscal stimulus provided by many economies and improving availability of vaccines across the world. Industrial production as well as global trade rebounded in tandem with global economic activity. Infrastructure investments received a boost as governments announced new projects to revive economic growth. But, as the economies were adopting to new ways of working, unprecedented situation between Russia - Ukraine derailed the fragile economic recovery post the pandemic.

The Russia - Ukraine crisis has created new geo-political uncertainties, triggered energy scarcity, impacted trade flows, and exacerbated already high levels of inflation. The effects of these risks are expected to be higher for countries in Europe, Central Asia, and North Africa, that are dependent on Russia and Ukraine for commodities, trade, and cross-border production networks. In general, the impact will be higher for emerging market countries as compared to advanced economies given their limited headroom on policy front.

Beyond the uncertainties emanating from Russia - Ukraine conflict, a sharper-than-anticipated deceleration in China, disruption in supply chains with lockdowns in China, sharp rise in prices of commodities, new strains of COVID-19 virus, need to rein in inflation through monetary tightening and interest rate hikes pose risks to the global economy. Countries that are exporting commodities are not only better positioned to withstand the global headwinds but may also benefit from unprecedented rise in commodity prices. The conflict is also causing a rethink on energy strategy of countries that are not self-sufficient. These countries will either need to find other sources to import energy or set up their own generation capacities, either fossil or renewables, capacities. Both these scenarios will require investment in building Transmission & Distribution infrastructure.

Overall, IMF expects the global growth to deaccelerate to 3.6% in the year 2022 as well as 2023. While we expect the slowdown in growth in countries in North Africa, Latin America, and CIS but our focus countries in Middle East, SAARC, EAP, and sub-Saharan Africa are likely to benefit or remain insulated from the global economic challenges.

GDP Growth (%)

Country/Region	2021 (Estimates)	2022 (Projections)	2023 (Projections)
World	6.1	3.6	3.6
United States	5.7	3.7	2.3
Emerging & Developing Asia	7.3	5.4	5.6
Bangladesh	5.0	6.4	6.7
China	8.1	4.4	5.1
India	8.9	8.2	6.9
Malaysia	3.1	5.6	5.5
Thailand	1.6	3.3	4.3
Latin America and Caribbean	6.8	2.5	2.5
Brazil	4.6	0.8	1.4
Middle East and Central Asia	5.7	4.6	3.7
Oman	2.0	5.6	2.7
Saudi Arabia	3.2	7.6	3.6
UAE	2.3	4.2	3.8
Sub-Saharan Africa	4.5	3.8	4.0
Ivory Coast	6.5	6.0	6.7
Mozambique	2.2	3.8	5.0
Tanzania	4.9	4.8	5.2

INDIAN ECONOMY

Indian economy is expected to deliver a healthy growth of 8.9% during FY22. The overall economic activity and output has recovered and surpassed the pre-pandemic levels. Further, the economy is expected to deliver a growth of 8.2% in FY23 and 6.9% in FY24. These estimates project India as the fastest growing major economy in the world. Having said that, the downside risks to the economy arising out of Russia - Ukraine conflict, elevated commodity prices especially energy, currency volatility, potential trade and supply chain disruptions and inflation remain significant.

During FY22, the impetus on driving growth through capex and infrastructure spending has led to 15% growth in Gross Fixed Capital formation in the economy. The investment to GDP ratio has also increased to 29.6%, which is highest in last 7 years. The government has also focussed on multiple supply side reforms, such as deregulation of numerous sectors, simplification of processes, removal of legacy issues, privatisation etc. to prepare the economy for sustained long-term expansion.

It is estimated that GVA of the industry including mining and construction, has risen by 11.8% in FY22. The country has added about 15 GW of power generation capacity during the last year. Rising capital investment by government in infrastructure and revival of real estate sector has provided fillip to the construction sector. While the cement and steel consumption has reached pre-pandemic levels, sharp rise in prices of these commodities may impact the profitability of the players in the construction sector.

The recovery of private investment is currently at nascent stage. The number of private capital expenditure projects in the manufacturing sector has been increasing over the years. On one hand, "Make in India" initiative driven by PLI (Production Link Incentive) scheme is expected to drive private capex but on the other hand, the investments in the near term will depend upon the potential impact on margins of the companies given the inflationary pressures in the economy.

Growth in FY23 will be supported by widespread vaccination coverage, benefits from supply side reforms, improving position of banking system, and availability of fiscal headspace to increase capital spending. Overall, we expect the infrastructure project pipeline to remain healthy, however, the impact of inflation, if any, is yet to be seen. Further, quantitative tightening across the globe may lead to increase in finance costs, but the weakening of rupee is likely to benefit players such as KEC.

GLOBAL CONSTRUCTION INDUSTRY

Global construction market is expected to grow from USD 10.7 trillion in 2020 to USD 15.3 trillion in 2030 with USD 8.9 trillion in emerging market in 2030. India, China, US, and Indonesia will account for 58.3% of growth in construction. While the long-term growth prospect remains intact, the ongoing conflict between Russia - Ukraine combined with uncertainty in global commodity prices may impact the construction industry in the short term.

Coming to India, the construction sector makes significant contribution to the economy as it has cascading effect on multiple industries. The sector directly employs about 12% of available workforce accounting to 50 million people and provides seasonal employment between agricultural cycles. During the year, the government continued its focus on infrastructure development and enhanced the capital expenditure outlay by 35.4% from ₹ 4.54 lakh crore to 7.50 lakh crore in the Union Budget 2022-23. The government has also undertaken multiple reforms to boost the construction sector. It has approved setting up National Bank for Financing Infrastructure and Development, which will provide long-term finance for projects where presumed risk are higher than acceptable for commercial banks. The government has notified a new public procurement policy that targets to introduce Quality-cum-Cost-basis for selection of contractors, improve payment terms to the contractors and allow surety bonds as a substitute to Bank Guarantees. Additionally, new regulations on drones and liberalisation of space and geo-spatial data are likely to have positive impact on the construction sector through application of newer technologies.

Government's flagship National Infrastructure Pipeline (NIP) programme, which was started in 2019, targeted investment of ₹ 111 lakh crore till 2025 in Infrastructure development. There have been some delays owing to COVID-19 but investments identified under NIP have increased to ₹ 142 lakh crore through programmes such as Gati Shakti, Bharatmala, Sagarmala, Nal Se Jal, AMRUT, etc. Programmes such as Gati Shakti aims to build a multimodal logistics network with integrated development for rail, road, waterways, and air transport. New areas such as river linking, ropeways, and development of multimodal logistics parks have been identified for investments. For example, one hundred cargo terminals for multimodal logistics park are expected to be developed over the next three years.

Additionally, multilateral development banks such Asian Development Bank, World Bank, JICA, European Investment Bank, Asian Infrastructure Investment Bank, KfW, and National Development Bank (NDB) have supported multiple infrastructure projects for Railways, Metros, Bridges, Power Generation, Transmission & Distribution, and Water. India's goal of mitigating climate change and attaining carbon neutrality is aligned with Sustainable Development Goals adopted by the leading MDBs. India with its robust project delivery mechanism is positioned to receive continued investment and support from leading MDBs.

Overall, outlook for Infrastructure sector is positive but current elevated commodity prices, geo-political uncertainties and slowdown in certain larger economies do present unfavourable headwinds in the short term.

BUSINESS SCENARIO AND INDUSTRY OUTLOOK & OPPORTUNITIES

POWER TRANSMISSION & DISTRIBUTION BUSINESS

KEC is a global EPC major in the Power Transmission & Distribution (T&D) industry and offers integrated solutions ranging from design, manufacturing, supply, installation, and commissioning of Transmission Lines, Substations and Underground Cabling in both domestic and international markets. With robust and well-integrated capabilities spanning the entire spectrum of 'concept to commissioning', the Company has set a benchmark in the industry with its ahead of schedule deliveries, enabled by world-class engineering and design capabilities, global supply chain and deployment of the latest mechanisation and digital technologies.

The Company's T&D business has a footprint in 70+ countries, spread across Asia (South Asia, Middle East, South East Asia, Central Asia), Africa, the Americas, Oceania, and Europe. The business is the largest segment of the Company, contributing around 50% to both, overall revenue as well as order book. This year, the Company has completed ~40 transmission line and substation projects across the globe.

With six state-of-the-art tower manufacturing units spread across India, Brazil, Mexico, and UAE, the Company is one of the largest globally operating tower manufacturing companies, supplying over 3.6 lakh tonnes of tower components annually. It is also among the few companies to own and operate four tower testing stations spread across India and the Americas. The Company's sixth tower manufacturing unit in Dubai, which was acquired in FY20 to enhance KEC's competitiveness and build a deeper connect with customers continues to strengthen its foothold over high growth markets in Middle East, Africa, and other regions.

During the year, the T&D business faced multiple headwinds in terms of COVID-19 related restrictions and relapse in many countries, coupled with unprecedented volatility in commodity prices and logistic costs. The conflict between Russia and Ukraine further created fresh geopolitical uncertainties, leading to another surge in the already elevated commodity prices.

> "The Company's T&D business has a footprint in 70+ countries, spread across Asia (South Asia, Middle East, South East Asia, Central Asia), Africa, the Americas, Oceania, and Europe."


400 kV Transmission Line project, Bangladesh

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

I) South Asia business (India and SAARC)

The Company enhanced its order intake in India and SAARC and secured new orders of over ₹ 3,000 crore, amidst a challenging environment owing to COVID-19, volatility in commodity prices and slowdown in tendering activities.

In India, the Company has secured significant strategic orders across transmission lines and substations, from Power Grid Corporation of India Limited (PGCIL), state utilities, as well as private developers. The business has strengthened its position in the Tariff Based Competitive Bidding (TBCB) space and has bagged orders, including Green Energy Corridor projects, from PGCIL and private players. The Company has also boosted its substation portfolio with several orders including a TBCB order. The Company maintains a strong presence across several states such as Bihar, Karnataka, Tamil Nadu, and West Bengal and continues to explore opportunities in states with a proven track record for timely completion of projects and secured payments. During the year, the Company has also reinforced its presence in Cabling solutions segment and has secured KEC's largest order for laying underground cables for a state utility, amongst other orders. The Company is expecting significant traction in the cabling segment and is well prepared to leverage these growth opportunities.

India continues to be the third-largest producer of electricity worldwide. India's generation capacity is likely to touch 619 GW by the end of 2026-27, as compared to 396 GW in January 2022. Development of high voltage transmission lines and substation infrastructure will thus need to keep pace with the generation capacity. The Company expects that the dynamics will be primarily driven by the growth of renewable energy. The ambitious COP26 target of 500 GW from non-fossil fuels by 2030 requires significant development in the transmission sector to enable the flow of renewable energy into the National Grid Network. The Government of India's focus to increase capacity of Green Energy Corridor (GEC) projects, setting up of ultra-mega solar power parks and solar & wind energy zones in renewable energy-rich states will stimulate demand for transmission and distribution network. The Company is also seeing a shift towards laying of underground power cables, instead of overhead transmission lines, to improve reliability of power supplies and also to save endangered bird species such as the Great Indian Bustard. Additionally, there is a growing need for strengthening the inter-regional grid capacity to ensure seamless flow of power from one region to another and cross-border interconnections with SAARC countries.

In the SAARC market, the Company continues to maintain a strong footprint, with significant presence in most of the neighbouring countries, while commanding a significant market share in Bangladesh and Nepal. The Company is executing ~20 projects in the region and has an order book of ~₹ 2,400 crore. The Company strengthened its foothold in Bangladesh and secured a large Exim Bank of India funded transmission line order, one of KEC's largest order in T&D, from Power Grid Company of Bangladesh to construct a 400 kV Transmission Line in the country. In Afghanistan, the Company is currently executing projects which are all funded by multilateral agencies. Post the political uncertainties in the country, the Company is in active discussions with authorities, funding agencies and the client on the way forward.

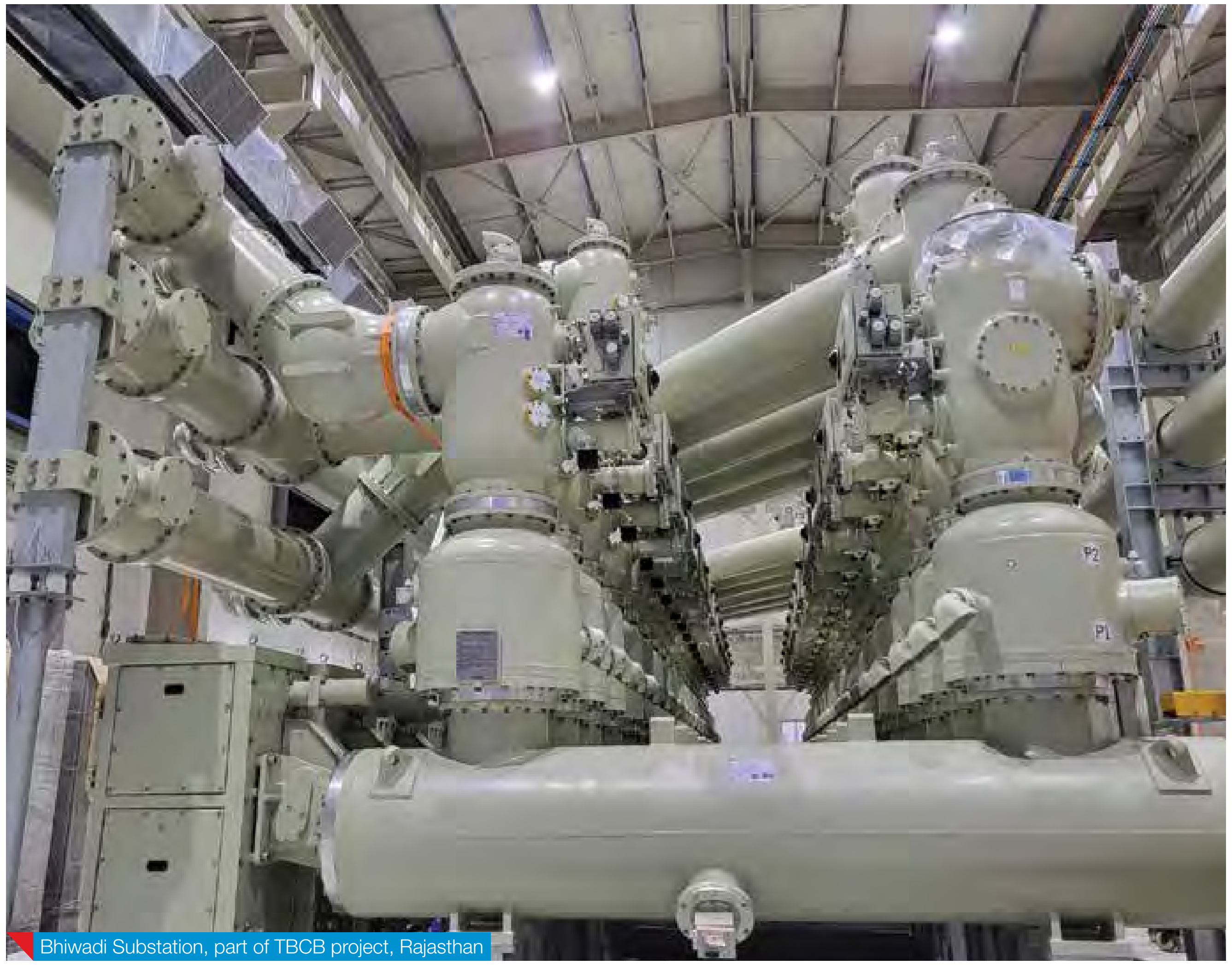
The SAARC region continues to offer significant business opportunities and has been a key growth driver for the Company despite delay in planned projects across countries due to COVID-19 pandemic and the impact of geopolitical changes in Afghanistan. The Company has achieved a strong revenue CAGR of 13% in the last four years.

On a broader note, the Company is witnessing a gradual revival in the economic outlook of India and SAARC countries. The COVID-19 situation has also significantly improved, with several sectors such as power and allied segments, manufacturing, and industrial nearing pre-COVID levels of output and demand.

In the associated solar business segment, the Company successfully commissioned its first carport project for a leading automobile manufacturer in Gurugram, Haryana. The 20 MW carport is one of the Asia's largest grid-synchronised, solar PV power plant, constructed within an operational automobile manufacturing unit having sensitive security zones. The Company has also successfully charged and commissioned four rooftop solar projects aggregating to 13.6 MW for an automobile ancillary company, by converting existing industrial plant sheds into solar power generation units. As a testimony to the Company's engineering and operations capabilities, the business is presently handling Operations and Maintenance of several projects and is exceeding generation performance guarantees in all projects. Due to the continuing uncertainties in the domestic market, the Company is adopting a prudent approach and bidding for select tenders.

The Company continue to drive mechanisation and digitalisation initiatives across its projects to improve productivity and accelerate execution, reduce dependency on labour, recoup time lost during pandemic-related restrictions, improve margins, and enhance workforce safety. Some of the initiatives which have substantially enhanced operational efficiency include deployment of drones for conducting surveys and tower inspection, LiDAR for improving accuracy of surveys in hilly and forest area, BIM to improve engineering and project management and a platform for digitalising Quality processes. The Company was appreciated by clients for its unwavering focus on delivering superior quality of execution and adopting excellent EHS practices at project sites across regions.

The advent of new and advanced technologies is significantly enabling the development of the power sector. The Company expects significant growth in the deployment of technologically advanced Gas Insulated Substations (GIS) and Hybrid substations, with the segment envisaged to garner 40-45 percent of the total investments in the power sector in India. Automation and digitalisation are the other drivers in substation technology. In line with this, the Company has built deep expertise and forged strategic partnerships to capture a large share of this growing market. With focus on improving the power quality, technology driven solutions like Static Synchronous Compensator (STATCOM) for substations are gaining traction. Advanced technologies such as HVDC and HVDC Lite are being deployed for bulk power transmission from remote locations, in addition to development of High Capacity Power Transmission Corridors. Monopoles, narrow base towers, and innovative conductor technologies such as HTLS Conductors, Covered Conductors, etc., are playing a crucial role in resolving issues related to Right of Way (RoW). The Company is well-positioned in terms of preparedness to cater to the varied requirements of its clients and execute projects of diverse complexities ensuring high quality and safety standards.


Bhiwadi Substation, part of TBCB project, Rajasthan

> "The Company expects significant growth in the deployment of technologically advanced Gas Insulated Substations (GIS) and Hybrid substations, with the segment envisaged to garner 40-45 percent of the total investments in the power sector in India."

With a healthy order book of over ₹ 5,300 crore and a strong tender pipeline across India and SAARC, the Company is well poised to sustain its leadership position in the South Asian market.

II) International Business

The Company's International T&D business significantly strengthened its footprint across regions in FY22. The business secured new orders/L1 of ~₹ 4,400 crore, which included orders across Middle East, Africa, CIS, and Europe, in addition to significant tower supply orders in the Americas. The Company's strategy of strengthening foothold in areas such as substations has yielded positive results. The Company secured significant orders in Burundi and UAE, aggregating close to ₹ 700 crore, including its first substation order in Abu Dhabi. In line with the objective of driving growth through diversification, the Company has successfully entered/re-entered 20 new countries across regions in the last five years, including two new countries in FY22.


Monopoles at a Transmission Line project, Saudi Arabia


400 kV Sitamarhi Air Insulated Substation, Bihar

400 kV Air Insulated Substation at Singida, Tanzania

In terms of execution, the international business faced a challenging year owing to the increasing commodity prices, logistics costs and delay in startup & execution of projects owing to the spread of COVID-19. These challenges significantly impacted the revenue and profitability of business through the year. The business has delivered close to 2,000 km of transmission lines and 61 substation bays during the year, in countries such as UAE, Senegal, Ghana, Egypt, Jordan and Papua New Guinea, amongst others.

The Company's 50,000 MT tower manufacturing facility in Dubai, as part of its subsidiary KEC Towers LLC, has enhanced the competitiveness of the business in the Middle East and other regions. In addition to supplying towers for KEC's projects, the subsidiary has been successful in securing tower supply orders from reputed utilities and private clients during the year. The Company has also secured two EPC orders from utilities through its EPC subsidiary, KEC EPC LLC, in UAE. Apart from these orders, the Company has secured several new orders in the MENA including large orders in Saudi Arabia and Abu Dhabi, and its first order in Morocco. The Company has also commissioned several projects including transmission lines in UAE, Saudi Arabia, Jordan and Egypt.

With a well-entrenched presence in MENA, supported by favourable oil prices, pick-up in tendering activity and the competitive advantage of having a manufacturing facility in Dubai, the Company is confident to secure significant orders to maintain its leadership position in the region. The tender pipeline remains healthy across many countries in the MENA region. Saudi Arabia government plans to invest around USD 9 billion to augment generation and T&D capacities in the Kingdom for its growing energy demand.

The country is sprinting towards achieving Vision 2030's goal of weaning its economy off oil by boosting the private sector's role and developing industrialisation through flagship megaprojects, especially for transmission and distribution, effective integration of renewable energy and interconnection with neighbouring countries.

The Company expanded its footprint in Rest of Africa (ROA) region with new orders for construction of a substation in Burundi, and transmission infrastructure in Uganda, amongst other orders. The Company achieved robust execution in the region and, in a notable achievement, executed and commissioned significant portions of the prestigious OMVG Interconnection project, which has strengthened the power grids of Senegal, Guinea, Guinea Bissau, and The Gambia, enabling regional electricity transmission. The Company has also executed prestigious projects such as 330 kV Kumasi - Kintampo Overhead Transmission Line in Ghana, in addition to transmission lines in Ivory Coast and Burundi.

Africa continues to be one of the key growth driver for the Company's International T&D business. The Company continues to work in close collaboration with the local authorities as it continues to build the region's transmission and distribution network. It is estimated that USD 80 billion will be invested in Africa by 2040 to build the transmission lines and substation infrastructure to absorb current and planned power generation capacities. This amounts to an opportunity of USD 3-4 billion per annum for transmission network expansion. KEC's wide presence across countries in both West and East Africa, in addition to the upcoming interconnection and financing projects will create significant opportunities for the Company going forward.

"KEC's wide presence across countries in both West and East Africa, in addition to the upcoming interconnection and financing projects will create significant opportunities for the Company going forward."

The Company's existing projects in Thailand and Malaysia are progressing well despite execution challenges. The impact of the pandemic brought significant disruptions to the region, which affected tendering and ordering activity. As the impact of the pandemic subsides in the South East Asia region, the Company expects a recovery in the tender pipeline in FY23. The Company delivered the 132 kV Ramu Transmission System Reinforcement Project in Papua New Guinea, nine months ahead of schedule amidst severe execution and Right of Way issues, in addition to the 138 kV transmission lines and substation in Nicaragua.

South East Asia is one of the fastest-growing regions globally in terms of electricity demand. In line with its rapid economic development, South East Asia's energy demands are expected to rise by 60% by 2040. The region imports 40% of its energy, which calls for urgent need towards transitioning to a sustainable energy system, including expansion of renewables and natural gas, and regional interconnection and trade.

The Company is currently executing two transmission lines and a substation in Thailand, in addition to two transmission lines in Malaysia. The Company, with its significant experience and capabilities in this market, is actively targetting opportunities in this region.

SAE Towers, the Company's wholly-owned subsidiary in the Americas, has physically completed three EPC projects during the year. The business is currently executing three transmission line projects spanning 900 km and three substations totalling to over 1,000 MVA in Brazil. The Company has secured orders of ₹ 1,400 crore, with a robust growth of 50% over last year. These orders include the Company's highest ever order for supply of poles aggregating to USD 16 million, in addition to multiple orders for towers and hardware. The business continued to face significant challenges during the year on account of unavailability of steel, COVID-19 induced delays in execution and cost escalations in the EPC projects.

North America has announced comprehensive plans to upgrade the existing infrastructure, integrate new renewable and distributed energy resources, and respond to a rapidly changing energy mix. In USA, around 316 GW of new-build

500 kV Bang Saphan 2 – Surat Thani 2 Transmission Line, Thailand

500 kV Transmission Line, Brazil

generation projects scheduled to commence construction between 2022 and 2026. To facilitate evacuation, the Government proposes to spend USD 100 billion towards re-energising the country's power infrastructure and upgrading the nation's electric transmission system. Over 44,000 km of lines at 115 kV and above voltage levels are planned to be added to the North American power grid by 2027. In South America, the transmission infrastructure industry is moving towards opening the sector for private participation, promoting renewable energy integration in power grids and encouraging sectoral growth. These measures are expected to enhance transmission grid networks in the region, with countries such as Brazil, Chile, Argentina, and Peru likely to garner more than 90% of the total investments.

The Brazilian government has outlined elaborate plans to upgrade the transmission network and add renewable energy capacities. The 10-Year Energy Expansion Plan 2029 (PDE 2029) announced by the Ministry of Mines and Energy (MME) envisages investments to the tune of BRL 2.3 trillion for the 10-year period starting 2020, of which 20% will be utilised for enhancing electricity generation and transmission in the country. The Company continues to remain cautious in bidding for new EPC orders in Brazil in the near term. With the easing of COVID-19 restrictions, the Company has also strengthened the organisation in Brazil by appointing experienced resources from India.

In Mexico, the government plans to add 4.3 GW of generation capacity in the near term and make large-scale investments in transmission line capacity addition to construct around 20,000 circuit-km of line length during the 2019-32 period. SAE Mexico is successfully capturing these new opportunities to significantly strengthen its order book during FY22 and has secured its highest ever order intake of over USD 65 million for supply of towers and poles in North America. With a strong order book, the Company's Mexico plant is expected to have complete loading for FY23.

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

"To facilitate evacuation, the Government proposes to spend USD 100 billion towards re-energising the country's power infrastructure and upgrading the nation's electric transmission system."

Gidhni Station Building, Kharagpur Third Line project, West Bengal

RAILWAY BUSINESS

KEC is one of the leading engineering, procurement, and construction (EPC) players with diverse experience in overhead electrification (OHE), track laying and linking for new railway lines, doubling and tripling of tracks, gauge conversion, signalling and telecommunication, and construction of railway stations and platforms, bridges, residential quarters, depots, workshops, etc. During the year, the Company widened presence in conventional railways, with projects in areas such as speed upgradation, port connectivity and railway sidings, and enhanced foothold in technology-enabled areas of urban infrastructure, which include electrification, power supply systems and track laying for metros.

During the year, the business continued its growth momentum and delivered a revenue of over ₹ 3,800 crore, a significant growth of 13% backed by robust execution across projects. The Company successfully diversified the Railway business' project portfolio and had built an order book including L1 of ₹ 6,000 crore.

The Company continues to dominate the OHE segment and plays a crucial role towards Indian Railways' "Mission 100% Railway Electrification". The business has completed overhead electrification of 1,441 route kilometres (RKM), which is nearly 23% of the country's overhead electrification lines commissioned during the year, in addition to commissioning railway tracks totalling to 131 RKM. Further, the business has bagged several new speed upgradation orders in the High-Speed Rail segment under Mission Raftaar, its second order in the port connectivity segment to build railway infrastructure for a large private player and an order in the railway siding segment. The Company is also executing a prestigious order for Dedicated Freight Corridor and an order in the emerging area of tunnel ventilation.

In line with the PM GatiShakti National Master Plan, the Government continues its thrust on developing world-class railway infrastructure in the country, which augurs well for the entire Railway value chain. In the Union Budget, Railways has received an all-time high budgetary allocation of ₹ 1.37 lakh crore for FY23, 17% higher than FY22, and an outlay for capital expenditure amounting to ₹ 2.45 lakh crore. As per the Vision 2024 document of the Indian Railways, the sector is expected to see an investment requirement to the tune of ₹ 2.19 lakh crore from 2021-22 till 2025-26 for all priority projects of the Government. Railways also plans to spend about ₹ 1 lakh crore on station redevelopment and improving the safety of Indian Railways.

The Company also plans to leverage several opportunities arising in the technology-intensive areas of urban infrastructure, in line with its diversification agenda. Union Budget for FY23 laid significant emphasis on faster implementation of Metro Rail systems across India, along with a focus on innovative ways of financing these projects. The Company expects significant investments in the development of RRTS, Suburban Rail, Metro Neo, Metrolite and various Metros across cities in the coming years.

As a technology player, the Company is now executing complex projects in Metro electrification – OHE as well as Third Rail, power supply systems, and track laying for Metro Rail operators in New Delhi, Kolkata, and Patna. Around 50% of the order intake in FY22 comprise orders from urban infrastructure and new/emerging segments such as speed upgradation and port connectivity. The Company is also executing advanced Signalling & Telecommunication (S&T) systems for Dedicated Freight Corridor (DFC) and is further targetting various opportunities in DFC and bullet train segments.

> During FY22, the Company has commissioned seven projects ahead of contractual schedule, despite facing significant challenges on account of COVID-19 pandemic.

With clear plans of achieving 100% railway electrification by December 2023, and speed upgradation of existing tracks to enhance the speed of passenger trains by March 2024, the outlook for the conventional sector remains positive. Over the next few years, the Company expects significant opportunities in the areas of electrification, power supply systems, track laying, signalling & telecommunication, etc., in both conventional as well as in the urban infrastructure segments.

In the journey towards delivering superior value to clients, the Company continues to lay a strong emphasis on strengthening its project management practices, deploying advanced mechanisation & digitalisation initiatives and enhancing safety and quality at project sites. The approach is enabling the Company to accelerate execution, deliver projects ahead of schedule and stay ahead of the competition. During FY22, the Company has commissioned seven projects ahead of contractual schedule, despite facing significant challenges on account of COVID-19 pandemic. As a testimony to the Company's firm focus on EHS, over 10 projects have received letters of appreciation from clients for implementing the highest standards in health and safety practices at project sites, in addition to several appreciations for adoption of mechanisation practices, superior quality of work and timely completion.

The Company further strengthened its supply chain through backward integration for enhanced supply security and better control over costs and quality. The Company has introduced new railway cables such as 150 & 193 sq. mm. contact wires, feeder, jumper and dropper wires, 125 sq. mm. catenary conductors, signalling power cables, railway OFC cables, and Quad cables for railway applications at its Cables manufacturing units. The Company also manufactures railway contact and catenary conductors, signalling cables and PIJF cables, in addition to manufacturing Overhead Electrification structures at its Transmission and Distribution (T&D) plants, all of which are significantly helping the Company to strengthen the Railway supply chain and enhancing the Company's competitive advantage in the market.

Additionally, the Company is also targeting international markets by leveraging on the global strengths and experience of its T&D business.

Given the key developments in both domestic and international markets, the Railway business continues to be one of the growth drivers for the Company and we expect the momentum to continue in the years ahead.


Bhigvan - Solapur Railway Electrification project, Maharashtra


Residential project for a reputed developer, Goa

CIVIL BUSINESS

The Company forayed into the Civil construction business five years ago to drive growth and expand into adjacent EPC segments. The business focusses on high growth areas such as large industrial factories & process plants, residential buildings, public spaces, water pipelines & water treatment plants, defence, data centres, and warehouses, for reputed private players and central & state government bodies and is currently delivering world-class construction for over 40 projects across these sectors.

Infrastructure sector, especially the Construction industry is a key driver to achieve India's goal of a USD 5 trillion economy. A KPMG study expects India will become the third-largest construction market globally by 2025, rising at a CAGR of 7.2%. The construction sector's contribution is expected to increase from 9% to 15% of GDP by 2030. The Government is taking concrete steps in this regard by reinforcing initiatives announced in the previous budget, such as the ₹ 111 lakh crore National Infrastructure Pipeline, in the Union Budget 2022-23 through the ambitious PM GatiShakti programme for economic growth and sustainable development. The increase in capex budget by 35.4% to ₹ 7.50 lakh crore in 2022-23 will fuel GatiShakti's seven engines, bridging the infrastructure gap.

Reforms and initiatives taken by the Government to attract foreign investments for the development of alternative global supply chains, strengthen industrial infrastructure and improve ease of doing business in the country have also been very encouraging.

Measures are also being taken to enhance financial viability of projects including Public Private Partnerships (PPP), with technical and knowledge assistance from multi-lateral agencies. The success of InvIT and REIT showcases the trust of investors in the infrastructure and real estate segment and is bringing in significant private/foreign capital. These and other investments will create opportunities in the development of industrial clusters near highways & rail freight corridors, building of health infrastructure, mining & associated supply chain infrastructure, real estate, defence, airports, warehouses, etc.

During the year, the business has grown to be one of our key growth drivers in a short span of time and has delivered revenues of ~₹ 1,900 crore, a stellar growth of ~75% compared to last year. The business has also achieved its highest ever order intake in FY22, with order inflows exceeding ₹ 5,800 crore in FY22, significantly boosting the businesses revenue visibility in FY23. The Company's strategy to diversify into new and emerging areas to drive future growth is delivering results. During the year, the Company successfully forayed into the public spaces segment and secured breakthrough orders for the construction of an airport and High Court building, unlocking large opportunities for the Company in this space going forward.

The Company has significantly strengthened its foothold across segments during the year.

After entering the water pipelines business last year, the Civil business has secured four more large orders in Odisha as part of Government of India's Jal Jeevan Mission, where the business is constructing water pipelines spanning hundreds of kilometres, in addition to several Elevated Storage Reservoirs (ESR), water intake wells and treatment plants, which is expected to benefit over 3.4 lakh rural households. The Company expects significant opportunities in this sector as the government has increased the funding for the Jal Jeevan Mission for 2022-23 to ₹ 60,000 crore. Further, it has planned an outlay of ₹ 2.87 lakh crore over five years to provide household tap connections, demonstrating the importance of the 'Har Ghar Jal' programme.

The Company continues to be a preferred contractor for large industrial projects and has successfully expanded its client portfolio with orders from new private players in chemicals, minerals & mining and FMCG segments. The Company is currently executing over 25 projects for marquee clients, reinforcing its leadership position in the industrial segment. Government's policies towards "Make in India" and Production Linked Incentive (PLI) schemes in 14 sectors will re-energise the private investment cycle, boosting inclusive and sustainable growth, and in turn, give rise to various direct and indirect growth opportunities across sectors. The Company is expecting the momentum to continue with orders of significantly higher values in the automobile and auto-ancillary, cement, metals & mining, chemicals, and warehousing.

The Company has widened its footprint in the residential segment during FY22 with multiple new orders, which involve construction of high-rise towers. The business has handed over 11 high-rise buildings in Bengaluru and Pune and is currently executing several high-rise projects with over 23 towers. The Company continues to expand its profile in the high-rise residential through new as well as repeat orders secured during FY22. The strategy of being selective and working with financially stable private developers has been greatly beneficial for the Company.

The Company has also expanded its presence in data centres and secured its second order in this segment from a private player.

According to Ind-Ra estimates, the data centre industry in India is set to grow to around ₹ 70,000-72,000 crore over the next five years. In the recent Union Budget, the Government has granted infrastructure status to the data centre industry, with an aim to make India a global data centre hub. The Company is engaging with global majors to set up green data centres involving an integrated setup of the data centre, in addition to solar power plant and substation to generate clean energy. The Company, with its business offerings in these segments, is well-placed to capture upcoming opportunities in this promising sector.

With an all-time high, diversified order book + L1 of over ₹ 7,500 crore, KEC's Civil business is on the threshold of delivering exponential growth in the years to come. In order to elevate the business to the next level, the Company has embarked on a transformational programme for the Civil business as part of the Civil Execution Excellence initiative, in collaboration with a global management consulting firm. Through this initiative, the Company aims to build best-in-class engineering and execution capabilities for consistently delivering Civil projects ahead of schedule and maintaining a tighter control on costs.

The Company continues to deploy cutting-edge construction equipment, leading digital technologies, professional project management expertise, and a strong focus on safety and quality across its projects. The Company has also developed competencies to install heavy mechanical structures such as cement mills, stacker reclaimers and wagon tipplers, which are pivotal to the success of cement plants. The Company is also laying special emphasis on enhancing productivity by leveraging sophisticated equipment such as heavy cranes & gantries, mobile batching plants, and latest formworks. The Company is also deploying innovative digital solutions such as drones, BIM and IoT in construction life cycle to unlock greater value for its clients. Apart from expediting execution, these mechanisation and digitalisation initiatives have significantly enhanced quality and safety at project sites. The Company has been duly recognised time and again through awards by National Safety Council of India (NSCI) and CIDC Vishwakarma Awards for Construction Health Safety and Environment.

Going forward, the Company is expecting significant growth in areas such as hydrocarbons and public spaces and plans to tap these segments. As the capex cycle picks up across government and private sector, the Company foresees significant investments in segments such as warehouses and data centres, in addition to industrial, residential, water segments, wherein the Company has delivered world-class infrastructure over the years.

With a medium to long-term trend pointing towards rapid increase in urbanisation, rebound in demand and consumption, uptick in private investments and sustainable economic development, the future looks promising for the construction sector. The Company's Civil business is confident of leveraging the upcoming growth opportunities through its diversified presence across sectors, strong project management and execution capabilities, financial strength, and persistent focus on implementing leading-edge construction technologies at its projects.

Preheater at a cement manufacturing plant in Mukutban, Maharashtra

73-metre, 850-tonne steel arch over four railway tracks, Delhi-Meerut RRTS project

URBAN INFRASTRUCTURE BUSINESS

The Company's Urban Infrastructure business focusses on the construction of Metro Rail and Regional Rapid Transit System (RRTS) projects, including elevated viaducts, stations, river over bridges, depots, and workshops, in addition to technology-intensive infrastructure in the areas of power supply systems, electrification – OHE as well as Third Rail and track laying works for Metros.

The Company has significantly expanded its business portfolio during the year through new orders in various segments, further solidifying its foothold in the industry. In FY22, the Company secured two large orders for the construction of elevated viaduct and stations for Chennai Metro Rail Limited and an order to build a depot-cum-workshop for Bhopal Metro. The Company has also enhanced its presence in technology-enabled areas with four new orders. The Company is now executing sixteen projects across India for construction of metros for esteemed clients such as Delhi Metro Rail Corporation, Kochi Metro Rail Corporation, Chennai Metro Rail Limited, National Capital Region Transport Corporation, Madhya Pradesh Metro Rail Corporation, and RVNL for Kolkata Metro works.

The Company is delivering world-class construction across projects, despite challenges faced due to the pandemic. During the year, Kochi Metro Rail Corporation conducted a successful trial run of KEC's first elevated viaduct from Petta to SN Junction stations. The Company has also executed ballastless track works for this section. The Company is making fast-paced progress in the Chennai Metro projects through the establishment of a state-of-the-art casting yard and swift erection of piers and girders. The work is progressing well on the two Delhi Metro projects, where the Company is constructing complex structures such as a 1.4 km double decker viaduct and a Balanced Cantilever bridge over River Yamuna. In a significant achievement, the Company demonstrated execution excellence in the Delhi-Meerut RRTS project by completing the installation of a mammoth 73-metre, 850-tonne steel arch over four railway tracks.

The Company continues its focus on delivering these nation-building projects as per contractual timelines, with a strong focus on safety and quality, and has taken several steps to achieve the same. As part of the Civil Execution Excellence initiative launched in collaboration with a global consultant, the Company is targetting to significantly accelerate execution, optimise costs and streamline processes for swift completion of projects. The Company expects that the initiative will help set best-in-class construction benchmarks and enable execution of projects profitably going forward. The Company is also leveraging digital and technological solutions such as precast/prestressed construction methodology, BIM, drones for surveys and tracking real-time project progress for faster and superior project execution. The Company has achieved over eight million safe person hours across its urban infrastructure projects, earning several prestigious awards and appreciations from organisations such as National Safety Council of India and Construction Industry Development Council.

As urbanisation across the country gains momentum and cities expand at a rapid pace, new and innovative transport systems will play a crucial role to fulfil the mobility needs of the rapidly growing urban population. India's urban transport infrastructure network has grown rapidly to figure among the top 10 largest networks in the world.

State and central governments remain committed to develop India's urban mobility network on fast-track mode and provide world-class infrastructure to its citizens to improve quality of life. The country has added close to 500 kms of operational metro network in 18 cities in the last seven years and has laid out plans to add another 1,000+ km of Metro and RRTS lines across India at an investment of close to ₹ 3 trillion till 2025.

The Government has also announced modern yet affordable mass transit systems such as MetroLite and MetroNeo for smaller cities to provide metro rail systems at much lesser costs with the same experience, convenience, and safety. The Union Budget 2022 announced the introduction of innovative ways of financing and encouraged faster implementation of metro systems. Design of metro systems, including civil structures, will also be re-oriented and standardised for Indian conditions and needs.

KEC, with its well-diversified portfolio of services in civil works as well as technology-intensive areas of urban infrastructure, is well-placed to tap into a wide range of opportunities arising in the sector in the coming years.

“The Government has also announced modern yet affordable mass transit systems such as MetroLite and MetroNeo for smaller cities to provide metro rail systems at much lesser costs with the same experience, convenience, and safety.”

OIL & GAS PIPELINES BUSINESS

The Company ventured into the Oil & Gas cross-country pipelines segment in FY20, in line with the strategy to diversify into adjacent growth areas. The Company has made significant progress in building asset and people capabilities for the sector to expand the business' operations in India as well as in international markets.

In FY22, the Company acquired 100% equity in Spur Infrastructure Private Limited (name changed to KEC Spur Infrastructure Private Limited post acquisition), an EPC company engaged in setting up of cross-country oil & gas pipelines. The acquisition is creating valuable synergies for the Company to scale up the business and drive growth at a faster pace. The Company's time-tested project management capabilities, experience of executing cross-country linear projects, expertise in managing Right of Way (RoW) and global market outreach, coupled with KEC Spur Infrastructure's profitable track record, technical knowhow, experienced manpower and relevant pre-qualifications is significantly enabling the business to capture the lucrative growth opportunities in the oil and gas cross-country pipelines EPC sector. The acquisition is proving to be beneficial for the Company and is delivering the desired results.

During the year, the Company has delivered revenues of over ₹ 180 crore and secured orders of over ₹ 300 crore from marquee PSUs such as Indian Oil Corporation Ltd. (IOCL) and Gas Authority of India Ltd. (GAIL India), and a large order for laying slurry pipelines for a reputed steel major, boosting the order book to over ₹ 800 crore. The Company is currently executing over 20 projects for government and private players, including Tundla-Gawaria pipeline project, KGPL pipeline project and Sultanpur-Jhajjar-Hissar pipeline project, amongst others.

With an objective to deliver projects ahead of time as well as improve pre-qualifications, the Company is putting special focus on thorough planning and fast-track execution, by implementing best practices in project management, building an efficient supply chain, and enhancing EHS and quality practices across projects. The Company has also been successful in seamlessly integrating KEC Spur Infrastructure and KEC's Oil & Gas Pipelines business, which is helping us leverage synergies between the teams for faster growth.

Oil and Gas will continue to remain a core sector of the Indian economy and will play a pivotal role in the socio-economic development of the country. In 2021, Government of India announced large-scale investments of over ₹ 7.5 lakh crore on oil and gas infrastructure in the next five years, which include refineries, pipelines, and new LNG import terminals, amongst other assets. The Government is targetting to increase refinery capacity from 248 MMPTA currently to 440 MMTPA and raise the share of natural gas in the energy basket from 6% to 15% by 2030.

There is a growing need to build new oil and gas infrastructure and upgrade existing infrastructure in India, as the country moves towards becoming self-reliant in the energy sector by 2050. A key element that ensures growth of the sector are cross-country pipelines, considered as the lifelines of energy security of our country. They are the safest, cost-effective, energy-efficient, environment-friendly, and green mode for transportation of crude oil, petroleum products and gas. Under the One Nation - One Grid programme, India is in the process of adding 17,000 km of cross-country gas pipelines, as the nation progresses towards building a gas-based economy. Furthermore, it is expected that 800-1,000 km of crude and product pipelines will be laid every year. The growth prospects of the sector look promising in the coming years on the back of healthy demand and favourable cost economics of projects. These investments and asset expansion plans offer sizeable market opportunities for a Company like KEC.

In International markets, due to changing geo-political environment, rapid industrialisation and urbanisation, governments and companies are inclined towards increasing hydrocarbon production, leading to potential opportunities in building network of oil and gas pipelines. The Company's T&D business has a strong presence and wide experience across key markets and plans to leverage the synergies to expand its oil and gas pipelines business overseas.

Operation Command Centre at Aurangabad Smart City, Maharashtra

SMART INFRASTRUCTURE BUSINESS

The Company forayed into the Smart Infrastructure business in 2018 to develop smart and technology driven digital infrastructure in the country. The primary target segments for the Company include Smart Cities, Safe Cities, Communication, Smart Mobility and Smart Utility. The business plays the role of a Master System Integrator (MSI) and collaborates with Central and State Governments, Urban Local Bodies, and other Utility Departments to create digital infrastructure for both greenfield and brownfield cities.

In FY22, the business has successfully completed KEC's first two Smart City projects in Aurangabad and Bidkin, both in Maharashtra. As part of these projects, the Company has conceptualised and commissioned state-of-the-art Command Control Centres. Additionally, the Company has deployed several CCTV cameras, Digital Outdoor Display units, laid Optical Fibre Cables for efficient communications, environmental sensors, vehicle tracking system, Solid Waste Management and other business intelligence-driven software solutions for safety and well-being of citizens. Some of the other interventions implemented include Chatbot, Customer Relationship Management (CRM) applications, and e-Governance solutions for online citizen services. The Company is also implementing smart solutions for Airport Perimeter Security System projects across six airports in India.

“The Company is currently deploying smart city components for three Smart Cities in Punjab during the year, which has further enhanced our foothold in the segment.”

The business' custom-made solutions and superior execution of these Smart Cities has significantly strengthened the Company's capabilities to deliver large-scale smart infrastructure projects. The Company is currently deploying smart city components for three Smart Cities in Punjab during the year, which has further enhanced our foothold in the segment.

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

Cables Manufacturing Facility in Mysuru, Karnataka

CABLES BUSINESS

The Cables business offers a wide range of cables, railway conductors and turnkey cabling solutions across 90 countries around the globe. The business manufactures Power cables, Control and Instrumentation cables, Railway cables and conductors, Telecom cables, and Special cables such as Solar cables, Hybrid cables and Mining cables at its two fully integrated manufacturing facilities at Vadodara and Mysuru, both in India. The Company has a diversified customer base from across a multitude of industry segments, utilities, EPC companies and distributors, aided by rich experience of over seven decades in quality-driven manufacturing and expertise in project execution.

The Cables market grew during the year, primarily supported by the thrust on infrastructure development and recovery of private investments. According to a CRISIL report, the wires & cables industry in India is expected to grow at a CAGR of around 11%, to reach ₹ 1,000-1,100 billion by FY 2023-24, from ₹ 646 billion in FY 2018-19. The industry's expansion is driven mainly by the rising urbanisation and industrialisation and the Government's current development push in the infrastructure sector. Thrust on renewable energy, initiatives for electrification, housing construction, and smart cities, deployment of optical fibre cables, and reforms to improve the financial health of the DISCOMs have also benefitted the industry. Increasing investments in Railways by the Government towards achieving 100% railway electrification and for railway infrastructure projects in segments such as high-speed rail, signalling and telecommunications and Dedicated Freight Corridors to create a future-ready railway system is also expected to increase in demand for several types of railway cables and conductors.

Despite an uptick in the market outlook, the cables industry witnessed headwinds in the form of delay in ordering due to elevated commodity prices and increase in prices of raw materials such as XLPE, PVC and GS wires.

Notwithstanding these challenges, the Cables business has delivered a remarkable growth during FY22 and has achieved its highest ever revenue and profitability. The business has clocked revenues of ₹ 1,524 crore, a stellar growth of 44% vis-à-vis last year and a delivered a quantum leap in profitability. The improvement in performance is a direct result of higher sales in Railway cables and conductors and Power cables segments, higher capacity utilisation of assets and implementation of cost reduction initiatives at manufacturing plants. In a notable achievement, the Company has delivered 100% growth in Railway cables and a 45% growth in the LT cable segments during the year. The Company has also been successful in expanding its horizons internationally and has exported cables and cabling solutions to 35 countries across the globe in FY22, including seven new countries. The Company's exports business grew by ~15% over FY21. The business has secured various approvals from key industrial customers as well as utilities, both government and private and is favourably poised for growth in FY23.

The Company further sharpened its focus on developing new products to cater to the varied requirements of KEC's EPC businesses such as Railways, Urban Infrastructure, Substations and Underground Cabling, as well as external clients. Being a strategic enabler for the Company's other businesses is significantly helping the Company to improve the performance of the Cables business, and simultaneously, enhance competitiveness of the respective business segments.

The Company has strengthened backward integration and commercialised several new products for the Railway segment including new varieties of contact wires, catenary conductors, feeder, jumper, and dropper wires, railway OFC cables, and Quad cables, in addition to Hybrid cables, a combination of HV Power cables and Telecom cables. The Company has also manufactured and tested Photovoltaic (PV) Solar cables and has received approval for manufacturing LV & MV multicore mining cables and signalling power cables during the year. The Company is on track to develop and commercialise more products for domestic and exports market in FY23.

The Company also expects a significant increase in demand for telecom cables owing to wide-scale deployment of Fibre Optic networks, planned rollout of 5G services in India, fiberisation of telecom towers and last-mile FTTH connectivity, in addition to the Government's thrust on BharatNet 2. The Company manufactures and supplies an extensive range of telecom cables, including optic fibre cables and PIJF cables to leading telecom service providers, ISPs, Data Centres, and EPC companies.

Furthermore, underground cabling is gaining increased acceptance among state and central transmission utilities, as it provides greater safety as compared to overhead cables and is beneficial in densely populated areas owing to increasing RoW issues. Fast-paced urbanisation, the need for enhanced reliability in power supply, especially in severe weather conditions & cyclone-prone areas, growth of Smart Cities along with use of EHV cables to connect advanced Gas Insulated Substations to the grid is driving the demand for EHV cables and cabling solutions. The Company offers unparalleled expertise to execute large-scale Underground Cabling projects and expects a significant boost in opportunities in India and overseas markets.

Overall, the Company's product portfolio and manufacturing capabilities are well poised to capture the increasing demand of cables in the Indian as well as international markets.

FINANCIAL PERFORMANCE

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

PROFIT AND LOSS STATEMENT ANALYSIS

Revenue for FY22 stands at ₹ 13,742 crore with a growth of 5% Y-o-Y, despite a challenging environment. The growth has been largely delivered by non-T&D businesses, namely Civil, Railways and Cables. The growth could have been higher, but for a few unforeseen issues such as suspension of projects in Afghanistan, impact on Delhi metro projects due to environmental restrictions, COVID-19 challenges in international projects and rising commodity prices.

Despite significant issues, we have achieved an EBITDA of ₹ 903 crore with EBITDA margin of 6.6% for the year. The margins have been impacted primarily due to cost and time escalations in EPC projects in the Company's subsidiary in Brazil, coupled with significantly higher commodity prices.

Interest costs to sales ratio has slightly increased to 2.3% in FY22 as against 2.0% in FY21 owing to elevated debt levels and higher interest rates.

Net profit for FY22 stands at ₹ 332 crore. The net profit has been impacted owing to a lower EBITDA and higher interest cost. During the year, the Company made an exceptional write-off of ₹ 44 crore towards a legacy arbitration case in South Africa. This has also impacted the profitability. Excluding this impact, the net profit stands at ₹ 363 crore.

Earnings per Share (EPS) stands at ₹ 12.9 in FY22 against ₹ 21.5 in FY21.

Recommended a Dividend of ₹ 4 per equity share, i.e. 200% of the face value of ₹ 2 each for FY22 – Total outflow of ₹ 103 crore.

KEY FINANCIAL RATIOS

Key Financial Ratios[1]	2021-22	2020-21	Change (%)
Debtors Turnover	2.5	2.4	4.7%
Inventory Turnover	12.9	15.6	-17.2%
Interest Service Coverage Ratio	2.9	4.5	-34.9%
Current Ratio	1.1	1.2	-2.1%
Debt Equity Ratio	0.8	0.6	38.4%
Operating Profit Margin %	6.6%	8.7%	-24.4%
Net Profit Margin %	2.4%	4.2%	-42.7%
Return on Net Worth %	9.5%	18.0%	-47.0%

- *Interest Service Coverage ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth have decreased owing to a reduction in EBITDA, primarily due to cost and time escalations in EPC projects in the Company's subsidiary in Brazil coupled with significantly higher commodity prices*
- *Debt Equity Ratio has increased due to increase in Debt level and reduction in Net Worth*

* *There were no other significant changes (25% or more) in any of the above key financial ratios*

[1] Assessment of key ratios have been derived at as follows:
(Debtors Turnover = Revenue from Operations/Trade Receivables)
(Inventory Turnover = Revenue from Operations/Inventories)
(Interest Service Coverage Ratio = Profit Before Depreciation and Amortisation, Interest and Tax/Interest)
(Current Ratio = Current Assets/Current Liabilities)
(Debt Equity Ratio = Total Debt /Total Equity including all reserves)
(Operating Profit Margin % = EBITDA/Revenue from Operations)
(Net Profit Margin % = Net Profit after Tax/Revenue from Operations)
(Return on Net Worth % = Net Profit After Tax/Average Net Worth (Total Equity including all reserves))

BALANCE SHEET ANALYSIS

Net Worth increased to ₹ 3,620 crore from ₹ 3,360 crore in FY21. The Company has not raised any Equity Capital during the year, keeping the Equity Share Capital unchanged at ₹ 51 crore. Reserves and Surplus increased to ₹ 3,569 crore from ₹ 3,308 crore in FY21.

Book Value per share increased to ₹ 141 from ₹ 131 in FY21.

Gross Borrowings increased to ₹ 2,875 crore from ₹ 1,928 crore in FY21.

ADEQUACY OF INTERNAL CONTROL

At KEC, Internal Controls are a key pillar of Corporate Governance. The Company has an internal control mechanism, which is aligned with its evolving needs. It operates through ERP system – SAP and has implemented adequate internal controls, which safeguards the Company's resources and ensures efficiency in operations, effective monitoring systems, and compliance with laws and regulations.

The Internal Control system is commensurate with the nature, size, and complexity of the business, both at entity and process levels. The system assures integrated, objective, and reliable financial information. The Internal Audit department conducts audits at its various locations and covers all the major functions, with a focus on various operational areas and internal control systems and ensures that all the operations of the Company are covered at least once every 3 years. The department delivers assurance across all areas of risk including strategic, commercial, safety, operational, compliance, and financial risks across all the Company's businesses. Periodically, suggestions, recommendations and implementation status is placed before the Management and the Audit Committee of the Board of Directors. The Audit Committee periodically reviews the adequacy of the internal control systems and provides direction and guidance, including external benchmarking of best practices for further action, if any.

During FY22, the findings of the Internal Control system were shared with the Audit Committee by way of presentations from time to time. The Audit Committee was satisfied with the adequacy of the Internal Control systems and procedures of the Company in respect to monitoring these systems.

Employees are guided by the 'RPG Code of Corporate Governance & Ethics', which reflects and reinforces the unique corporate culture and values prescribed by KEC and RPG Group. Whistle-blower mechanism, an important element of the internal control system, encourages the directors and employees to report genuine concerns, misconduct, or fraud without any fear of unfair treatment or punishment with direct access to the Chairman of the Audit Committee in appropriate and exceptional cases.

ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDITS BY EXTERNAL SPECIALISTS

The Company engages external specialists for audits and reviews of various critical functions, such as Enterprise Risk Management (ERM), Information Technology (IT), and internal audit of certain manufacturing facilities and project sites. ERM review includes identification and assessment of risks across the Company, review of mitigation plans, and presentation of risk profile to the Risk Management Committee and the Board of Directors. The internal audit reports are presented to the Audit Committee.

ENTERPRISE RISK MANAGEMENT

The Company works predominantly in the Engineering Procurement and Construction (EPC) business and has developed robust risk management processes. With widespread operations across 30+ countries, the Company faces various risks associated with turnkey projects, whose long-term success largely depends on the existence of a robust risk identification and management system that helps identify and mitigate various risks.

KEC's robust risk management framework works at various levels across the Company and reviews its systems periodically to ensure they are in line with current internal and external environments.

Some of the enterprise-level risks identified by the Company and the mitigation measures being implemented are:

1. Geopolitical Risks:

Unexpected political unrest or changes in some of the developed/developing countries, ongoing Ukraine-Russia war, trade barriers, increasing conflict in the Middle East are some of the risks which can disrupt supply chain & impact the execution/progress of its projects.

Mitigation: The Company monitors such risks and develops suitable mitigation strategies addressing the feasibility of operating in the country, strategic sourcing options, and evaluating the impact of war and working out strategies to overcome the risks.

2. Commodity Price Variations and Currency Fluctuations:

The Company deals with various commodities, such as steel, zinc, copper, and aluminium. Fixed price contracts can have a negative impact on the Company's profits if input costs rise without proper hedging mechanisms. Additionally, with operations in several countries, adverse movement in any currency can negatively impact financials.

Mitigation: The Company believes in keeping its commodity and currency exposures hedged to optimum levels and measures and manages these risks centrally. It carries out periodic reviews of these risks at appropriate levels.

3. Execution Challenges:

The Company faces execution challenges such as geological surprises, land acquisition and Right of Way (RoW) issues, pending approvals and clearances from Government agencies, working in difficult weather conditions, manpower issues, etc.

Mitigation: The Company closely monitors the risks for each project and deploys suitable strategies to effect timely mitigation. Company has deployed several mechanisation, automation, and digitalisation initiatives across projects to improve productivity and quality of execution.

4. Cyber Security:

Cyber-attacks and threats may impact the security of IT infrastructure and critical IT assets of the Company.

Mitigation: The Company's IT systems are protected with anti-virus and its network security through firewall to avert any cyber-attacks. The Company had engaged an external specialist to carry out cyber security audit, post which, audit recommendations and suggestions were implemented to further strengthen the IT security.

5. Pandemic Risk:

The Company is primarily involved in construction and manufacturing activities. Due to the onset of the COVID-19 pandemic since March 2020, there is an inherent risk to health and safety of the employees and workers, and risk of disruption in production due to lockdown.

Mitigation: The safety of its employees and all its stakeholders is foremost to the Company and forms an essential part of its DNA. Environment, Health & Safety (EHS) is included in the Key Responsibilities of the main stakeholders of each project and region. The Company has been complying with all MHA guidelines and KEC Standard Operating Procedures (SOP) introduced during the pandemic, with EHS audits being conducted by Internal Audit department regularly. The Company has institutionalised a Work From Home (WFH) policy since March 2020 for all corporate offices and standard operating procedures are rolled out for employees working from home. Subcontractors are provided training and made to sign the EHS Code of Conduct before beginning a project. Additionally, a detailed Standard Operating Procedure (SOP) is documented for each activity and Hazard Identification and Risk Assessment (HIRA) is also completed. Each site is manned by a supervisor, who monitors the work done as per the SOP, along with a Safety Officer deployed at each site. Additionally, the Company's Corporate Safety Audit team conducts regular audits, which are reviewed monthly in the EHS Steering Committee meeting and actions are taken accordingly. KEC has successfully conducted vaccination camps across its offices, plants and project sites for its employees (including contract labour and consultants).

6. Demand Risk:

Infrastructure investment slowdown can lead to lower order intake and lower sales.

Mitigation: The Company's robust global presence helps it minimise the impact on business during a slowdown in investment in a country or region. It has a significant presence in several underdeveloped and emerging economies, where infrastructure investment remains a key priority for sustainable growth. Further, the Company has diversified its business portfolio to include Substations, Railways, Civil, Solar, Urban Infrastructure, Oil & Gas Pipelines, Smart Infrastructure, and Cables, all of which provide ample growth opportunities in the future.

7. Succession Planning Risk:

Risk of inadequate succession planning for key personnel posing challenges to long-term sustainability and growth.

Mitigation: Top talent and critical positions are identified annually in the organisational management review. The leadership pipeline has been strengthened and proper processes are implemented for hiring and retaining the best talent. Additionally, the company periodically reviews the succession plan for its senior management team to ensure continuity in leadership.

HUMAN RESOURCES

The ability to attract, motivate and retain talent is critical to KEC's continued success. The Company achieves this through progressive policies, continual investment in upgrading employee skills and empowering individuals to realise their full potential.

The People Practices in the Company have significantly evolved over the last few years and the Company has effectively strengthened its position as a contemporary, open, and safe place to work. The Company launched and revamped several employee-friendly policies/initiatives to effectively address the growing needs and challenges of employees, especially due to the COVID-19 pandemic. The Company continued with the implementation of the Remote Working Policy launched in FY21, which gave employees a choice to work remotely wherever viable, with a view to safeguard health and safety of employees and enhance quality of life during the unprecedented crisis. This forward-thinking policy empowered employees to adopt new and contemporary methods of working, while improving their well-being and enhancing their efficiency and business output.

“The People Practices in the Company have significantly evolved over the last few years and the Company has effectively strengthened its position as a contemporary, open, and safe place to work.”

The Company also conducted periodic COVID-19 testing and vaccination camps, awareness workshops and counselling sessions at the grassroot level. The Company was successful in achieving 100% vaccination for all KEC employees across project locations. During the epidemic, the HR team played a critical role to keep employees motivated and overcome their emotional obstacles. The Company conducted several workshops on aspects such as preventive health care and collaborated with an online counselling platform to launch an Employee Emotional Wellness Program for enhanced mental health and emotional wellbeing of employees. The entire workforce's well-being was ensured by a set of well-defined safety and health regulations, which gained the employees' trust in adjusting to changing work situations.

During the year, the RPG Group launched the 2nd edition of 'Happiness Survey', the employee engagement initiative for Group companies to understand the opinions of its employees. KEC has maintained its Happiness Quotient at 80%, which reflects the perspectives of the Company's diverse set of employees on factors such as work profile, professional and personal growth, open and transparent culture and being valued by and connected with each other, all of which enables the Company to strengthen and elevate employee happiness.

KEC continues to work towards fostering a self-development culture throughout the organisation. The Company launched a new edition of the Digital Learning Championship to encourage e-learning through gamification for an enhanced employee experience. The technology-enabled initiative focusses on building employee capabilities across behavioural, functional, and technical competencies. Over 7.7 lakh learning sessions were completed under this championship in FY22, as compared to 5.4 lakh learning sessions in FY21. The Company also promoted virtual learning through novel initiatives such as Knowledge Café & Learning-On-The-Go, and DEAL - Drop Everything, where interactive sessions were conducted by KEC's senior leadership as well as external speakers on varied business-focussed subjects.

The Company has made steady progress on the HR digitalisation front to enhance employee experience and improve efficiency. The HR team further strengthened the onboarding experience of new employees through digital tools and technology, and digitally onboarded over 900 new employees in FY22. The Company continued to further develop its 24x7, AI-powered chatbot, Electra, to solve employee queries. In addition to Leave Management, Appreciation, and Grievance Management, the chatbot has now been integrated with more functionalities such as Appreciation badges, Attendance Management, QMS, Dialog, Payslip, Form 16, Learning-On-The-Go, and Coronavirus advisories. The Company also plans to integrate the employee onboarding process with the chatbot, to enhance joining experience of new recruits.

"The Company also conducted periodic COVID-19 testing and vaccination camps, awareness workshops and counselling sessions at the grassroot level."

The Company continues to remain the preferred employer at leading engineering and B-School campuses across India. The Company's flagship Engineering Leadership Program has onboarded 200+ graduate and post graduate engineering trainees from IITs, NITs and NICMARs across India this year. The Company has further strengthened its Group Management Resource program, which hires the best minds from premiere B-Schools and the Future Leaders Board programme, designed to encourage and develop top talent to become future leaders of RPG Group Companies, in line with the Group's vision of Unleashing Talent. The Company plans to extend these talent acquisition programmes for hiring international candidates for overseas locations.

The Company recognises and embraces the importance of a diverse workforce as a stepping-stone to success and is committed to providing equal opportunity to everyone to create an inspiring workplace. Some of the prominent initiatives that the Company has been taking to promote diversity, especially in gender include deputing a larger percentage of women employees at locations such as shop floors, casting yards, and international and domestic project sites, in addition to increasing their representation in leadership programmes. The Company has also strengthened its focus on hiring women employees and Persons with Disability and has also started recruiting candidates from the transgender community.

Employee Count as on March 31, 2022: KEC has 9,114 employees (including subsidiaries).

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations, predictions, and assumptions may be 'forward-looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, natural calamities, change in Government's regulations, tax regimes, other statutes, and factors such as litigation and industrial relations.

Business Responsibility Report

[PURSUANT TO REGULATION 34(2)(f) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

The Company is a global infrastructure Engineering, Procurement and Construction (EPC) major executing infrastructure projects in 30+ countries and has a footprint in 110+ countries, having presence in verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines and Cables. As a responsible Corporate citizen, the Company views itself as an important component of the society. It considers itself accountable to all its stakeholders, including investors, shareholders, employees, customers and vendors. It believes in adoption and implementation of responsible business practices in the interests of the society and environment. The Company has undertaken several measures towards transforming its operations in a sustainable manner and in the process, nurtured the biodiversity around its locations. The Company takes keen interest in creating sustainable value for all its stakeholders in a responsible manner by promoting sustainable use of natural resources, fostering a culture of safety, empowering its people to outperform and positively impacting lives by building sustainable communities. Besides, the organisation has been actively enabling the communities around its operational locations in enhancing the quality of life through environment stewardship and social development. Sustainable development remains an ongoing endeavor for the Company for ensuring that Environmental, Social and Governance initiatives are well ingrained into all aspects of its business operations and processes.

This Business Responsibility Report ("BRR") is aligned to the National Guidelines on Responsible Business Conduct ("NGRBC") on social, environmental and economic responsibilities of business, released by the Ministry of Corporate Affairs, Government of India which contains 9 principles and their Core elements. It is also in accordance with the Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time. The report provides information on the Company's initiatives from an Environmental, Social and Governance perspective, in the form prescribed under the SEBI Listing Regulations.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identification Number (CIN) of the Company:** L45200MH2005PLC152061
2. **Name of the Company:** KEC International Limited
3. **Registered address:** RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030
4. **Website:** www.kecrpg.com
5. **E-mail id:** investorpoint@kecrpg.com
6. **Financial Year reported:** April 01, 2021 to March 31, 2022
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):**

Group	Class	Sub - Class	Industrial Activity
422	4220	42202	Construction or erection and maintenance of power and transmission lines
421	4210	42102	Construction of railways
429	4290	42901 42909	Construction of industrial facilities and other civil engineering projects
273	2732	27320	Manufacture of electric wires and cables
251	2511	25112	Manufacture of metal frameworks or skeletons for construction and parts thereof (power transmission and telecom towers, among others)

8. **Key products/services that the Company manufactures/ provides.**
   - Engineering, Procurement & Construction (EPC) services with complete turnkey solutions for Power Transmission and Distribution (T&D) projects in 70+ countries.
   - EPC services for Railways including overhead electrification, track laying, doubling & tripling of tracks, signalling & telecommunication; and services in technology-enabled areas such as Metro electrification, Third Rail, power supply systems and track laying for Metros.
   - EPC services for construction of factories, warehouses, residential buildings, railway stations, metros and fresh water distribution.
   - Manufacturing & installation of power, control & instrumentation, solar, signalling & telecom Cables.
9. **Total number of locations where business activity is undertaken by the Company**

a)	International Locations	Project sites at thirty-four locations across the world; Three manufacturing facilities in Dubai, Brazil and Mexico of wholly owned subsidiaries
b)	National Locations	Five manufacturing facilities at Jaipur, Jabalpur, Butibori, Mysuru, Vadodara. Project sites and regional offices at various locations across India

10. **Markets served by the Company (Local/State/National/ International) –** All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital:** ₹ 51.42 Crore
2. **Total Turnover:** ₹ 12,573.27 Crore (Standalone)
3. **Total profit after taxes:** ₹ 434.44 Crore (Standalone)
4. **Total spending on Corporate Social Responsibility ("CSR") as a percentage of profit after tax:**

   The Company had to spend ₹ 13.73 Crore, being 2 percent of the average net profit (calculated in terms of Section 198 and other provisions of the Companies Act, 2013) in the preceding three financial years. The Company spent ₹ 10.03 Crore for its CSR activities through RPG Foundation, the Implementing Agency, while it spent ₹ 0.56 Crore directly on CSR activities. A sum of ₹ 3.13 Crore has been transferred to the Unspent CSR Account for utilization in ongoing projects in FY 2022-23 in line with the Annual Action Plan approved by the Board. The details of such CSR activities for FY 2021-22 are given in *Annexure 'C'* to the Directors' Report.

5. **List of activities in which expenditure in 4 above has been incurred:**

   The Company has established the following CSR Projects in line with its CSR Policy and Annual Action Plan approved by the Board:

   A. **Education –** Teaching students functional English and imparting 21st century skills for better livelihoods. Training teachers to teach better and to create safe spaces.

   B. **Employability –** Providing vocational skill training and employment opportunities to women and youth and helping them with livelihood opportunities.

   C. **Heritage –** Revival of heritage sites through upliftment of spaces and innovative methods of spreading awareness, including interactive books, art and mobile apps.

   D. **Community Development –** Fulfilling the needs of the community – Promoting healthcare including setting up fever clinics to serve rural communities, preventive healthcare and disaster management during the COVID-19 pandemic.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has nineteen subsidiaries (including step down subsidiaries) in India and overseas as on March 31, 2022.

2. **Does the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

   The Company, along with all its subsidiaries, is guided by RPG Code of Corporate Governance & Ethics ("RPG Code") to conduct their business in an ethical, transparent and accountable manner. The Company encourages its subsidiaries to carry out Business Responsibility ("BR") initiatives. The BR policies of foreign subsidiaries are in line with their respective local requirements and laws.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

   Other entities such as suppliers, clients and others with whom the Company does its business, do not directly participate in BR initiatives of the Company, however the Company requires them to conduct their business in an ethical, transparent and accountable manner.

SECTION D: BUSINESS RESPONSIBILITY (BR) INFORMATION

1. **Details of Director/Directors responsible for BR**

   a) **Details of the Director/Directors responsible for implementation of the BR policy/policies:**

   Mr. Vimal Kejriwal, Managing Director & CEO, DIN - 00026981

   b) **Details of the BR Head:**

   Mr. Vimal Kejriwal, Managing Director & CEO
   DIN – 00026981
   Tel No.: 022-66670200
   Email id: brr@kecrpg.com

2. **Principle-wise (as per NVGs) BR Policy/Policies**

   a) **Details of compliance (Reply in Y/N)**

Sr. No.	Questions	Principle Numbers P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for these principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national/international standards? If yes, specify (50 words)	Yes, the policies conform to the principles of NGRBCs, the Companies Act, 2013 and International Standards of ISO 9001, ISO 14001, ISO 45001 as applicable to the respective polices.								
4.	Has the policy been approved by the Board? If yes, has it been signed by the MD/Owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	All the policies except HR policies can be viewed at https://www.kecrpg.com/policies. HR policies are restricted to employees of the Company and uploaded on Company's Intranet.								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

   b) **If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

Sr. No.	Questions	Principle Numbers P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The Company has not understood the Principles	Not Applicable								
2.	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next one year									
6.	Any other reason (please specify)									

3. **Governance related to BR**

   a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3 to 6 months, annually, more than 1 year.**

   The Executive Committee meets to review the BR performance of the Company on need basis. The CSR Committee of the Board meets atleast twice a year.

   b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

   BR Report of the Company forms part of Integrated Annual Report and the same can be accessed on the website of the Company i.e. https://www.kecrpg.com/agm.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - (Businesses should conduct and govern themselves with Ethics, Transparency and Accountability)

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others?**

   The RPG Code has been adopted by the Company which *inter alia* covers the issues, related to ethics, conflict of interest, etc. Besides, the RPG Code requires that every transaction is transparent. Every employee of the Company and its subsidiaries are required to mandatorily adhere to the RPG Code. In the case of foreign subsidiaries and Joint Venture, the RPG Code is applicable in line with the local requirements prevailing in the respective countries of operations. The Corporate Governance & Ethics Committee (CGEC) comprises of Senior officials of the RPG Group overseeing the ethical issues and acts as a central body for monitoring the compliance of the Code. The CGEC can be reached to report any matters of violation of the Code. The Code does not extend to suppliers/ contractors/NGOs/others.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the financial year 2021-22, the Company has received fifteen complaints from investors and eight complaints from suppliers. These complaints were resolved to the satisfaction of the Stakeholders. Investors' grievances are reviewed by Stakeholders' Relationship Committee periodically. The Company also has in place a Whistle Blower Mechanism, which enables Directors and employees to voice their concerns or observations without fear. It allows reporting of instance of any unethical or unacceptable business practice, of misconduct/unethical behaviour, actual or suspected fraud and violation of RPG Code, amongst others. Instances can also be directly reported to the CGEC which is constituted for the administration and governance of the Code. The Whistle Blower policy provides adequate safeguards and protection against victimisation of persons who use such mechanism and provide direct access to the Chairman of Audit Committee in appropriate and exceptional cases.

Principle 2 - (Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle)

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

   The Company is one of the global leaders in Engineering, Procurement and Construction ("EPC"), providing turnkey solutions in the areas of Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines and Cables.

   The Company's green product and services portfolio consists of power transmission & distribution systems for transporting energy with maximum efficiency and minimum carbon footprint, electrification of India's vast railway network and building metro rail infrastructure to preserve fossil fuels and curb pollution, solar-PV-based power plants to promote renewable energy, oil and gas pipelines that promote utilisation of gas-based clean energy, efficient and sustainable Smart City solutions, and innovative cable designs to minimize consumption of raw materials, among others. Across its various businesses, the Company endeavours to provide products and services that are focused on minimising environmental impact such as reduced water consumption and material consumption, and reduced waste generation, along with being sustainable throughout their life cycle.

   The Transmission and Distribution business of the Company focusses on Green Energy Corridor (GEC) projects, which aim at integrating electricity produced from renewable sources with conventional power stations in the grid. These projects ensure that clean and reliable renewable energy is transmitted to the length and breadth of the Country through transmission lines and substations built by the Company. During the year, the Company strengthened its GEC portfolio and secured two new GEC projects for the construction of transmission lines and substations for two private clients. The Company is already executing several GEC projects for PGCIL and private players.

   Urban Infrastructure is one of the most effective ways of urban commuting which aids in reducing consumption of fuel and pollution. The Company is also executing seven Urban Infrastructure projects comprising of Metro Rail and RRTS for various clients in India. The Company uses precast/prefab construction techniques, which are environmentally friendly and generate less Green House Gas emissions.

   The global thrust on renewable energy continues to gain momentum, with countries increasing their infrastructure spend on renewable energy in order to achieve sustainable and responsible development. Over the past few years, the Company has significantly built its capabilities in both domestic and international markets and has cumulatively commissioned close to 550 MW of Solar projects, including one of Asia's largest solar carport projects, a 20 MW solar carport for a reputed automobile manufacturer. Additionally, the Company has installed solar rooftops at its various offices, project sites and manufacturing plants to maximize the usage of clean and green energy.

   The Company's Smart Infra business has grown to become a trusted provider of Digital Infrastructure solutions for urban India through intelligent and innovative technology offerings, customised for Indian conditions and city-specific needs, in the areas of Smart Cities, Smart Communications, Smart Grid and Smart Mobility. The business plays the role of a Master System Integrator and has the capabilities to deploy state-of-the-art Integrated Command Control Centres, Environment Sensors, Integrated Perimeter Security Systems, Advanced Metering Infrastructure including Smart Meters and Intelligent Traffic Management Systems, all of which encourage efficient use of resources and helps contribute towards the sustainable development of the nation.

   Enhanced project management and execution capabilities also enable the Company to consistently deliver projects ahead of time, to cope with increasing demands in infrastructure development, in India and other developing countries, thus benefitting societies at large.

   With the help of advanced processes and modern technology, the Company has established credibility in delivering products and services with low Green House Gas emissions. As a recognition of its efforts towards contributing to Environmental, Health, Safety and Quality through sustained practices, the Company has received the IMS certification ISO 9001, ISO 14001, ISO 45001 for businesses (products and services). The Company's initiatives on the social front ensure that the society at large is benefitted on aspects such as education, employability, heritage conservation and health.

2. **For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

   a) **Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain**

   The Company has instituted policies and procedures to ensure the sustainability of supply chain, guarantee stable sources of supply and respond to risks caused by problems with suppliers. It works with many suppliers in business operations and operates a transparent and competitive value chain.

   The Company strives to minimize risks within the supply chain through a comprehensive analysis of both economic risks and non-economic factors such as quality, delivery technology, safety, eco-friendliness, and win-win cooperation.

   The environmental impacts caused during manufacturing processes and lifecycle of products are being identified and the Company continually endeavors to innovate processes & products to reduce such impacts. The development of sustainable value chain is the key focus of Company to negate the environmental and social impacts of its operations.

   Various improvement projects through Rapid Task Forces (Cross Function Teams) are accomplished to reduce the environmental impact, saving of natural resources & making organization outperform:

   - Improvement in the yield of Input Material - Zinc, Polyvinyl chloride, Cross linkable polyethylene, Steel, Copper & Aluminum
   - Energy & Fuel Conservation
   - Reduction in consumables
   - At Sourcing Stage - Environment friendly packaging material
   - Innovation & Automation across manufacturing process

   Innovation, Focused Improvement projects such as TPM & ENCON drives are the key enablers for the Company to attain the encouraging results in conservation of energy & water, waste reduction & reduction in Green House Gas emission intensity. The Company deploys leading management practices and endeavours to ensure continuous reduction in raw material, energy, water, consumables, packaging material, etc. across all its manufacturing units. These have helped in reducing the adverse environmental impact and also helped in improving competitiveness.

   - Other initiatives undertaken:
     i. Improve the Pickling process Acid life through Scientific Method resulting into reduction in spent acid, hence significant reduction in Acid neutralization sludge.
     ii. Sustaining the flexi recyclable packaging material in place of wood-based packaging for products.
     iii. Development of Hybrid type of drum with Steel & HDPE sheets to reduce steel & eliminate wood.

   b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

   The Company had identified key sustainability focus areas with measurable targets as part of its strategic sustainability roadmap for the next three to five years. It is progressing well on this front and has undertaken several measures towards transforming it's operations in a sustainable manner and in the process, has nurtured the biodiversity around it's locations. Some of these measures include:

   - Use of natural/LPG gas or electricity instead of fossil fuel, Induction Furnace for lower carbon emissions.
   - Installation of additional solar energy capacity at Jaipur & Nagpur to increase renewable energy usage and reduce specific greenhouse gas emissions.
   - Low-cost KAIZENs deployment as Fuel control valve automation and installation of needle valves for better control of fuel usage in Bending Furnace, Recuperator for using flue gas for preheating to improve combustion efficiency.
   - Divert Acid Neutralization Sludge Waste to cement plants for incineration and proactive working for reduction in Acid consumption, thereby reducing the amount of hazardous waste reaching the landfills.
   - Use of Aerator on taps, reduction in pipe sizes to reduce water flow in processes and improved use of ETP-STP recycled water.

   The Company continues to consistently focus on product(s), which provide energy efficiency for its customers. It, thus, designs and develops innovative products, such as conductors used in cable manufacturing with minimal resistance, which provide substantial benefits to consumers.

   It is becoming increasingly important for companies to reduce their environmental impact across their manufacturing operations. Rainwater harvesting is an extremely cost-effective method of achieving this goal, with the added benefit of reducing water consumption & become water positive facility, the Company's rainwater harvesting assets address both of these. The Company has 14 rainwater harvesting structures in its manufacturing facilities & also goes beyond its facilities under CSR initiatives by installing Rainwater Harvesting systems in the community around its facilities. The Company has also initiated a natural water harvesting system by construction of water pond resulting in good water table throughout the year even in peak summer. The Company has also identified sources of consumption with consumption pattern and Environmental Management Programmes (EMPs) for reduction in consumption. Vadodara Cable plant is IGBC certified green building which ensures conservation of all natural resources.

3. **Does the Company have procedures in place for sustainable sourcing (including transportation)?**

   a) **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

   The Company obtains its requirements from suppliers in a manner that is socially and environmentally responsible and uses effective Supplier evaluation on quality, financial, reliability grounds before awarding business. Methodology of awarding orders involves equitable RFQ management and contracting which encourages higher participation and trust between the Company and supplier. The Company believes in long term partnership with major suppliers rather than one time business focus which also helps create long term value.

4. **Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

   a) **If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   The Company strives to develop vendors near its worksites unless under exceptional circumstances. It's tower manufacturing facilities have introduced small fabricator vendors to work inside the plant premises, which enables the Company to receive quality products on time that are compliant with the Company's quality standards and promotes local employment in the surrounding community. Besides, it has helped the Company to effectively control steel wastage and processes. Moreover, the Company works on the development of the vendors and has also made them a part of the TPM journey along with the Company's assets. This has directly supported the Company to reduce cost and has helped create a flexible manufacturing system. The Company also hires local contractors and develops them for its various projects.

5. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.**

   The Company has reframed its EHS policy, focusing on safeguarding of occupational health of employees, property & environment, prevention & control of infectious disease. The EHS policy is implanted with the objectives of reduction of environmental degradations to attain the global environmental harmony and promotion of 3Rs (Reduce, Reuse and Recycle) and optimize the use of resources to prevent pollution and safeguard the environment.

   - **Product/Process Innovation:**
     i. Eco-Design Packaging Cable Drum – Develop Steel Hybrid drum to reduce steel consumption and wooden packaging to reduce the carbon footprints.
     ii. Reduction in Acid Neutralization Sludge – Significant reduction in acid neutralization sludge generation through improving the Acid life in pickling process by 20%.
   - **Focused Improvement in Manufacturing:**
     i. Rapid Task Force concept institutionalized in plants with focus on optimization of yield and minimize the wastes.
     ii. Low-Cost automation in material handling resulting into reduction in transportation of material in manufacturing.

Principle 3 – (Businesses should promote the well-being of all employees)

1. **Please indicate the total number of employees:**

   The Company (excluding subsidiaries) has 6,038 permanent employees as on March 31, 2022.

2. **Please indicate the total number of employees hired on a temporary/contractual/casual basis:**

   The Company has more than 31,000 employees hired on temporary/contractual/casual basis as on March 31, 2022.

3. **Please indicate the number of permanent women employees:**

   The Company (excluding subsidiaries) has 246 permanent women employees as on March 31, 2022.

4. **Please indicate the number of permanent employees with disabilities:**

   The Company (excluding subsidiaries) has 21 permanent employees in the above category as on March 31, 2022.

5. **Do you have an employee association that is recognised by management?**

   Yes, there are employee associations, which are recognised by the management.

6. **What percentage of your permanent employees is members of these recognised employee association?**

   ~6 percent.

7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sr. No.	Category	Number of complaints filed during the financial year	Number of complaints pending as on end of the financial year
1.	Child labour/ forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety training and skill upgradation training in the last year?**

Type of Employees	Skill upgradation training	Safety training
Permanent Employees	80%	100%
Permanent Women Employees	85%	100%
Casual/Temporary/ Contractual Employees	*100%	100%
Employees with Disabilities	81%	100%

**On-the-job training is given to all the casual/temporary/ contractual employees.*

Principle 4 – (Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised)

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders. It recognises employees, clients, customers, suppliers, contractors, shareholders, bankers, various government authorities, among others, as its key internal and external stakeholders. As a continuous process, the Company regularly reviews its internal and external stakeholders.

2. **Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?**

   Yes, the Company has identified the underprivileged communities in and around its plants, business locations and project sites. The Company continues to create maximum positive impact through various activities & initiatives in and around the communities it operates in, which upholds its philosophy and values towards underprivileged communities and serving the wider interests of society. This helps in the social and economic development of these communities.

3. **Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

   The Company has undertaken special initiatives through society centric projects for the development of underprivileged communities in and around its plants, business locations and project sites. These initiatives are in the areas of education, employability, heritage conservation and health.

Principle 5 – (Businesses should respect and promote human rights)

1. **Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   Human Rights are given utmost respect and promoted in the Company. These rights are covered in the RPG Code and various human resource practices and policies. The Company is committed to human rights while engaging with its stakeholders including suppliers. Equal opportunity is given to all the employees of the Company based on merits. The Company treats its employees with dignity, apart from maintaining a congenial work environment free from all sorts of harassment (physical, verbal or psychological). The Code covers the Company and all of its subsidiaries.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   The Company has not received any complaint of human rights violation.

Principle 6 – (Businesses should respect, protect, and make efforts to restore the environment)

1. **Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Environment Health and Safety ("EHS") policy covers the Company, its subsidiaries and contractors.

2. **Does the Company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

   The Company constantly strives to reduce the environmental impact of all its business activities. In managing environmental pollutants at its business sites, especially manufacturing plants, internal control criteria are stricter than the regulatory requirements of every country in which it operates.

   The Company has established an integrated environmental facility control reporting mechanism system under ESG goals. In addition, employees are made fully aware of the importance of the environment through EHS campaigns aimed at preventing accidents and monitoring environmental risks. Furthermore, it actively responds to the environmental and social demands of internal and external stakeholders, thus building an environmental ecosystem at project, manufacturing & business sites that will be effective over the long-term.

Minimizing air pollutants

The Company continues to make facility investments and process improvements to reduce the amount of pollutants generated by its manufacturing facilities. In last 3 years, it has invested in cleaner fuel furnaces, Electrical-Induction furnaces to reduce the carbon emissions, resulting in reduction of emissions intensity.

Managing water resources

With water posing a social issue worldwide, water resource management at the Company's manufacturing plants has become of vital importance in looking after local communities. The Company has established water management goals for reducing water usage intensity, backed by detailed implementation strategies. The manufacturing plant teams follows the strict criteria to maintain a zero liquid discharge system to reuse all the wastewater produced at the plant after treatment. The Company has also deployed smart drip irrigation systems (microprocessor based central shut-off valve monitors) for garden maintenance, low-flow faucets and flush systems, among others.

Programs are run aimed at minimizing environmental damage, including making safety and the environment a vital part of the mindset of all employees, and conducting training on how to respond to major leaks.

Minimizing waste materials

The Company has always been committed to sustainable growth, which includes its responsibility towards its customers as well as towards the environment. The Company's EHS policy is embedded with the objectives of reduction in environmental degradations and promotion of 3Rs (Reduce, Reuse and Recycle) to help combat the perils of climate change. The Company ensures the use of technology for protection of environment through focus on carbon emission, water, air pollution, waste management, use of renewable and clean energy.

Group vision & Company Policies are the framework to build the sustainability into the Company's business processes. The Company deploys its ESG roadmap ensuring the involvement of all processes and employees & stakeholders.

The Company has developed report themes and content in accordance with the principles of the Global Reporting Initiative (GRI), which is an global sustainability report guideline, and then carried out a materiality analysis, consisting of four steps, in order to identify material topics and formed a pool of material sustainability topics and identified their priority.

The Initiatives undertaken by the Company are below in brief:

- Alternate Greener fuel is used to reduce the Carbon Emission & optimization of Fuel.
- Efficiency improvement of Induction heating to reduce the usage of fossil fuel furnaces.
- Conservation of Power & Fuel by using flue gas heat in drying process & fuel atomization.
- Improve the renewable energy footprints in manufacturing plants – Mysuru, Jaipur & Nagpur.
- ENCON KAIZEN drive to reduce the energy intensity.

More details of the initiatives undertaken are provided in 'Conservation of Energy and Technology Absorption' in the *Annexure 'D'* to the Directors' Report.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, as part of ISO 14001, ISO 9001 and ISO 45001 certifications (Integrated Management System Certification), the Company undertakes continuous assessment of the potentiality of environmental risks. The Company also undertakes internal and external audits under IMS Certification to assess the implementation of its environment related activities. Risks, mitigation strategies and contingency measures are reviewed and revised every year. Management team organizes multiple workshops for various functions.

   The Company has an Environmental Health & Safety Policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance.

   The Company strives for excellence in environmental performance and resource efficiency to mitigate it's ecological footprint and continues to invest in upgrading existing technologies to minimize its potential environmental risks.

   The Company is aligned to its formulated Sustainable growth roadmap and develops policies and identifies the key driver processes for reducing energy usage and minimizing the environmental impact. The Company is continuously working to achieve the targets set for reduction in energy intensity, water intensity & greenhouse gas emission. The efforts are also in place to reduce the landfilling of hazardous waste and develop a sustainable supply chain.

4. **Does the Company have any project related to clean development mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company adheres to all rules, regulations, standards framed by Central Pollution Control Board ("CPCB") and State Pollution Control Board ("SPCB") of respective states where the Company's plants are situated. Compliances of these rules, regulations and standards are being checked by internal auditors. Moreover, independent assessors review these wherever needed. Periodical compliance reports, as applicable, are submitted to CPCB and SPCB. The Company has not undertaken any specific projects related to clean development mechanism.

5. **Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.**

   Innovation & focused KAIZEN is the approach which the Company has adopted for process optimization & sustainable manufacturing. All manufacturing plants ensure that the operation team continuously adopts new innovative initiatives for attaining the energy efficiency such as increasing the use of renewable energy through solar power plants in premises and also sourcing renewable energy from outside, installing waste heat recovery systems and by-product flue gas utilization.

   During the year, the Company continued to receive awards, certificates, and appreciation from its clients in India and abroad and the industry for its exemplary EHS (Environment, Health and Safety) practices. The Company's Butibori & Jaipur Plant won SEEM National Energy Management Awards in July, 2021 for the sustainable energy performance & environment conservation initiatives, whereas Jabalpur plant (for Zinc Recovery Furnace) was awarded with Gold Trophy and Jaipur plant (for its Bending Fuel Optimization) was awarded with a Silver award by CII TPM Club of India - Operational Sustainability Competition.

   The Initiatives by the Company on clean technology are as below:

   - **Clean Technology/Alternate Fuel adoption:**
     i. Induction Heating to eliminate Fossil Fuel Furnaces
     ii. Use of Micro Processor Dual Burners for using of LPG/LNG (Low Carbon Index Fuel)
     iii. Replacement of existing fuel with high calorific value and cleaner combustion fuel, resulting into reduction in carbon emission
     iv. Upgradation of existing drying oven to use flue gases of galvanizing furnaces to reduce energy consumption through heaters
     v. ENCON KAIZEN projects, resulting into reduction in carbon emission in TL plants
   - **Use of Green Power/Renewable Energy:**
     i. Installation of new Solar plants in Jaipur and Nagpur tower manufacturing plants
     ii. Solar/Wind energy - Mysuru cables plant has utilized green power i.e. 90 percent of its annual power consumption to reduce the carbon footprint

6. **Are the emissions/waste generated by the Company within permissible limits given by CPCB/SPCB for the financial year being reported?**

   The emission levels were within the permissible limits given by CPCB and respective SPCB for the financial year ended on March 31, 2022.

7. **Number of show cause/legal notices received from CPCB/SPCB which are pending (not resolved to satisfaction) as on end of Financial Year.**

   The Company has not received any show cause/legal notices either from CPCB or SPCB which is pending as on March 31, 2022.

Principle 7 – (Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner)

1. **Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.**

   The Company is a member of the following major Trade/ Chamber or Association:

   1. Indian Electrical and Electronics Manufacturers Association (IEEMA)
   2. Confederation of Indian Industry (CII)
   3. CII Transmission Line Division
   4. The Associated Chambers of Commerce and Industry of India (ASSOCHAM)
   5. Engineering Export Promotion Council (EEPC)
   6. Project Exports Promotion Council (PEPC)
   7. Bombay Chamber of Commerce & Industry
   8. Central Board of Irrigation & Power (CBIP)
   9. PHD Chamber of Commerce and Industry (PHDCCI)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others)**

   The Company engages with the above associations for advocating matters concerning Taxation, Governance & Administration, Economic Reforms and Energy Security affecting the industry as a whole.

Principle 8 – (Businesses should support inclusive growth and equitable development)

1. **Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   In pursuit of its Corporate Social Responsibility (CSR) Policy, the Company has identified various programmes and initiatives. Brief details of these programmes are as under:

   A. **Education**

      i. **Pehlay Akshar Schooling –** This project is undertaken for students in government schools to positively impact education with a special focus on practical English speaking and reading skills. By improving their English language skills, it helps enhance their employability, thereby giving these children an equal opportunity for making their lives brighter.

      ii. **Pehlay Akshar Teachers Training –** In this program, work is undertaken with teachers in government schools through digital and in person workshops and weekly sessions to train them on creating a 'Magic Classroom' - a place where children feel safe, appreciated, motivated and are engaged to continue learning.

   B. **Employability –** This program focuses on providing skills and employment opportunities to women and youth and helping them with other livelihood opportunities. Training is provided in the sectors of Healthcare (General Duty Assistant, Home Health Aide, Pharmacy Assistant, Lab technician, Geatric Nursing Care Assistant etc), Commercial Driving (2 wheelers), Digital (Hardware and Networking, Digital Marketing, Data Entry Operator) and Construction (Mason, Fitter, Welder, Electrician, Carpenter, Scaffolder, Rigger, Barbender etc). Employment linkages continued learning sources and access to government schemes is also provided. The program also promotes entrepreneurship development and creation of Self-Help Groups for women. This enables women and youth from marginalized communities to be financially independent, helps raise their standard of living and live dignified lives.

   C. **Heritage –** This project aims to revive old, traditional heritage sites where the nation's glorious past is inextricably linked to its present, and showcase it for people to experience and enjoy. The focus is on improving visitor journey at Heritage Sites through refurbishment activities, aesthetic upliftment of sites, and information dissemination initiatives, while also focusing on socio-economic development of the community around the site. Awareness is spread on heritage through interesting media such as books, mobile walking apps and other interventions.

   D. **Community Development –** This is a program based on fulfilling the felt needs of the community – access to clean drinking water, sanitation and relief efforts during the COVID-19 pandemic. In a public-private partnership, the Company has worked with the National Health Mission to augment rural healthcare infrastructure.

2. **Are the programmes/projects undertaken through inhouse team/own foundation/external NGO/ government structures/any other organisation?**

   The Programmes of the Company are undertaken both through RPG Foundation, the primary implementation agency, and also directly by the Company.

3. **Have you done any impact assessment of your initiative?**

   The Company reviews outcomes of the various interventions on a continuous basis and monitors gains to the community arising out of all its CSR activities. Feedback is sought from beneficiaries and partners.

4. **What is your Company's direct contribution to community development projects? Amount in INR and the details of the projects undertaken.**

   The Company has spent ₹ 10.03 Crore on its various CSR activities including community development initiatives through RPG Foundation, the Implementing Agency for its CSR activities and spent ₹ 0.56 Crore directly on community development initiatives. A sum of ₹ 3.13 Crore has been transferred to the Unspent CSR Account for utilization in ongoing projects in FY 2022-23 in line with Annual Action Plan approved by the Board.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The Company's initiatives are based on critical and felt needs of the community. Consultations are undertaken with the community, gram panchayats and other local bodies to understand the need. This ensures active participation by the community, and efforts are also put in to ensure that the development initiatives are successfully adopted by the community. In FY 2021-22, the community development initiatives were focused on COVID-19 pandemic relief and benefitted numerous beneficiaries. A few examples are given below –

   - 45 fever clinics and 2 resting stations installed to upgrade and support Public Health System
   - 17,600 Cotton Masks donated to front line health workers, police personnel
   - 9,528 cooked meals distributed to migrant workers, frontline workers and other vulnerable sections
   - 9,000 N-95 masks and 1,646 PPE kits were donated
   - 4,100 Dry Ration kits were distributed to families affected by cyclone and covid
   - 3,400 Face shields donated to frontline health workers and police personnel
   - 2,091 COVID care kits distributed to hospitals and truck drivers, frontline workers
   - 42 Bedded Quarantine centre made and 25 medical beds donated to local Primary Health Centre
   - 23 Oxygen Concentrators and 10 cylinders donated to charitable institutions, local Primary Health Centre
   - 1 Advance Mobile Health Ambulance donated

   Annual Report on CSR initiatives of the Company are given as *Annexure 'C'* to the Directors' Report.

Principle 9 – (Businesses should engage with and provide value to their customers and consumers in a responsible manner)

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   Out of total 24 complaints received during the financial year 2021-22, 1 complaint (4.17%) was pending as on March 31, 2022.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information).**

   The Company displays customer specified information viz., customer name, project name for which the product is being supplied as per contractual agreement.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

   In the last five years, no such case has been filed against the Company on the above referred matters.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

   The Company has carried out consumer survey/consumer satisfaction surveys in FY 2021-22. It also regularly receives certificates/awards from its customers, recognising its products and services.

Corporate Governance Report

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended, but also several inherent core values at a superior level of business ethics, transparency, effective supervision and enhancement of shareholders' value. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially-sensitive Corporate entity and believes in sustainable growth for its shareholders and other stakeholders and the Communities it operates in.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company has in place an IT enabled compliance management system which helps stakeholders to keep track of the various compliances to be complied from time to time with regards to laws and regulations applicable to the Company.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations as applicable including relaxations granted by the Securities and Exchange Board of India ("SEBI") in the wake of COVID-19 pandemic, with regards to Corporate Governance.

II. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company.

Composition of the Board of Directors

The Company has an optimum combination of Executive, Non-Executive and Independent Directors including an Independent Woman Director in line with the relevant provisions of the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations. The Board of Directors comprises of highly experienced persons of repute and eminence having adequate qualifications, knowledge and diversified expertise relevant to the diversified business operations of the Company.

The Board provides overall direction and independence to the management to achieve value creation through long term sustainable growth. The Company's Managing Director and Chief Executive Officer (CEO) is the only Executive Director on the Board.

As on March 31, 2022, the Board of the Company comprised of eleven Directors, with eight Independent Directors including a Woman Director, two Non-Executive Directors and one Managing Director & CEO. The Chairman is a Non-Executive Director. The composition of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company also has a succession plan in place for the Board, Key Managerial Personnel and Senior Management of the Company. The Directors are appointed or re-appointed with the approval of the shareholders and remain in office in accordance with the provisions of the law. The Independent Directors are appointed for a fixed term not exceeding five years in accordance with the provisions of the law.

All the Independent Directors of the Company have confirmed that they meet with the criteria of independence laid down under the Act and the SEBI Listing Regulations. Further, in terms of the Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All such confirmations of Independent Directors are placed before the Board. Based on such confirmations, in the opinion of the Board, all Independent Directors of the Company fulfill the conditions specified under the SEBI Listing Regulations and the Act and are independent of the management of the Company. The Independent Directors on the Board are senior, highly competent individuals having vast experience in their respective fields. This brings an ideal blend of professionalism, knowledge and experience to the table.

Pursuant to Section 164(2) of the Act, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s)/ Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI Listing Regulations as amended from time to time.

M/s. Parikh Parekh & Associates, Practicing Company Secretaries have issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority. The same was placed before the Board at its meeting held on May 03, 2022 and also forms part of this Annual Report. None of the Directors have any *inter-se* relationship among themselves in terms of the definition of 'relative' given under the Act.

Board Meetings

The Board meets at least four times in a year in accordance with the applicable laws. Additional meetings are held as and when required. The Company plans and schedules the meetings of the Board and its Committee(s) well in advance. Agenda and detailed notes on agenda along with supporting documents are circulated to the Directors a week prior to the date of the meeting, except for meeting(s) held at shorter notice to transact urgent business. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Prior consent of the Board is obtained in the beginning of the financial year for circulating the documents at shorter notice for matters that form part of the agenda and are considered to be in the nature of Unpublished Price Sensitive Information. In special and exceptional circumstances, additional item(s) on the agenda is/are taken up with due permission of the Chair.

As a green initiative and part of the Digital Initiatives of the Company, the agenda of the Board and Committee meetings are circulated to the Directors through a secured cloud based software which is accessible by all Directors through their individual login credential on IPads, Laptop etc. The members of the Board have access to all the information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. It is ensured that the relevant information prescribed to be provided under the SEBI Listing Regulations along with such other information, as may be deemed necessary for effective decision making, is presented to the Board.

The Board met six times during the financial year 2021-22 on May 11, 2021, July 30, 2021, September 18, 2021, October 27, 2021, January 31, 2022 and March 22, 2022 through video conferencing, as permitted under the law and in accordance with the provisions of the Secretarial Standards as prescribed by the Institute of Company Secretaries of India. As stipulated, the gap between two consecutive Board meetings did not exceed one hundred and twenty days. The Board has also approved proposal(s) through circulation in case of exigencies.

Details of Directors along with the attendance of each Director at the Board Meetings/Annual General Meeting ("AGM"), their Directorship(s) and their Committee(s) Membership(s)/Chairmanship(s) including the Company as on March 31, 2022 are given below:

Particulars of Directors	Attendance at		Directorship(s) and Membership(s)/Chairmanship(s) in Committee(s)		
	Board Meeting	Last AGM held on August 04, 2021	Directorship(s)[1]	Committee Membership(s)[2]	Committee Chairmanship(s)[2]
Promoter Director					
Mr. Harsh V. Goenka, Chairman (DIN: 00026726)	6	Yes	7	-	-
Executive Director					
Mr. Vimal Kejriwal Managing Director & CEO (DIN: 00026981)	6	Yes	2	1	-
Non – Executive Director					
Mr. Vinayak Chatterjee[3] (DIN: 00008933)	2	N.A.	4	2	-
Independent Directors					
Mr. A. T. Vaswani (DIN: 00057953)	6	Yes	3	4	4
Mr. Dilip G. Piramal (DIN: 00032012)	6	Yes	9	2	-
Mr. G. L. Mirchandani (DIN: 00026664)	5	Yes	4	1	-
Mr. M. S. Unnikrishnan (DIN: 01460245)	6	Yes	2	1	-
Ms. Nirupama Rao (DIN: 06954879)	5	Yes	4	2	-
Mr. Ramesh Chandak (DIN: 00026581)	6	Yes	6	8	3
Mr. S. M. Trehan (DIN: 00060106)	6	Yes	1	2	-
Mr. Vikram Gandhi (DIN: 05168309)	4	No	2	-	-

Note(s):

(1) Excluding Directorships in private companies, foreign companies and companies under Section 8 of the Act.

(2) Membership/Chairmanship in Audit Committee and Stakeholders' Relationship Committee only has been considered. Number of Committee Membership includes Committee Chairmanship. Committee position in High Value Debt Listed Entities is excluded.

(3) Mr. Vinayak Chatterjee was appointed as an Additional (Non-Executive Non-Independent) Director of the Company w.e.f. December 06, 2021.

Details of Directorships held by Directors of the Company in other listed entities as on March 31, 2022 are given below:

Name of Director	Directorship in other listed entities	Category of Directorship
Mr. Harsh V. Goenka	CEAT Limited	Chairman, Non-Executive Director
	Zensar Technologies Limited	
	RPG Life Sciences Limited	
	Bajaj Electricals Limited	Independent Director
Mr. Vimal Kejriwal	Nil	Nil
Mr. A. T. Vaswani	Zensar Technologies Limited	Independent Director
Mr. Dilip G. Piramal	V I P Industries Limited	Chairman, Non-Executive Director
	Alkyl Amines Chemicals Limited	Independent Director
	Kemp & Company Limited	Non-Executive Director
Mr. G. L. Mirchandani	MIRC Electronics Limited	Chairman and Managing Director
Mr. M.S. Unnikrishnan	Kirloskar Brothers Limited	Independent Director
Ms. Nirupama Rao	ITC Limited	Independent Director
	JSW Steel Limited	Independent Director
	Adani Ports and Special Economic Zone Limited	Independent Director
Mr. Ramesh Chandak	Summit Securities Limited	Chairman and Independent Director
	Parag Milk Foods Limited	Independent Director
	Ram Ratna Wires Limited	Independent Director
	Prince Pipes and Fittings Limited	Independent Director
	Anand Rathi Wealth Limited	Independent Director
Mr. S. M. Trehan	Nil	Nil
Mr. Vikram Gandhi	Jana Small Finance Bank Limited (Debt Listed)	Independent Director
Mr. Vinayak Chatterjee	ACC Limited	Independent Director
	Apollo Hospitals Enterprise Limited	Independent Director
	Indraprastha Medical Corporation Limited	Independent Director

Skills/expertise/competence of the Board

The Board comprises of eminent industrialists/professionals, having required skills, competence and expertise which elevates the quality of the Board's decision-making and allows them to make effective contribution to the Board and its Committees thereby enhancing stakeholders' value. Directors are inducted on the Board basis the possession of the skills identified by the Board and their special skills with regards to the industries/fields they come from.

The Board has identified the skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board members stated hereinafter:

Global Business – Understanding of global business dynamics across various geographies, industry verticals and regulatory jurisdictions.

Strategy and Planning – Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

Governance – Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

The skills/expertise/competencies have been further elaborated as under:

Name of the Director	Skills/expertise/competence
Mr. Harsh V. Goenka *Chairman*	Global Business, EPC & Infrastructure, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Human Resources, Public Policy
Mr. Vimal Kejriwal *Managing Director & CEO*	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Mr. A.T. Vaswani *Independent Director*	EPC & Infrastructure, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal
Mr. Dilip G. Piramal *Independent Director*	Global Business, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Mr. G. L. Mirchandani *Independent Director*	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Mr. M.S. Unnikrishnan *Independent Director*	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Human Resources, Public Policy
Ms. Nirupama Rao *Independent Director*	Global Business, General Management, Thought Leadership, Human Resources, Public Policy
Mr. Ramesh Chandak *Independent Director*	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources
Mr. S. M. Trehan *Independent Director*	Global Business, EPC & Infrastructure, Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Accounting, Finance, Legal, Human Resources, Public Policy
Mr. Vikram Gandhi *Independent Director*	Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Accounting, Finance, Legal
Mr. Vinayak Chatterjee *Non-Executive Director*	Global Business, EPC & Infrastructure, Business Development, General Management, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, Public Policy

Global Business
EPC & Infrastructure
Business Development
General Management
Strategy, M&A
Thought Leadership
Senior Management Experience
Risk Management
Corporate Governance
Accounting, Finance, Legal
Human Resources
Public Policy

Board's Responsibilities

The Board of Directors plays a primary role in ensuring good governance, in the creation and enhancement of Stakeholders' value and in smooth functioning of the Company. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and there is optimum use of resources. The Board's mandate is to oversee the Company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the long term interest of the stakeholders. The Board has complete access to any information within the Company and discharges all its responsibilities, functions, duties and obligations in timely and effective manner in accordance with applicable laws, keeping close watch on the business operations of the Company. The day-to-day affairs are managed by the Managing Director & CEO of the Company under the overall supervision of the Board.

Role of Independent Directors

The Independent Directors play an essential role in ensuring transparency in the working mechanism of the Company and enrich decision making. They play a significant role in governance processes of the Board which results in ethical business practices, functional operational matters, address various business challenges and monitor implementation of decisions taken. Along with independent judgment, they also bring to the Company their expertise in the fields of business, commerce, finance, management, law and public policy which enriches the decision making process at the Board.

A formal Letter of Appointment, which *inter alia* covers their role, responsibilities, duties and remunerations, was issued to each Independent Director at the time of their appointment in the manner provided under the Act and SEBI Listing Regulations. The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Company i.e. www.kecrpg.com.

Criteria for performance evaluation of Independent Directors

Performance evaluation of Independent Directors is done by the entire Board, excluding the Independent Director being evaluated. The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors of the Company, which *inter alia* includes active and consistent participation in the Board Meetings, sharing of knowledge and experience which has bearing on the performance of the Company, positive and constructive discussion, ethical practices etc.

Separate Meeting of Independent Directors

Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, mandates the Independent Directors of the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of the management. The Independent Directors have held their meeting on March 15, 2022, which was chaired by Mr. A. T. Vaswani, Lead Independent Director wherein the Independent Directors *inter alia* discussed the following:

a. Evaluation of the performance of Non-Independent Directors and the Board as a whole;

b. Evaluation of the performance of Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors; and

c. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

The inputs received from the Independent Directors were discussed at the meeting of the Board held on March 22, 2022 and the action areas identified on the basis of the feedback from the evaluation process are under implementation.

Familiarization Programme for Independent Directors

Newly appointed Directors are provided with an appointment letter along with an induction kit setting out their roles, function, duties and responsibilities and copies of the Code of Business Conduct, Insider Trading Code and other policies as may be applicable to them. Presentations are made by Senior Management Personnel of the Company to the Independent Directors covering nature of industry, business model, business performance and operations, challenges & opportunities available, etc. Certain programmes are merged with the Board/ Committee meetings for the convenience of the Directors. Separate programmes are also conducted for them as per their requirement. In order to familiarize the Independent Directors with the business of the Company, presentations are being made by the Strategic Business Unit ("SBU") Heads at every Board Meeting in respect of the business under their SBUs.

On an on-going basis, periodic presentations are made at the Board and Committee meetings by either Senior Management Personnel or external experts on matters *inter alia* covering performance updates of the Company, industry scenario, business strategy, operational review of major operating subsidiaries, forex and commodity exposure, updates on capital expenditure, internal control and strategic and operational risks involved and its mitigation plan, major litigations, major achievements, Environmental, Social & Governance ("ESG") etc.

Further, as a part of Familiarization Programme, regular updates on relevant statutory and regulatory changes encompassing important laws are presented to the Directors. The Directors are also encouraged to attend the training programmes being organized by various regulators/ bodies/institutions. As a part of deeper engagement, the Board Members also interact with the senior management team on various critical issues having impact on the Company's operations.

The Board has adopted a Policy on Familiarization Programme for the Independent Directors which aims to provide significant insight into the business of the Company. The details of familiarization programmes imparted to Independent Directors during the financial year 2021-22 are available at the Company's website and can be accessed at https://www.kecrpg.com/KEC%20data/Investor%20relations/Familiarization%20Programme%20for%20Independent%20Directors.pdf.

Information placed before the Board

All the information that is required to be made available to the Directors in terms of provisions of the SEBI Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board. The quarterly compliance report on Corporate Governance filed with Stock Exchanges and the Compliance certificate in respect of applicable laws are placed before the Board in terms of the SEBI Listing Regulations.

Key decisions taken by the Board and its Committees are promptly communicated to the concerned departments or divisions. Action taken/status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

Details of Director(s)

In compliance with Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings, the brief resume, expertise in specific functional areas, disclosure of relationships between directors *inter-se*, details of Directorship(s) and Membership(s) in Committees of other companies (excluding foreign companies) and shareholding in the Company, of the Director(s) proposed to be appointed/re-appointed are given in the Notice convening the ensuing Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company, which requires them to observe the highest standards of ethical conduct along with integrity and to work to the best of their ability and judgment for ethical conduct of the business and compliance of the applicable laws. The Code also incorporates the duties of Independent Directors as laid down in the Act.

The said Code is available at the Company's website www.kecrpg.com under 'Investors' tab. Further, Senior Management Personnel are also required to disclose to the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct on an annual basis. A declaration to this effect duly signed by the Managing Director & CEO forms part of this Annual Report.

Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, and amendments thereof, the Board has formulated and adopted the Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("the Code"). The Code lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The Code aims at preserving and preventing misuse of Unpublished Price Sensitive Information ("UPSI"). All Directors and other Designated Persons and their immediate relatives as well as connected persons of the Company are covered under the Code, which provides *inter alia* for disclosures and obtaining pre-clearances for trading in securities of the Company by the Directors and other Designated Persons of the Company. The Code provides for the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, other Designated Persons & their immediate relatives and connected persons, while in possession of UPSI in relation to the Company and during the period when the trading window is closed. The Code has been communicated to all concerned. Trading window closures, i.e. when the concerned persons are not permitted to trade in the securities of the Company, are intimated in advance, on a timely basis and the same is also intimated to the Stock Exchanges on a periodic basis. The Company has taken awareness initiatives for all employees covered under the Code on the various aspects of the Code through e-module and periodic webinars. The Code is intended to serve as a guideline to all persons connected with the Company, which they should imbibe and practice, both in letter and spirit, while trading in the securities of the Company.

The Company has set forth procedures and implementation of the Code for trading in Company's securities. PAN based online tracking mechanism for monitoring of the trade in the Company's securities by the Designated Persons and their immediate relatives has also been put in place to ensure real time detection and taking appropriate action, in case of any violation/non-compliance of the Company's Insider Trading Code.

Designated Persons covered under the Code provide initial disclosure as well disclosure on annual basis disclosing various information required under the Insider Trading Regulations. Further, they also declare that they are aware of the provisions of the Code and there was no non-compliance under the Code in the previous financial year.

Board Committees

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on diverse matters. The Board has established various Committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Sustainability and Corporate Social Responsibility Committee, Risk Management Committee and Finance Committee.

Each Committee is guided by its Charter or Terms of Reference, which provides for the composition, scope, powers and duties and responsibilities. The terms of reference of these Board Committees are reviewed and determined by the Board, from time to time. The Committees spend considerable time and provide focused attention to various issues placed before them and their recommendations provide value and support in the quality of the decision-making process of the Board.

The recommendations of the Committee(s) are submitted to the Board for its approval. The Chairman of respective Committee updates the Board regarding the summary of the discussions held/decisions taken at the Committee Meeting. The Board of Directors have confirmed that during the year, all recommendations of the Committee(s) were duly considered and approved by the Board of Directors and none of the recommendation made by any of the Committees has been rejected by the Board. The minutes of the meetings of all Committees are circulated to the Board for discussion/noting/ratification.

(A) Audit Committee

Composition

The Audit Committee comprises of 3 Independent Directors as its members, with requisite financial, legal and management expertise. The Committee composition as on March 31, 2022 is as under:

Name of the Member	Position	Category
Mr. A. T. Vaswani	Chairman	Independent Director
Mr. Ramesh Chandak	Member	Independent Director
Mr. S.M. Trehan	Member	Independent Director

All members of Audit Committee are financially literate and the Chairman of the Audit Committee has accounting and related financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Act and Regulation 18(1) of the SEBI Listing Regulations.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director & CEO, Chief Financial Officer, Internal Auditors and Cost Auditors as and when their presence at the meeting of the Committee is considered appropriate. On some occasions, it also meets without the presence of any Executives of the Company.

The Company Secretary of the Company acts as the Secretary to the Committee.

Meetings

During the year under review, eight meetings of the Committee were held on May 10, 2021, June 29, 2021, July 29, 2021, September 29, 2021, October 27, 2021, December 03, 2021, January 31, 2022 and March 21, 2022. These meetings of Audit Committee were attended by all the members of the Committee. The Chairman of the Audit Committee was present at the Sixteenth Annual General Meeting to answer shareholders' queries.

Terms of reference

The role and terms of reference of the Audit Committee, specified by the Board, are in conformity with the requirements of Schedule II Part C of the SEBI Listing Regulations and Section 177 of the Act. The Committee acts as a link between the Statutory and Internal Auditors and the Board.

The Audit Committee assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of Statutory Auditors, Branch Auditors, Cost Auditors, reviewing systems of internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Audit Committee reviews independence of Statutory Auditors and adequacy of the Internal Audit at regular intervals. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of related party transactions as submitted by the management, and other information as mentioned in Part C of Schedule II of SEBI Listing Regulations.

The Audit Committee is authorized to:

1. investigate any activity within its terms of reference;
2. seek information from any employee of the Company or its subsidiaries;
3. obtain outside legal or other professional advice; and
4. secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of Audit Committee includes the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Review with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
   a) matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub-section 5 of Section 134 of the Act;
   b) changes, if any, in accounting policies and practices, and reasons for the same;
   c) major accounting entries involving estimates based on the exercise of judgment by management;
   d) significant adjustments made in the financial statements arising out of audit findings;
   e) compliance with listing and other legal requirements relating to financial statements;
   f) disclosure of any related party transactions; and
   g) modified opinions in the draft audit report.
5. Review with the management, the quarterly financial statements before submission to the Board for approval.
6. Review of management discussion and analysis of financial condition and results of operations.
7. Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement etc.), and making appropriate recommendations to the Board to take up steps in this matter.
8. Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32(1) of the SEBI Listing Regulations, being submitted to the Stock Exchange(s).
9. Review the annual statement of funds utilized for purpose other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the SEBI Listing Regulations.
10. Review and monitoring the auditor's independence and performance and effectiveness of audit process.
11. Approval or any subsequent modification, ratification of transactions of the Company with related parties including review of statement of significant related party transactions submitted by the management.
12. Scrutiny of inter-corporate loans and investments.
13. Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.
14. Review the utilization of loans and/or advances from/investment made by the Company in its subsidiary exceeding ₹ 100 crore or 10% of the total gross assets of the subsidiary, whichever is lower including existing loans/advances/ investment or such other limit as may be prescribed from time to time.
15. Valuation of undertakings or assets of the Company, wherever it is necessary.
16. Evaluation of internal financial controls and risk management systems.
17. Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
18. Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
19. Review internal audit reports relating to internal control weaknesses and discussion with internal auditors regarding any significant findings and follow up thereon.
20. Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
21. Review management letters/letters of internal control weaknesses issued by the statutory auditors.

22. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

23. Look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

24. Review the functioning of vigil mechanism/ whistle blower mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimization.

25. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.

26. Review the appointment, removal and terms of remuneration of the chief internal auditor.

27. Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

28. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

29. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

(B) Nomination and Remuneration Committee

Composition

The Nomination and Remuneration Committee comprises of 4 Independent Directors as its members. The Committee composition as on March 31, 2022 is as under:

Name of the Member	Position	Category
Mr. S. M. Trehan	Chairman	Independent Director
Mr. A. T. Vaswani	Member	Independent Director
Ms. Nirupama Rao[1]	Member	Independent Director
Mr. Ramesh Chandak	Member	Independent Director

Note:

(1) Appointed as a member with effect from January 31, 2022.

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Act and Regulation 19(1) of the SEBI Listing Regulations.

Meetings

During the year under review, the Committee met three times on May 10, 2021, June 29, 2021 and December 03, 2021 and all the members of the Committee were present at the meetings.

The Chairman of the Nomination and Remuneration Committee was present at the Sixteenth Annual General Meeting of the Company, to answer the shareholders' queries.

Terms of Reference:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to, the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees.

2. Identify persons who are qualified to become Directors and recommend their appointment to the Board.

3. For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

   a) use the services of external agencies, if required;

   b) consider candidates from a wide range of backgrounds, having due regard to diversity; and

   c) consider the time commitments of the candidates

4. Recommend to the Board, appointment and removal of KMPs or SMPs in accordance with the criteria laid down.

5. Recommend to the Board, remuneration payable to Directors, KMPs and SMPs in accordance with the Nomination and Remuneration Policy.

6. Formulate the criteria for effective evaluation of performance of Board of Directors, its Committees, Chairperson and individual directors, to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance.

7. Determine whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors.

8. Devise a policy on diversity of Board of Directors.

9. Opine whether the Director possess the requisite qualification, as required under Section 197(4)(b).

10. Carry out functions as may be entrusted (i) by the Board of Directors from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as may be amended from time to time.

Remuneration Policy and other terms of appointment of Directors

Executive Director

The remuneration payable to the Managing Director & CEO is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company. The remuneration structure of Managing Director & CEO comprises of salary, perquisites, allowances, performance bonus and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director & CEO is governed by the agreement executed between him and the Company. The agreement may be terminated by either party, by giving a notice in writing of not less than four months or by paying the basic salary in lieu thereof.

Details of remuneration paid to the Managing Director & CEO during financial year 2021-22

(₹ in Crore)

Name	Salary and Allowance	Performance Bonus[1]	Perquisites[2]	Contribution to Provident and other Funds	Total[3]
Mr. Vimal Kejriwal	5.97	1.83	0.30	0.08	8.18

Note(s):

(1) Based on performance of financial year 2020-21.

(2) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.

(3) Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

Non-Executive Directors

The Non-Executive Directors ("NEDs") including Independent Directors are paid remuneration by way of commission. They are also paid sitting fees on a uniform basis for attending various meetings of the Board and the Committees thereof.

Commission paid to the NEDs

The NEDs of the Company are having diversified & rich knowledge and experience and have contributed in a very significant way in the growth process of the Company. They add substantial value to the Company through their contribution to the Management of the Company and thereby they safeguard the interests of the investors at large by playing an appropriate control role. In view of valuable contributions being made by the NEDs (including Independent Directors) in running the business affairs of the Company, the Board of Directors at its meeting held on May 03, 2022, has approved the payment of commission to NEDs of 1 percent of net profits in the financial year 2021-22, computed in accordance with the provisions of Section 198 of the Act. The commission is generally paid on a uniform basis, to reinforce the principles of collective responsibility of the Board. The Nomination and Remuneration Committee has recommended a higher commission for the Chairman of the Board of Directors, taking into consideration his overall contribution, vision and thought leadership in achieving short term growth, long term sustainability, high standards of corporate governance, innovation, brand visibility and in diversifying the Company's business. In determining the commission payable, the Committee also takes into consideration overall performance and achievements of the Company and onerous responsibilities required to be shouldered by the Directors. The policy framed by the Nomination and Remuneration Committee of the Board of Directors including the criteria for making payments to the NEDs is set out as an Annexure to the Directors' Report.

Details of sitting fees and commission paid to Non-Executive Directors are given below:

(₹ in Crore)

Name of the Director	Financial Year 2021-22	
	Sitting Fees	Commission[1]
Mr. Harsh V. Goenka	0.06	6.10
Mr. A. T. Vaswani	0.12	0.12
Mr. Dilip G. Piramal	0.06	0.12
Mr. G. L. Mirchandani	0.05	0.12
Mr. M. S. Unnikrishnan	0.06	0.12
Ms. Nirupama Rao	0.05	0.12
Mr. Ramesh Chandak	0.12	0.12

(₹ in Crore)

Name of the Director	Financial Year 2021-22	
	Sitting Fees	Commission[1]
Mr. S. M. Trehan	0.12	0.12
Mr. Vikram Gandhi	0.04	0.12
Mr. Vinayak Chatterjee	0.02	0.04

Note:

(1) Commission for financial year 2021-22 is being paid in financial year 2022-23. Commission to Mr. Harsh V. Goenka is subject to approval of the Members at the ensuing AGM.

The Non- Executive Directors were paid sitting fees of ₹ 1,00,000/- for each Board meeting, ₹ 50,000/- for Audit Committee meeting, ₹ 25,000/- for other Committee meetings, except for Finance Committee where ₹ 5,000/- is paid for each meeting. The Managing Director & CEO was not paid any sitting fees for any of the meetings of Board or Committee attended by him.

Equity Shares held by the Directors

Except as stated hereunder, none of the Directors hold any shares in the Company as on March 31, 2022:

Name of the Director	No. of shares held
Mr. Harsh V. Goenka[1]	5,042,917
Stellar Energy Trust (Mr. Harsh V. Goenka is a Trustee)	100
Nucleus Life Trust (Mr. Harsh V. Goenka is a Trustee)	1
Secura India Trust (Mr. Harsh V. Goenka is a Trustee)	1
Prism Estate Trust (Mr. Harsh V. Goenka is a Trustee)	1
Ishaan Goenka Trust (Mr. Harsh V. Goenka is a Trustee)	10
Navya Goenka Trust (Mr. Harsh V. Goenka is a Trustee)	10
AVG Family Trust (Mr. Harsh V. Goenka is a Trustee)	10
RG Family Trust (Mr. Harsh V. Goenka is a Trustee)	10
Mr. Harsh V. Goenka[2]	3,750
Mr. Vimal Kejriwal[3]	875
Mr. Ramesh Chandak	5

Note(s):

(1) 4,108,974 shares held jointly with Mrs. Mala Goenka and Mr. Anant Vardhan Goenka.

(2) Held in trust on behalf of certain shareholders against their rights of Equity Shares of the erstwhile RPG Transmission Limited, since merged with the Company in the year 2007-08, kept in abeyance under Section 206A(b) of the erstwhile Companies Act, 1956. These shares were initially held by Mr. J. M. Kothary and transferred to Mr. Harsh V. Goenka, upon cessation of directorship of Mr. J. M. Kothary.

(3) Held as second holder jointly with his spouse Mrs. Sunita Kejriwal.

The Company does not have any Stock Option Scheme.

(C) Stakeholders' Relationship Committee

Composition

The composition of Stakeholders' Relationship Committee and its terms of reference comply with the requirement of Regulation 20 of the SEBI Listing Regulations and with the provisions of Section 178 of the Act. The Committee composition as on March 31, 2022 is as under:

Name of the Member	Position	Category
Mr. Ramesh Chandak	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. Vimal Kejriwal	Member	MD & CEO

Meetings

During the year under review, one meeting of the Committee was held on December 03, 2021. This meeting was attended by all members of the Committee. The Committee has also approved proposals through circulation in case of exigencies.

The Chairman of the Stakeholders' Relationship Committee was present at the Sixteenth Annual General Meeting of the Company, to answer the shareholders' queries.

The Stakeholders' Relationship Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

Terms of Reference

1. Consider and resolve the grievances of the security holders *inter alia* consisting of shareholders, debenture-holders, deposit holders, etc. of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

2. Review measures taken for effective exercise of voting rights by shareholders.

3. Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

5. Consider and approve issue of duplicate share certificates in lieu of those lost or destroyed.

6. Approve and/or reject the transfer or transmission of securities of the Company and authorizing the Compliance Officer and/or the Registrar & Share Transfer Agent of the Company for the same.

7. Issue of duplicate certificates, Remat Share certificates, and certificates to be issued in accordance with sub-rule 3 of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.

8. Oversee compliances in respect of transfer of unclaimed amounts and shares to and from the Investor Education and Protection Fund.

9. Carry out all the functions as may be entrusted by (i) the Board of Directors from time to time; and (ii) by virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

The work relating to share transfer etc. is being looked after by Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company.

Name and Designation of the Compliance Officer

Mr. Amit Kumar Gupta, Company Secretary acts as Compliance Officer of the Company in terms of Regulation 6 of the SEBI Listing Regulations. He is also appointed as the Nodal Officer of the Company in terms of Investor Education and Protection Fund Rules.

Statement of Investors' Grievance

No. of complaints pending at the beginning of the financial year 2021-22	Nil
No. of complaints received during the financial year 2021-22	15
No. of complaints resolved to the satisfaction of shareholders during the financial year 2021-22	15
No. of complaints pending to be resolved at the end of the financial year 2021-22	Nil

(D) Sustainability and Corporate Social Responsibility Committee

Composition

In terms of Section 135 of the Act, the Board has constituted the Corporate Social Responsibility ("CSR") Committee. The scope of the Committee has been widened to cover sustainability and the Committee has been renamed as "Sustainability and Corporate Social Responsibility Committee" with enhanced terms of reference effective May 03, 2022. The Committee composition as on March 31, 2022 is as under:

Name of the Member	Position	Category
Mr. Ramesh Chandak	Chairman	Independent Director
Mr. A. T. Vaswani	Member	Independent Director
Ms. Nirupama Rao[1]	Member	Independent Director
Mr. S. M. Trehan	Member	Independent Director

Note:

(1) Appointed as a member with effect from January 31, 2022.

Meetings

During the year under review, two meetings of the CSR Committee were held on May 10, 2021 and March 22, 2022. The meetings were attended by all the members of the Committee held during their respective tenure.

Terms of Reference

1) To formulate and recommend to the Board, a Sustainability Policy *inter alia* covering Environment, Social and Governance ('ESG') principles and to recommend appropriate changes/modifications to the policy, from time to time;

2) To review performance on Sustainability goals, targets and strategy and provide guidance to achieve the same;

3) To review and recommend Sustainability Report to the Board;

4) To formulate and recommend to the Board, a CSR Policy, *inter alia* a statement containing the approach and direction given by the Board, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan;

5) To recommend to the Board an Annual Action Plan in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, *inter alia* including the amount of expenditure to be incurred on CSR activities, list of projects to be undertaken within the purview of Schedule VII to the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization, project implementation schedules, monitoring and reporting mechanism etc;

6) To review the CSR policy of the Company from time to time;

7) Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 and any other applicable provisions of Laws, as amended from time to time.

(E) Risk Management Committee

Composition

The Company has a well-defined risk management framework in place which works at various levels across the Company. This framework is periodically reviewed to ensure that executive management controls risks by means of a properly defined framework. The Company also has an Enterprise risk management policy to identify and mitigate various risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information and cyber security risks. In terms of Regulation 21 of the SEBI Listing Regulations, the Board has constituted a Risk Management Committee, the composition of which as on March 31, 2022 is as under:

Name of the Member	Position	Category
Mr. A.T. Vaswani	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. Ramesh Chandak	Member	Independent Director

Meetings

During the year under review, two meetings of the Committee were held on September 29, 2021 and March 21, 2022 and the same were attended by all the members of the Committee.

Terms of Reference

The function and powers of the Committee *inter alia* includes:

1. To formulate a detailed risk management policy which shall include:
   a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
   b) Measures for risk mitigation including systems and processes for internal control of identified risks.
   c) Business continuity plan.
2. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
3. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
4. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
7. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of Laws, as amended from time to time.

(F) Finance Committee

Composition

The Finance Committee *inter alia* authorises grant of Power of Attorney to executives for various operational matters, approves investment in & grant loan to subsidiary(ies), approves availing of various credit facilities within the overall borrowing limits as approved by shareholders of the Company.

The composition of the Committee as on March 31, 2022 is as under:

Name of the Member	Position	Category
Mr. Ramesh Chandak	Chairman	Independent Director
Mr. S. M. Trehan	Member	Independent Director
Mr. Vimal Kejriwal	Member	MD & CEO

Meetings

During the year under review, five meetings of the Finance Committee were held on May 10, 2021, July 29, 2021, October 14, 2021, January 31, 2021 and March 23, 2022.

These meetings were attended by all the members of the Committee. The Committee has also approved proposals through circulation in case of exigencies.

Terms of Reference

1. Issue power of attorney(ies) to authorize the representatives/employees of the Company in relation to tenders, branch office(s) or project site office(s) operational requirements, execution and/or operations of contracts/projects, excise, customs and shipping matters, financial and taxation matters, matters related to income tax, service tax, sales tax and excise matters and other Central and State laws and such other purposes relating to day to day operations of the Company.
2. Approve issuance of corporate guarantees as may be required in the ordinary course of business of the Company.
3. Approve the opening/closure of Branch Office(s) of the Company in India or outside India in connection with the business of the Company and to do all such other acts in relation to the Branch Office(s) of the Company.
4. Approve and pass necessary Resolutions relating to following matters:
   a) To open, authorize to operate, modify the operating authorities, issue necessary instructions to banks and close various Bank Account(s) in the name of the Company as per the business requirements;
   b) To transact foreign exchange swaps, options, futures, forwards and any other derivatives, as permissible under “Forex and Commodity Risk Management Policy” adopted by the Board of Directors, that may from time to time be used as tools to hedge the Company’s interest and foreign exchange exposures arising in the ordinary course of the business of the Company;
   c) Enter into one or more transactions/ agreements with Banks and/or Exchange Houses in domestic and international market(s) relating to futures, forward, options, swaps etc., and combination(s) thereof in Steel, Aluminum, Zinc, Copper or any other commodities, as per the requirements in the ordinary course of the business of the Company and in accordance with provisions of the Reserve Bank of India Act, 1945 and any other laws as may be applicable and guidelines, notifications, circulars, regulations or approval(s) etc. issued from time to time by any regulatory authority and as permissible under “Forex and Commodity Risk Management Policy” adopted by the Board of Directors;
   d) To approve borrowing by way of long term or short term loans, inter corporate deposits or any kind of financial assistance and fund and/or non fund based working capital credit facility(ies) repayable on demand/temporary or otherwise, in any currency, from bank(s) and/or institution(s) and/or other lenders from time to time and to create charge/security/mortgage on the immovable/movable properties of the Company to secure such loans/inter corporate deposits/financial assistance/ credit facility (ies) as may be required in terms of each of the sanctions by the said bank(s) and/or financial institution(s) and/ or other lenders, subject to an overall limit of ₹ 20,000 Crore (Rupees Twenty Thousand Crore only);
   e) To approve investment in the shares of subsidiary(ies) (including stepdown subsidiary(ies)) and/or Joint Venture(s) of the Company, granting of loans to them, issuing guarantees or providing any security in respect of financial assistance availed by them, within the overall limit of ₹ 6,000 Crore and subject to recommendation of Managing Director & CEO or Chief Financial Officer, and to authorise employee(s)/ representative(s) of the Company for executing various deeds, documents, papers, undertakings as may be required for the purpose of implementing the decisions in this regard;
   f) To invest in the equity shares or equity convertible instruments of the Bodies Corporate, for the purpose of undertaking the projects on BOOM, BOLT, BOT, BOOST and BOOT or any such other basis, (within the overall limit as stated above) and to sell/ transfer the equity shares/equity convertible instruments invested/purchased/acquired by the Company for the above purpose;
   g) To authorise the employee(s)/representative(s) for the purpose of bidding and execution of the project(s) undertaken in consortium, joint venture and also to authorise the employee(s)/representative(s) to sign Memorandum of Understanding, Consortium Agreement, Joint Venture agreement, such other documents required to be signed on behalf of the Company and enter into liability against the Company and/or do any other act on behalf of the Company, required for the above said purpose.
5. Approve all other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

Subsidiary Companies

The Company has the following two unlisted material subsidiaries as on March 31, 2022 as per Regulation 16 (1) (c) of SEBI Listing Regulations:

a) SAE Towers Holdings LLC

b) KEC Investment Holdings

The Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website and can be accessed at: https://www.kecrpg.com/KEC%20data/Investor%20relations/Policy%20for%20determining%20material%20subsidiaries.pdf.

In accordance with Regulation 24(1) of SEBI Listing Regulations, Mr. Ramesh Chandak, Independent Director of the Company has been nominated as an Independent Member of the Managing Committee of SAE Towers Holdings LLC and as an Independent Director on the Board of KEC Investment Holdings.

The Company has nineteen subsidiaries as on March 31, 2022, comprising of nine direct subsidiaries and ten step down subsidiaries. The minutes of Board Meetings as well as the statements of all significant transactions of unlisted subsidiary companies are being placed before the Board of Directors of the Company for its review from time to time. The Audit Committee reviews the financial statements of the subsidiary companies.

General Body Meetings

Location and time of Annual General Meetings

Financial Year	Date	Time	Location
2020-21	August 04, 2021	04:00 p.m.	Held through
2019-20	August 07, 2020	03:00 p.m.	Video Conferencing
2018-19	July 23, 2019	03:30 p.m.	Ravindra Natya Mandir, P. L. Deshpande Maharashtra, Kala Academy, Sayani Road Prabhadevi, Mumbai - 400025

Special Resolutions passed in the last three Annual General Meetings

In AGM held on August 04, 2021, two Special Resolutions were passed as under:

1. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO.
2. Approval for payment of Commission to Mr. Harsh V. Goenka, Non- Executive Chairman.

In AGM held on August 07, 2020, three Special Resolutions were passed as under:

1. Re-appointment of Mr. A. T. Vaswani (DIN: 00057953) as an Independent Director.
2. Re-appointment of Ms. Nirupama Rao (DIN: 06954879) as an Independent Director.
3. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.

In AGM held on July 23, 2019, eight Special Resolutions were passed as under:

1. Appointment of Mr. Ramesh Chandak (DIN: 00026581) as an Independent Director.
2. Re-appointment of Mr. G. L. Mirchandani (DIN: 00026664) as an Independent Director.
3. Re-appointment of Mr. Dilip G. Piramal (DIN: 00032012) as an Independent Director.
4. Re-appointment of Mr. S. M. Trehan (DIN: 00060106) as an Independent Director.
5. Re-appointment of Mr. Vinayak Chatterjee (DIN: 00008933) as an Independent Director.
6. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO.
7. Approval of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.
8. Approval for payment of Commission to Non-Executive Directors.

Postal Ballot

No Special Resolutions were passed by way of Postal Ballot in the last three financial years.

Further, none of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through postal ballot.

III. DISCLOSURES

Related Party Transactions

The Company has formulated a Policy on Related Party Transaction and the same is available at the Company's website and can be accessed at https://www.kecrpg.com/KEC%20data/Investor%20relations/Policy%20on%20Related%20Party%20Transactions.pdf.

Transactions with related parties entered in the ordinary course of business and at arms' length basis have been disclosed in Note No. 56 of the Standalone Financial Statements of the Company.

Materially Significant Related Party Transactions

There are no materially significant related party transactions entered into by the Company with its Directors/Key Managerial Personnel or their respective relatives, the Company's Promoter(s), its subsidiaries/joint ventures/associates or any other related party, that may have a potential conflict with the interest of the Company at large.

Whistle Blower Policy/Vigil Mechanism

In line with the provisions of the SEBI Listing Regulations, the Act and other SEBI Regulations and principles of good governance, the Company has formulated a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company. The Policy provides for framework and process to encourage and facilitate employees and Directors to voice their concerns or observations without fear, or raise reports to the Management, of instance of any unethical or unacceptable business practice or event of misconduct/unethical behaviors, actual or suspected fraud and violation of Company's Code of Conduct etc. The Policy provides for adequate safeguards against victimization of persons who avail such mechanism. To encourage employees to report any concerns and to maintain anonymity the Policy provides a dedicated e-mail id wherein the grievances or concerns can be reported to the Corporate Governance and Ethics Committee (CGEC), constituted for the administration and governance of the Policy. The Policy also facilitates direct access to the Chairman of the Audit Committee in appropriate or exceptional cases through a dedicated e-mail id.

During the year under review, none of the personnel has been denied access to the Chairman of the Audit Committee.

The Policy is placed on the website of the Company at www.kecrpg.com under 'Investors' tab.

Commodity price risk and hedging activities

Exposure of the Company to commodity and commodity risks throughout the financial year 2021-22 were as under:

a) Total exposure to commodities: ₹ 5,085 Crore

Exposure to various commodities were as under:

Commodity Name	Exposure (₹ in Crore)	Exposure in Quantity (MT)	% of such exposure hedged through commodity derivatives				
			Domestic market		International market		Total
			OTC	Exchange	OTC	Exchange	
Steel	1,103	195,650	-	-	-	-	-
Aluminium	449	22,642	-	-	100	-	100
Copper	847	13,846	-	-	90	-	90

Note: *The derivatives does not include 44,001 MTs of Steel, 7,640 MTs of Aluminium and 4,999 MTs of Copper pertaining to projects which have a price variation clause.*

b) Commodity risks faced and managed by the Company during the year

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

Credit Ratings

List of credit ratings obtained by the Company along with any revisions thereto during FY 2021-22 are given below:

Ratings	Instruments/Facilities	
	Long Term Facilities	Short Term Facilities
ICRA	AA-/Stable	A1+
CARE Ratings Ltd.	AA-/Stable	A1+
CRISIL	-	A1+
India Ratings & Research	-	IND A1+

Note(s):

1) Ratings by various agencies are subject to regular revisions. Kindly refer to the respective agencies' website for the latest ratings.

2) Rating "AA" (Long term facilities) - High degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

3) Rating "A1+" & "IND A1+" (Short term facilities) - Very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network entity of which the Statutory Auditor is a part, are given below:

Name of Statutory Auditor and network entity	Type of Services	Name of Company or its subsidiaries obtaining the service	Amount (₹ in Crore)
Price Waterhouse Chartered Accountants LLP	Audit Service	KEC International Limited	1.92
	Other Services (Tax audit, Certification & reimbursement)	KEC International Limited	0.84
TOTAL			**2.76**

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace which is in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to ensure prevention, prohibition and redressal against sexual harassment. Awareness programmes are organized by the Company to sensitize employees periodically. During the year under review, no complaints of any nature were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details of non-compliance by the Company, penalties and strictures imposed, if any

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years.

Apart from complying with the mandatory requirements prescribed by the SEBI Listing Regulations, the Company has complied with the following non-mandatory requirements:

- The Company has appointed separate persons to the post of Chairperson and Managing Director & CEO. The Chairman is a Non–Executive Director and is not “related” to the Managing Director & CEO, as per the definition of term “relative” defined under the Act.
- The Chairman, being a Non-Executive Director, entitled to maintain a Chairperson’s office at the Company’s expense and also allowed reimbursement of expenses incurred in performance of his duties.
- The Company’s Financial Statements for the year ended March 31, 2022 are with unmodified audit opinion.
- The Internal Auditors report directly to the Audit Committee in all matters relating to Internal Audit.

The requirement to provide details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) is not applicable to the Company.

CEO/CFO certification

Certificate from Mr. Vimal Kejriwal, Managing Director & CEO and Mr. Rajeev Aggarwal, Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the financial year 2021-22 was placed before the Board at its meeting held on May 03, 2022, and also forms part of this Annual Report.

IV. MEANS OF COMMUNICATION

Quarterly Results

As on March 31, 2022, the Company’s shares are listed on BSE Limited and National Stock Exchange of India Limited.

The Company from time to time and as may be required, communicates with its investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, the Annual Reports, Press Releases and uploading relevant information on its website.

The quarterly financial results are announced through Press Releases sent to leading media publications. The results along with the notes are furnished on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Regulation 33(3) of the SEBI Listing Regulations. The Company discloses all information required to be disclosed under Regulation 30 read with Part ‘A’ and Part ‘B’ of Schedule III of the SEBI Listing Regulations including material information having bearing on the performance/operations of the Company and other price sensitive information. Information to Stock Exchanges are filed electronically on the online portals of BSE Limited i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India Ltd. i.e. NSE Electronic Application Processing System (NEAPS) & the Digital Portal of NSE.

Newspapers wherein financial results are being published

Financial Results	Un-audited/Audited	Newspapers
First Quarter	Un-audited	Business Standard, Free Press Journal and Nav Shakti
Second Quarter	Un-audited	Business Standard, Free Press Journal and Nav Shakti
Third Quarter	Un-audited	Business Standard, Free Press Journal and Nav Shakti
Fourth Quarter/Full Year	Un-audited/Audited	Business Standard, Free Press Journal and Nav Shakti

The financial results are also displayed on the Company’s website www.kecrpg.com under ‘Investors’ tab.

Company’s Website

The Company’s corporate website www.kecrpg.com depicts comprehensive information about the business activities of the Company. The website contains a separate dedicated section “Investors” where shareholder related information disseminated to the Stock Exchanges are available such as financial results, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, schedule of analyst or institutional investor meet and presentations made by the Company on the quarterly financial results. Information available also includes credit ratings, the policies framed by the Company under various laws and regulations, contact information of the Nodal Officer and Designated Officials responsible for assisting and handling investor grievances, e-mail address for grievance and redressal and other relevant details, details of familiarization programs imparted to Independent Directors and CSR programmes/projects of the Company.

The achievements and important events such as receipt of major orders by the Company etc. are announced through press & electronic media and also posted on the Company’s website.

A separate section on the Company’s website gives information on unclaimed dividends and details of shares transferred to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs. In addition, various forms required by the shareholders have also been provided on the website of the Company for their reference.

All other press coverage and news release are communicated by the Company through its corporate website. Corporate presentations made to Institutional Investors/ Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination as well as the recording/transcripts of quarterly conference calls. The means of communication between the Company and the shareholders are transparent and investor friendly and the Company takes all possible endeavors to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

The Company has also uploaded Frequently Asked Questions (FAQs), updated from time to time, giving information about the Company and the procedure to be followed by the Investors for transmission, dematerialisation, procedure to claim shares and dividend transferred to Investor Education and Protection Fund (“IEPF”) etc. for the convenience of the Investors.

V. GENERAL SHAREHOLDERS INFORMATION

Date, time and venue of Annual General Meeting	Thursday, June 30, 2022 at 2:00 p.m. Through Video Conferencing
Financial Year	April 01 - March 31
Financial Calendar:	
First quarter results	By second week of August 2022*
Second quarter results	By second week of November 2022*
Third quarter results	By second week of February 2023*
Results for the year ending March 2023	By the end of May 2023*
Record Date for the payment of Dividend	Thursday, June 16, 2022
Dividend Payment Date	The dividend will be paid on or before Saturday, July 30, 2022.

** Tentative*

Status of Listing on Stock Exchanges

The Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) and annual listing fees have been paid to both the stock exchanges.

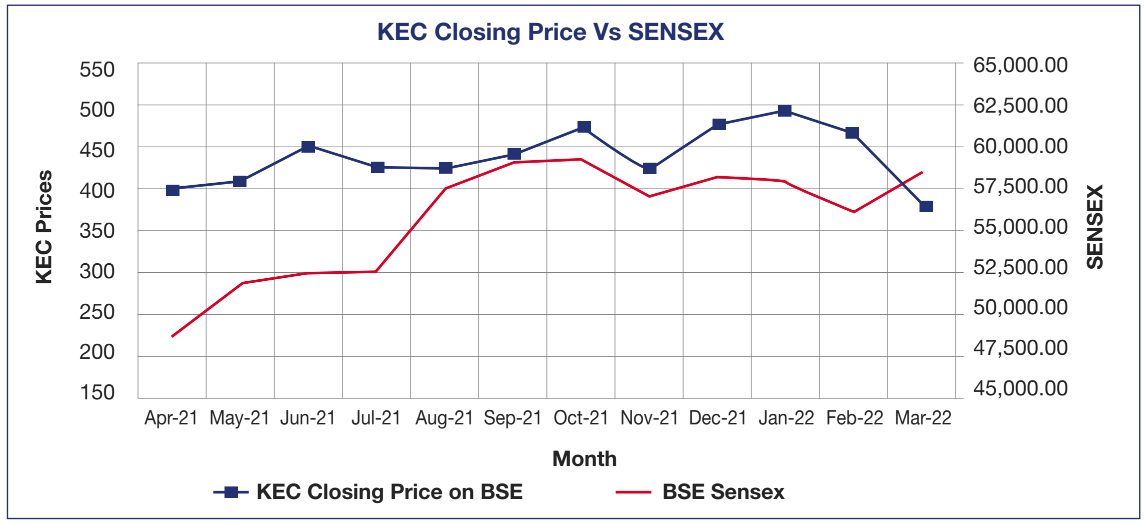
Name and address of the Stock Exchanges	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532714
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051	KEC

Further, the Company has listed its Commercial Papers on BSE Limited.

Market price Data -BSE & NSE

Month	BSE		NSE		BSE Sensex
	High (₹)	Low (₹)	High (₹)	Low (₹)	Closing
April 2021	444.00	391.10	444.00	391.10	48,782.36
May 2021	434.75	368.00	434.70	367.80	51,937.44
June 2021	463.30	389.20	463.40	389.05	52,482.71
July 2021	460.35	408.05	461.00	408.50	52,586.84
August 2021	427.70	370.35	427.70	370.00	57,552.39
September 2021	474.75	412.00	474.80	411.50	59,126.36
October 2021	550.00	437.00	550.00	436.75	59,306.93
November 2021	499.00	422.00	499.70	421.00	57,064.87
December 2021	486.00	424.55	486.55	423.80	58,253.82
January 2022	526.00	452.35	526.00	453.15	58,014.17
February 2022	549.20	417.90	549.50	418.00	56,247.28
March 2022	486.30	376.00	486.80	376.00	58,568.51

Performance of Company's Equity Share's price in comparison to BSE Sensex



Registrar and Share Transfer Agent

Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent. Their contact details are as follows:

Link Intime India Private Limited
(Unit: KEC International Limited)
C 101, 247 Park, LBS Marg, Vikhroli West,
Mumbai - 400 083
Tel: 022 - 49186270
Fax: 022 - 49186060
Email ID: rnt.helpdesk@linkintime.co.in

Contact Address for Investors

Shareholders can send their queries regarding Transmission/Dematerialisation of shares and any other correspondences relating to the shares of the Company to the abovementioned address of the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic mode should address all correspondences to their respective depository participants.

Share Transfer System

The Stakeholders' Relationship Committee meets at least once a year and as an when necessary.

With effect from April 01, 2021, requests for transfer of securities are not being processed unless securities are held in dematerialised form with a depository. Further, SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that certain Service Requests including transmission or transposition of securities held in physical form shall be processed by issuing securities in dematerialised form only and physical Share Certificates shall not be issued by the Company to the Securities holder/claimant.

The RTA verifies and processes the Service Requests and thereafter issues a 'Letter of Confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant within 30 days, which is valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerialising the said securities.

In case the securities holder/Claimant fails to submit the demat request within 120 days, the securities shall be credited to the Suspense Escrow Demat Account of the Company.

Shareholders who are still holding share certificate(s) in physical form have been advised to dematerialise their shareholding to facilitate transfers and avail other inherent benefits of dematerialisation.

In accordance with SEBI Circular dated November 03, 2021 read with clarification issued on December 14, 2021, the Company has sent reminder letter along with requisite forms to shareholders holding shares in physical mode requesting them to update/furnish prescribed details such as PAN, KYC and Nomination, to the Registrar and Share Transfer Agent of the Company viz., Link Intime India Private Limited. The process along with requisite forms are also made available at https://www.kecrpg.com/transfer-of-shares-in-demat-form-only.

The Company has obtained the annual certificate from a Company Secretary in Practice certifying that all share certificates have been issued within prescribed time from the date of lodgement for transfer, sub-division, consolidation, renewal, exchange etc as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. This certificate has been submitted to the Stock Exchanges.

As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

Distribution of Shareholding

Distribution of shares according to size of holding as on March 31, 2022:

No. of Equity Shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	107,140	93.54	7,887,560	3.07
501-1,000	4,391	3.84	3,351,137	1.30
1,001-2,000	1,604	1.40	2,332,266	0.91
2,001-3,000	508	0.44	1,280,048	0.50
3,001-4,000	207	0.18	730,918	0.28
4,001-5,000	152	0.13	703,297	0.27
5,001-10,000	225	0.20	1,632,881	0.64
10,001 & above	306	0.27	239,170,263	93.03
Total	**114,533**	**100.00**	**257,088,370**	**100.00**

Categories of Shareholders as on March 31, 2022

Category	No. of Shares Held	% of Shareholding
Promoters	133,210,543	51.82
Mutual Funds/UTI	57,126,335	22.22
Financial Institutions, Insurance Companies and Banks (including Foreign Banks)	9,568,478	3.72
Foreign Institutional Investors	18,657	0.01
Foreign Portfolio Investor	31,321,073	12.18
Foreign Companies	46,425	0.02
General Public	18,391,916	7.15
Non Resident Indians	686,072	0.27
Other Bodies Corporate	2,523,717	0.98
Clearing Members	236,289	0.09
Trusts	393,646	0.15
Foreign Nationals	75	0.00
Alternate Investment Funds	1,162,906	0.45
Hindu Undivided Family	366,151	0.14
Directors and Relatives	880	0.00
Investor Education and Protection Fund	2,034,407	0.79
NBFCs Registered with RBI	800	0.00
Total	**257,088,370**	**100.00**

Unclaimed Shares

As per Regulation 39 read with Schedule VI of the SEBI Listing Regulations, a listed company is required to transfer the unclaimed shares, if any, of its shareholders to an Unclaimed Suspense Account with a depository participant upon serving three reminders to the shareholders. Upon the sub-division of each equity share of face value of ₹ 10/- each into 5 equity shares of ₹ 2/- each in the year 2011, the Company had dispatched new share certificates to the shareholders of the Company. Subsequently, those share certificates which remained unclaimed, after giving three reminders, were transferred to an Unclaimed Suspense Account in dematerialised mode. The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares. Following are the details of the unclaimed shares at the beginning and at the end of the year and the requests processed during the year:

Particulars	No. of Shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2021	350	84,255
Shareholders whose shares were transferred to Unclaimed Suspense Account during the year	212	130,625
Shareholders who approached the Company for transfer of shares from suspense account during the year	7	2,780
Shareholders to whom shares were transferred from the suspense account during the year	7	2,780
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	223	51,535
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2022	332	160,565

Dematerialisation of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialised mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE389H01022. As on March 31, 2022, total Equity Shares representing 99 percent are held in dematerialised form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments or options, conversion date and likely impact on Equity

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments or options.

Transfer of Unpaid/Unclaimed amounts and shares to Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to IEPF.

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company had sent a reminder to the shareholders at their address registered with the Company to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard were also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, were also uploaded on the Company's website www.kecrpg.com under the 'Investors' Tab.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends which were outstanding for more than 7 years. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during the financial year 2021-22 are as follows:

Dividend for the year	Amount of unclaimed dividend transferred (₹)	Number of shares transferred
2013-14	1,893,074	120,154*

**51,535 Equity shares represent the shares which were lying in the Unclaimed Suspense Account of the Company and transferred to demat account of IEPF Authority. The dividend in respect of these shares remained unclaimed for more than 7 consecutive years.*

The shareholders who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website www.iepf.gov.in and following the procedure to submit their claims, which is available on the website of the Company.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed/unencashed by the shareholders:

Dividend for the year	Date of declaration of dividend	% of dividend declared	Last date up to which Members are entitled to claim the dividend
2014-15	July 29, 2015	45	August 30, 2022
2015-16 (Interim Dividend)	March 14, 2016	50	April 15, 2023
2016-17	July 26, 2017	80	August 27, 2024
2017-18	July 30, 2018	120	August 31, 2025
2018-19	July 23, 2019	135	August 28, 2026
2019-20 (Interim Dividend)	February 07, 2020	170	March 10, 2027
2020-21	August 04, 2021	200	September 7, 2028

Registered Office/Correspondence Address of the Company

KEC International Limited
RPG House, 463, Dr. Annie Besant Road
Worli, Mumbai - 400 030
Tel No.: 022 - 66670200; Fax No.: 022 - 66670287
Email ID : investorpoint@kecrpg.com
Corporate Identification Number (CIN): L45200MH2005PLC152061

Plants' Locations			
Transmission Towers	Jaipur Jhotwara Industrial Area Jaipur - 302 012 Rajasthan	Butibori B-190 Industrial Area Butibori - 441 108 Maharashtra	Jabalpur Deori, P. O. Panagarh Jabalpur - 483 220 Madhya Pradesh
Cables	Mysuru Hebbal Industrial Area Hootagalli, Belavadi Post Mysuru - 571 186 Karnataka	Vadodara Village: Godampura (Samlaya) Taluka: Savli - 391 520 Gujarat	
KEC Towers	KEC Towers LLC[1] Plot No 597-653 Dubai Investment Park – 2 Jebal Ali Industrial Area Dubai – UAE		
SAE Towers	SAE Towers Mexico S de RL de CV[1] Arco Vial Saltillo-Nuevo Laredo Km. 24.1 C.P. 66050-79 Escobedo, N. L. Mexico	SAE Towers Brasil Torres de Transmissão Ltda[1] R. Moacyr G. Costa, 15 - Jd. Piemont Sul 32669-722, Betim/MG, Brazil	
Tower Testing Stations	Jaipur Jhotwara Industrial Area Jaipur - 302 012, Rajasthan	Butibori B-215 Industrial Area Butibori - 441 108, Maharashtra	Jabalpur Deori, P. O. Panagarh Jabalpur - 483 220, Madhya Pradesh
	SAE Towers Brasil Torres de Transmissao Ltda[1] R. Moacyr G. Costa, 15 - Jd. Piemont, Sul 32669-722, Betim/MG, Brazil		

Note:

(1) Wholly owned subsidiaries of KEC International Limited

Declaration – Code of Conduct

All Board members and Senior Management personnel have, for the year ended March 31, 2022, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Place: Mumbai
Date: May 03, 2022

CEO/CFO Certificate

The Board of Directors
KEC International Limited

We certify to the Board that:

A. We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:

1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee:

1) significant changes, if any, in internal control over financial reporting during the year;

2) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management, or an employee having a significant role in the Company's internal control system over financial reporting.

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Rajeev Aggarwal
Chief Financial Officer

Place: Mumbai
Date: May 03, 2022

Practising Company Secretaries' Certificate on Debarment or Disqualification of Directors

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,
The Members
KEC INTERNATIONAL LIMITED
RPG House, 463, Dr. Annie Besant Road,
Worli, Mumbai-400030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KEC INTERNATIONAL LIMITED** having CIN **L45200MH2005PLC152061** and having registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400030 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company *
1.	H. V. Goenka	00026726	January 12, 2006
2.	Vimal Kejriwal	00026981	April 01, 2015
3.	A. T. Vaswani	00057953	January 12, 2006
4.	D. G. Piramal	00032012	January 12, 2006
5.	G. L. Mirchandani	00026664	January 12, 2006
6.	Nirupama Rao	06954879	October 31, 2014
7.	Ramesh Chandak	00026581	December 26, 2005
8.	S. M. Trehan	00060106	October 30, 2012
9.	M. S. Unnikrishnan	01460245	November 08, 2019
10.	Vikram Gandhi	05168309	August 07, 2019
11.	Vinayak Chatterjee	00008933	December 06, 2021

**the date of appointment is as per the MCA Portal.*

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Practising Company Secretaries

Jigyasa N. Ved
Partner
FCS: 6488 CP: 6018
UDIN: F006488D000256364
PR No.: 723/2020

Place: Mumbai
Date: May 03, 2022

Practising Company Secretaries' Certificate on Corporate Governance

TO THE MEMBERS OF
KEC INTERNATIONAL LIMITED

We have examined the compliance of the conditions of Corporate Governance by KEC International Limited ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh Parekh & Associates
Practising Company Secretaries

P.N. Parikh
Partner
FCS: 327 CP: 1228
UDIN: F000327D000255991
PR No.: 723/2020

Place: Mumbai,
Date: May 03, 2022

Independent Auditor's Report

To the Members of KEC International Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying consolidated financial statements of KEC International Limited (hereinafter referred to as the "Parent Company") which includes the Returns of Company's 44 branches at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Congo, Egypt, Ethiopia, Georgia, Ghana, Guinea, Indonesia, Ivory Coast, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia, 29 jointly controlled operations consolidated on a proportionate basis and its 18 subsidiaries (Parent Company, branches, jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Notes 3.3 and 52 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2022, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on audited financial statements of branches, jointly controlled operations and subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2022, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER PARAGRAPH

4. We draw attention to Note 69 of the consolidated financial statements, regarding the Company's net exposure aggregating to ₹ 233 crores from its transmission line projects in Afghanistan as at March 31, 2022, which are currently on hold due to Force Majeure event. Timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Further, the bank guarantees issued by the Company in respect of the aforesaid ongoing projects are also currently not enforceable due to the force majeure event. Our conclusion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer Notes 38 and 51 to the standalone financial statements) Contract revenue amounting to ₹ 11,405.94 crores for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. • For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures • To test the forecasted cost to complete, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Assessed the adequacy of presentation and related disclosures in the standalone financial statements. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.

Notes 38 and 51 as described above are included in Notes 40 and 53 respectively to the consolidated financial statements.

Valuation of accounts receivable in view of risk of credit losses (Refer to Notes 10 and 15 to the standalone financial statement) Accounts receivables amounting to ₹ 5,258.06 crores (including retention receivables) is a significant item in the Company's standalone financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the standalone financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the company. • Evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable • For material balances, the basis of provision was discussed with the audit committee. • Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

Notes 10 and 15 as described above are included in Notes 11 and 17 respectively to the consolidated financial statements.

6. The following Key Audit Matters were included in the audit report dated May 02, 2022, issued by an independent firm, containing an unmodified audit opinion on the consolidated financial information of SAE Tower Holdings, LLC (SAE), a step down subsidiary of the Parent Company, which is reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Valuation of accounts receivable (Refer Note 40, Financial risk management objectives and policies and Note 9, Trade receivables to the special purpose consolidated financial information of SAE Tower Holdings LLC) The Group's trade receivables amount to INR 206.86 crores as at March 31, 2022. The Group has significant overdues from various customers/ parties for which expected credit loss provision is measured by the management based on past trends using practical expedients as prescribed by Ind AS 109: Financial Instruments. This involves significant management estimates and judgements. The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to ageing profile, historical pattern and the past record of default of the customer. The Group makes an assessment of the credit losses basis past history and latest discussion/correspondence with the customer. Given the relative significance of these receivables to the special purpose consolidated financial information and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures with regards to provisioning towards receivables; • Evaluated the design, implementation and operating effectiveness of the Group's key internal controls over the process of collection of trade receivables; follow up of overdue balances; assessing provisions towards receivables and controls relating to litigations. • Reviewed the Group's credit policy outlining the authority for approving and responsibility to manage credit limits. • Tested the expected credit loss model for appropriateness of past data and provisioning matrix used and reasons for other long outstanding balances which were not provided for were also obtained from the management. • Obtained an understanding of the basis of management's judgements about the recoverability of trade receivable balances and evaluated the allowance for doubtful debts made by management for these individual balances with reference to correspondence between the Group and the debtors, the recovery plan and corroborated the inputs with our understanding of the matter and externally available information. • Considered payments received subsequent to yearend, past payment history and unusual patterns to identify potentially impaired balances. • Obtained confirmation from attorney to ensure recoverability of the receivable amount in case of litigations. Also, ensured that the appropriate disclosures in accordance with Ind AS 32, Financial Instruments: Presentation, have been made in the special purpose consolidated financial information.
Notes 40 and 9 as described above are included in Notes 11, 17 and 55 respectively to the consolidated financial statements.	
Impairment assessment of Goodwill (Refer note 30 to the special purpose consolidated financial information of SAE Tower Holdings LLC) As at March 31, 2022, the Group's assets include goodwill aggregating to INR 223.26 crores. The Group has performed annual impairment test for the goodwill as per the applicable accounting standard, Ind AS 36, Impairment of Assets. The determination of the recoverable value requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. Considering that goodwill balance is significant to the consolidated financial information and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, assessment of carrying value of goodwill is considered as a key audit matter for the current year audit.	Our procedures included, but were not limited to the following: • We obtained an understanding from the management through detailed discussions on its impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls implemented by management around this. • We obtained the impairment analysis carried out by the management and reviewed the valuation report prepared by management. • We involved auditor's experts to assess the appropriateness of the valuation model used by the management and reasonableness of assumptions used relating to discount rate, industry growth rate, etc. • We evaluated inputs used by the management with respect to revenue and cash flow forecasts, among others, for reasonableness thereof. • We have evaluated the sensitivity analysis performed by the management in respect of the key assumptions used such as discount and growth rates to ensure that there would be no major impact on the valuation. We have evaluated the appropriateness and adequacy of disclosures made by the Group in the special purpose consolidated financial information in accordance with the applicable Indian accounting standards.

Note 30 as described above is included in Note 8 to the consolidated financial statements.

OTHER INFORMATION

7. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our and other auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the the respective companies included in the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Parent Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

16. We did not audit the financial statements/ financial information of 40 branches, 28 jointly controlled operations and 15 subsidiaries included in the consolidated financial statements of the Parent Company, which constitute total assets of ₹ 5,352 crores and net assets of ₹ 997 crores as at March 31, 2022, total revenue from operations of ₹ 4,232 crores, total net loss after tax of ₹ 128 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 100 crores and net cash inflows amounting to ₹ 27 crores for the year then ended. These financial statements/ financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these branches, jointly controlled operations and subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid branches, jointly controlled operations and subsidiaries, is based solely on the report of such other auditors.

17. The financial statements/ financial information of 4 branches, 1 jointly controlled operation and 3 subsidiaries, located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 465 crores and net assets of ₹ 57 crores as at March 31, 2022, total revenue of ₹ 396 crores, total net loss after tax of ₹ 51 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 47 crores and net cash outflows amounting to ₹ 18 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements/ financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, jointly controlled operation and subsidiaries located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Parent Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation on account of loss incurred during the year by these branches and the jointly controlled operation which are not material to the Group.

Our opinion on the consolidated financial statements, and our 'Report on Other Legal and Regulatory Requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent Company as on March 31,2022 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiaries, incorporated in India, none of the directors of the companies incorporated in India of the Group is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With respect to the adequacy of internal financial controls with reference to financial statements of the Parent Company, its 44 branches and its 2 subsidiary companies which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 59 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2022 – Refer Note 38 to the consolidated financial statements in respect of such items as it relates to the Group. The Group did not have any long-term derivative contracts as at March 31, 2022.

iii. There has been no delays in transferring amount required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiaries incorporated in India, during the year ended March 31, 2022.

iv. (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 82 to the consolidated financial statements);

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Parent Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 82 to the consolidated financial statements); and

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules contain any material misstatement.

20. The dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act.

21. The Parent Company and its subsidiary companies which are companies incorporated in India has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AIIEIQ9814

Place: Mumbai
Date: May 03, 2022

Annexure A to Independent Auditor's Report

Referred to in paragraph 19 (f) of the Independent Auditor's Report of even date to the members of KEC International Limited on the consolidated financial statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the KEC International Limited (hereinafter referred to as "the Parent") as of and for the year ended March 31, 2022, we have audited the internal financial controls with reference to consolidated financial statements of the Parent which includes the internal financial controls over financial reporting of the Parent's 44 branches and its 2 subsidiary companies which are companies incorporated in India, as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Parent's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Parent's internal financial controls system with reference to consolidated financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Parent including 44 branches and its 2 subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Parent considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

OTHER MATTERS

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 44 branches and 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner

Place: Mumbai
Date: May 03, 2022

Membership Number: 045255
UDIN: 22045255AIIEIQ9814

Consolidated Balance Sheet

as at March 31, 2022

₹ in Crore

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	5	1,011.95	941.38
(b) Right-of-use assets	6	231.32	174.40
(c) Capital work-in-progress	7	2.46	17.90
(d) Goodwill	8	249.70	215.36
(e) Intangible assets	9	44.68	66.37
		1,540.11	**1,415.41**
(f) Financial assets			
(i) Investments	10	*	*
(ii) Trade receivables	11	467.69	182.13
(iii) Other financial assets	12	41.03	13.24
		508.72	**195.37**
(g) Deferred tax assets (net)	30	214.13	61.93
(h) Non-current tax assets (net)	13	179.43	168.51
(i) Other non-current assets	14	209.60	323.25
Total Non -Current Assets		**2,651.99**	**2,164.47**
(2) Current Assets			
(a) Inventories	15	1,066.48	842.20
(b) Financial assets			
(i) Investments	16	12.64	1.06
(ii) Trade receivables	17	5,106.10	5,384.69
(iii) Cash and cash equivalents	18	207.63	199.79
(iv) Bank balances other than (iii) above	19	54.31	49.38
(v) Loans	20	-	31.49
(vi) Other financial assets	21	110.87	169.43
		5,491.55	**5,835.84**
(c) Contract assets	22	6,092.09	4,499.54
(d) Current tax assets (net)	23	28.42	14.21
(e) Other current assets	24	1,008.37	690.57
Total Current Assets		**13,686.91**	**11,882.36**
Total Assets		**16,338.90**	**14,046.83**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	25	51.42	51.42
(b) Other equity	26	3,568.51	3,308.27
Total Equity		**3,619.93**	**3,359.69**
Liabilities			
(1) **Non-current Liabilities**			
(a) Financial liabilities			
(i) Borrowings	27	393.26	218.71
(ii) Lease liabilities	28	167.44	113.06
		560.70	**331.77**
(b) Provisions	29	13.74	13.93
(c) Deferred tax liabilities (net)	30	43.80	55.15
(d) Other non-current liabilities	31	0.47	-
Total Non-Current Liabilities		**618.71**	**400.85**
(2) **Current Liabilities**			
(a) Financial liabilities			
(i) Borrowings	32	2,469.45	1,706.57
(ii) Lease liabilities	33	34.46	27.35
(iii) Trade payables	34	154.83	129.29
- total outstanding dues of micro and small enterprises			
- total outstanding dues other than micro and small enterprises		6,692.50	6,040.98
(iv) Other financial liabilities	35	38.73	20.95
		9,389.97	**7,925.14**
(b) Contract liabilities	36	2,410.87	2,078.63
(c) Other current liabilities	37	121.96	94.90
(d) Provisions	38	87.80	68.57
(e) Current tax liabilities (net)	39	89.66	119.05
Total Current Liabilities		**12,100.26**	**10,286.29**
Total Equity and Liabilities		**16,338.90**	**14,046.83**

**less than rounding off norms adopted by the Company.*

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Crore

Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I Revenue from operations	40	13,742.26	13,114.20
II Other income	41	13.43	29.92
III Total Income (I+II)		**13,755.69**	**13,144.12**
IV Expenses			
(i) Cost of materials consumed	42	6,090.81	5,696.99
(ii) Changes in inventories of finished goods and work-in-progress	43	(141.79)	3.61
(iii) Erection and sub-contracting expenses	44	4,509.15	3,907.01
(iv) Employee benefits expense	45	1,258.66	1,115.09
(v) Finance costs	46	316.00	262.69
(vi) Depreciation and amortisation expense	47	157.86	152.53
(vii) Other expenses	48	1,121.93	1,250.29
Total expenses		**13,312.62**	**12,388.21**
V Profit before exceptional items and tax (III-IV)		443.07	755.91
VI Exceptional Items	49	43.64	-
VII Profit after exceptional items and before tax (V - VI)		399.43	755.91
VIII Tax expense	50		
(i) Current tax		198.58	280.00
(ii) Deferred tax		(131.23)	(76.81)
		67.35	**203.19**
IX Profit for the year (VII - VIII)		**332.08**	**552.72**
X Other Comprehensive Income			
A Items that will not be reclassified to profit or loss			
(i) Remeasurement of defined benefit obligations	57	4.16	3.80
(ii) Income tax relating to these items	50.2	(0.97)	(1.00)
B Items that will be reclassified to profit or loss	26		
(i) Exchange differences on translation of financial statements of foreign operations		29.86	(33.55)
(ii) Net gain/(losses) on cash flow hedges		(2.38)	52.11
(iii) Income tax relating to these items	50.2	0.30	(11.97)
Total Other Comprehensive Income		**30.97**	**9.39**
XI Total Comprehensive Income for the year (IX+X)		**363.05**	**562.11**
XII Earnings per equity share (of ₹ 2 each)			
(i) Basic	51	12.92	21.50
(ii) Diluted		12.92	21.50

The above consolidated statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 ₹ in crore	As at March 31, 2021 Nos.	As at March 31, 2021 ₹ in Crore
Equity Shares Outstanding at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Shares issued during the year	-	-	-	-
Equity Shares Outstanding at the end of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**

B. OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus								Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of Cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Balance as at April 01, 2020	**84.98**	**0.04**	**86.75**	**14.28**	**38.75**	**0.95**	**152.98**	**2,366.39**	**(28.86)**	**33.97**	**(4.06)**	**2,746.16**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	**84.98**	**0.04**	**86.75**	**14.28**	**38.75**	**0.95**	**152.98**	**2,366.39**	**(28.86)**	**33.97**	**(4.06)**	**2,746.16**
Profit for the year	-	-	-	-	-	-	-	552.72	-	-	-	552.72
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	39.00	(32.41)	2.80	9.39
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**552.72**	**39.00**	**(32.41)**	**2.80**	**562.11**
Transactions with owners in their capacity as owner												
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	-	(38.75)	-	38.75	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**0.95**	**191.72**	**2,919.11**	**10.14**	**1.56**	**(1.26)**	**3,308.27**
Profit for the year	-	-	-	-	-	-	-	332.08	-	-	-	332.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(1.78)	29.56	3.19	30.97
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**332.08**	**(1.78)**	**29.56**	**3.19**	**363.05**
Transactions with owners in their capacity as owner												
Transfer to Statutory reserve	-	-	-	-	-	2.13	-	(2.13)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(102.81)	-	-	-	(102.81)
Balance as at March 31, 2022	**84.98**	**0.04**	**86.75**	**14.28**	**-**	**3.08**	**191.72**	**3,146.25**	**8.36**	**31.12**	**1.93**	**3,568.51**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Consolidated Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A. CASH FLOW FROM OPERATING ACTIVITIES				
PROFIT FOR THE YEAR AFTER TAX		**332.08**		**552.72**
Adjustments for:				
Income tax expense	67.35		203.19	
Depreciation and amortisation expense	157.86		152.53	
Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(0.98)		(8.34)	
Loss on property, plant and equipment discarded & intangible assets derecognised	0.67		0.86	
Finance costs	316.00		262.69	
Interest income	(10.56)		(4.74)	
Bad debts, loans and advances written off/written back (net)	(10.68)		42.43	
Exceptional items (Refer Note 49)	43.64		-	
Allowance for bad and doubtful debts, loans and advances (net)	28.24		41.38	
Mark to market (gain) / loss on forward and commodity contracts	(12.36)		2.74	
Net unrealised exchange loss	16.59		32.72	
		595.77		**725.46**
		927.85		**1,278.18**
Changes in assets and liabilities				
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(213.09)		(66.38)	
Trade receivables	8.30		(324.10)	
Other financial assets	39.22		24.72	
Contract assets	(1,580.48)		(1,012.02)	
Other current assets	(311.59)		147.02	
Other non-current assets	113.91		(110.35)	
		(1,943.73)		**(1,341.11)**
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	692.48		1,171.36	
Other current liabilities	0.58		8.47	
Contract liabilities	308.94		(131.28)	
Other financial liabilities	(4.90)		55.13	
Provisions	21.37		7.60	
		1,018.47		**1,111.28**
CASH GENERATED FROM OPERATIONS		**2.59**		**1,048.35**
Taxes paid (net of refunds)		**(286.30)**		**(208.78)**
NET CASH FLOW (USED IN)/GENERATED FROM OPERATING ACTIVITIES (A)		**(283.71)**		**839.57**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure)	(143.14)		(180.07)	
Acquisition of subsidiary	(56.93)		-	
Proceeds from sale of property, plant and equipment	1.46		66.33	
(Purchase)/proceeds of short-term investments (net)	(11.58)		21.43	
Interest received	10.58		3.35	
Bank balances not considered as Cash and cash equivalents (net)	(5.08)		(38.43)	
		(204.69)		**(127.39)**
NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(204.69)**		**(127.39)**

Consolidated Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	172.55		470.29	
Repayments of other than short-term borrowings	(15.81)		(526.68)	
Repayment of lease liabilities	(27.15)		(25.58)	
Net increase / (decrease) in short-term borrowings	741.28		(226.35)	
Finance costs paid	(272.48)		(350.10)	
Dividend paid	(102.53)		(0.50)	
		495.86		**(658.92)**
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**495.86**		**(658.92)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**7.46**		**53.26**
Cash and cash equivalents at the beginning of the year (Refer Note 18)		199.79		152.68
Add: Cash and cash equivalents taken over on acquisition of subsidiary		12.71		-
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(12.33)		(6.15)
Cash and cash equivalents at the end of the year (Refer Note 18)		**207.63**		**199.79**
Supplemental Information				
Non Cash Transactions from Investing and Financing Activities:				
Acquisition of Right-of-use assets		78.71		21.34

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES:

Particulars	As at March 31, 2021	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2022
Long term borrowings (including current maturity and accrued interest)	301.47	156.74	-	8.45	0.68	467.34
Short term borrowings (including borrowings taken over on acquisition of subsidiary)	1,627.03	754.85	-	17.39	8.32	2,407.59
Lease liabilities	140.41	(27.15)	77.55	4.31	6.78	201.90
Total liabilities from financing activities	**2,068.91**	**884.44**	**77.55**	**30.15**	**15.78**	**3,076.83**

Particulars	As at March 31, 2020	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2021
Debentures (including accrued interest)	343.78	(250.00)	-	-	(93.78)	-
Long term borrowings (including current maturity and accrued interest)	122.80	193.61	-	(13.43)	(1.50)	301.47
Short term borrowings	1,913.42	(226.35)	-	(58.08)	(1.97)	1,627.03
Lease liabilities	145.63	(25.58)	19.34	(4.19)	5.21	140.41
Total liabilities from financing activities	**2,525.63**	**(308.32)**	**19.34**	**(75.70)**	**(92.04)**	**2,068.91**

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

1. GENERAL INFORMATION

KEC International Limited ("the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company including its branches, jointly controlled operations and its subsidiaries (as detailed in note 3.3) is herein after together referred to as the 'Group'.

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

New standards adopted by the Group:

The Group has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Amendments applicable from April 01, 2022

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of consolidated financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the Group has changed the classification/ presentation of (i) current maturities of long-term borrowings (ii) security deposits

- The current maturities of long-term borrowings (including interest accrued) has now been included in the "Borrowings (current)" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
- security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The Group has reclassified following comparative amounts to conform with current year presentation as per the requirements of Ind AS 1:

- Security deposits amounting to ₹ 13.24 crore and ₹ 63.53 crore have been reclassified from non-current and current loans respectively to Other financial assets (non-current and current respectively).
- Current maturities of long-term borrowings amounting to ₹ 81.86 crore have been reclassified from Other financial liabilities (current) to Borrowings (current).

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The consolidated financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets', or net present value of lease payments in Ind AS 116 'Leases', as applicable.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Operating Cycle

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

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

3.3 Basis of consolidation

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

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

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

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

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

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

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

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

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

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

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

	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2022	As at March 31, 2021
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ–LLC–Ras UL Khaimah	UAE	100	100
KEC Towers LLC	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100
KEC Power India Private Limited	India	100	100
KEC Spur Infrastructure Private Limited (Acquired on October 13, 2021) (formerly known as Spur Infrastructure Private Limited)	India	100	-
Indirect Subsidiaries			
SAE Towers Holdings LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brasil Torres de Transmissao Ltda	Brazil	100	100
SAE Prestadora de Servicios Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Engenharia E Construcao Ltda	Brazil	100	100
KEC Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC EPC LLC (w.e.f. October 06, 2021)	UAE	100	-

3.4 Business combinations

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

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 *Income Taxes* and Ind AS 19 *Employee Benefits* respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.4 above) less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

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

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

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

3.6 Interests in jointly controlled operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the jointly controlled operation; and
4. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

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

3.7 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss.

3.8 Revenue recognition

The Group derives revenue principally from following streams:

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

3.8.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e. ‘over time’ or ‘in time’ based on an assessment of the transfer of control as per the terms of the contract.

In determining the transaction price for sale of product, the Group considers the effects of variable

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

3.8.2 Sale of services:

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

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

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

3.8.3 Construction contracts:

The Group recognises revenue from engineering, procurement and construction contracts (‘EPC’) over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

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

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

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

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

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

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

3.8.4 Other Operating Revenue:

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme

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(RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions.

3.8.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate for and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.9 Leasing

As a lessee:

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

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Amendment to Ind AS 116 'Leases' w.r.t "Covid-19-Related Rent Concessions" provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. The Group has applied the practical expedient for all qualifying rent concessions and these concessions have been accounted as variable lease payments in the statement of profit and loss in the period in which they are granted.

Right-of-use assets are measured at cost comprising the following:

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

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

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

As a lessor

Lease income from operating leases where the Group is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.10 Foreign currency transactions

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). For each branch, jointly controlled operation and a subsidiary situated outside India, the Company determines the functional currency and items included in the financial statements of each entity are

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measured using that functional currency of that respective branch, jointly controlled operation and subsidiary. The functional and presentation currency of the Group is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

3.10.1 Accounting for transactions and balances in foreign currencies

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

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

Exchange differences on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.24 below for hedging accounting policies);
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items

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

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

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Group is reclassified in the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The

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Group considers a period of twelve months or more as a substantial period of time.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance expenses are recognised immediately in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

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

3.12 Employee benefits

3.12.1 Long Term Employee Benefits :

(a) Defined Contribution Plans:

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

(b) Defined Benefit Plans:

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

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

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

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

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

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

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

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balance sheet date using the projected unit credit method.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Consolidated Statement of Profit and Loss.

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(c) Compensated absences:

Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3.12.2 Short-term employee benefits:

Liabilities for wages & salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Short term employee benefits also cover the Group's liability for sick and earned leave.

3.13 Taxation

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

3.13.1 Current tax

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

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

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3.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

3.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.14 Property, plant and equipment

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

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Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

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

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

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

3.15 Intangible assets

3.15.1 Intangible assets acquired separately

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

3.15.2 Intangible assets acquired in a business combination

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

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

3.15.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

3.15.4 Derecognition of intangible assets

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

3.15.5 Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

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

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

3.16 Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

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

3.17 Investment

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer 3.21)

3.18 Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares and erection material) are stated at the lower of cost and net realisable value. Cost of purchased material is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

3.19 Provisions and contingencies

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

The amount recognised as a provision is the management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

3.20 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

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

3.21 Classification and Measurement of Financial Assets

3.21.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

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

3.21.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

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

3.21.4 Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

3.21.5 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Group continues to recognise the asset to the extent of Group's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

3.22 Classification and Measurement of Financial liabilities and equity instruments

3.22.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3.22.3 Financial liabilities

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

3.22.3.1 Financial liabilities subsequently measured at amortised cost

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

3.22.3.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group entity are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

3.22.3.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

3.23 Derivative financial instruments

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

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Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

3.24 Hedge accounting

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

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

3.24.1 Cash flow hedges that qualify for hedge accounting

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

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

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

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

3.25 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

3.26 Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

3.27 Exceptional items:

Exceptional items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

3.28 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

4.1 Classification of Joint Arrangement as a Jointly Controlled Operations

In terms of Ind AS 111, 'Joint Arrangement' the Company has classified its joint arrangements as jointly controlled operations in the Standalone Financial Statements of the Company as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 52 for the list of joint arrangements).

4.2 Revenue recognition for construction contracts

Refer note 3.8.3 and Note 53.

4.3 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Group. Guarantees are also given in the normal course of business. There are certain obligations which management has concluded based on all available facts and circumstances are treated as contingent liabilities and disclosed in the Notes but are not provided for in the consolidated financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the Group is involved it is not expected that such contingencies will have a material effect on its financial position or profitability.

4.4 Income Taxes

In preparing the consolidated financial statements, the Group recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.5 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.6 Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

4.7 Fair value measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

Particulars	Freehold Land	Buildings	Plant and Equipment	Erection Tools	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross Carrying Amount									
As at April 01, 2020	**142.22**	**277.14**	**790.54**	**146.60**	**28.96**	**57.59**	**12.76**	**42.59**	**1,498.40**
Additions	-	94.70	103.14	55.70	0.17	-	1.02	4.80	259.53
Disposal	-	0.64	38.76	33.86	0.16	1.46	0.27	0.47	75.62
Adjustments	(3.23)	(4.96)	(10.51)	(0.48)	(0.20)	(0.57)	(0.05)	(0.58)	(20.58)
As at March 31, 2021	**138.99**	**366.24**	**844.41**	**167.96**	**28.77**	**55.56**	**13.46**	**46.34**	**1,661.73**
Acquisition	-	-	7.91	-	0.21	0.51	0.17	0.11	8.91
Additions	-	24.40	61.06	44.41	1.38	7.45	1.49	7.20	147.39
Disposal	-	0.05	3.14	4.35	0.11	0.63	0.18	0.51	8.97
Adjustments	4.35	10.31	20.47	0.79	0.87	0.73	0.07	0.98	38.57
As at March 31, 2022	**143.34**	**400.90**	**930.71**	**208.81**	**31.12**	**63.62**	**15.01**	**54.12**	**1,847.63**
Accumulated depreciation:									
As at April 01, 2020	**-**	**95.33**	**375.59**	**70.54**	**16.91**	**42.91**	**9.63**	**32.16**	**643.07**
Depreciation expense (Refer Note 47)	-	12.84	49.69	25.42	2.36	3.06	1.08	4.71	99.16
Disposal	-	0.61	8.34	4.83	0.15	1.35	0.25	0.44	15.97
Adjustments	-	(1.53)	(2.75)	(0.28)	(0.18)	(0.56)	(0.03)	(0.58)	(5.91)
As at March 31, 2021	**-**	**106.03**	**414.19**	**90.85**	**18.93**	**44.06**	**10.42**	**35.85**	**720.35**
Depreciation expense (Refer Note 47)	-	16.26	51.44	27.32	2.13	3.06	1.01	4.65	105.87
Disposal	-	0.05	2.22	4.32	0.07	0.52	0.16	0.42	7.75
Adjustments	-	2.12	12.11	0.80	0.47	0.72	0.07	0.92	17.21
As at March 31, 2022	**-**	**124.36**	**475.52**	**114.65**	**21.47**	**47.32**	**11.35**	**41.01**	**835.68**
Net carrying amount									
As at March 31, 2021	138.99	260.21	430.22	77.11	9.83	11.50	3.03	10.49	941.38
As at March 31, 2022	**143.34**	**276.54**	**455.19**	**94.16**	**9.65**	**16.30**	**3.66**	**13.11**	**1,011.95**

NOTE 5.1

For details of Property, plant and equipment having gross carrying amount aggregating ₹ 486.70 crore (As at March 31, 2021 ₹ 418 crore), which are pledged as security for borrowings - Refer Notes 27 and 32.

NOTE 5.2

Adjustments represents foreign currency exchange translation adjustment on account of a branch, jointly controlled operations and foreign subsidiaries which have different functional currency.

NOTE 5.3

During the year, the company has reclassified Leasehold Land amounting to ₹ 38.07 crore as on March 31, 2021 (Net Block) from "Property, plant and equipment" to "Right-of-use assets", the said disclosure being more relevant to the users of the consolidated financial statements. This change doesn't result in any impact on total non current assets and total assets.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 54)

₹ in Crore

Description	Buildings	Land (Refer Note 5.3)	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at April 01, 2020	**93.86**	**122.26**	**4.04**	**1.63**	**221.79**
Additions	12.96	8.38	-	-	21.34
Disposal	4.84	0.06	-	0.29	5.19
Adjustments (Refer Note 6.1)	(2.12)	(2.14)	(0.03)	-	(4.29)
As at March 31, 2021	**99.86**	**128.44**	**4.01**	**1.34**	**233.65**
Additions	31.73	46.98	-	-	78.71
Disposal	4.56	-	1.03	0.52	6.11
Adjustments (Refer Note 6.1)	2.51	2.95	0.03	-	5.49
As at March 31, 2022	**129.54**	**178.38**	**3.01**	**0.82**	**311.74**
Accumulated Depreciation					
As at April 01, 2020	**22.93**	**12.57**	**0.22**	**0.17**	**35.89**
Depreciation expense (Refer Note 47)	19.03	5.90	1.56	0.64	27.13
Disposal	3.25	0.01	-	0.10	3.36
Adjustments (Refer Note 6.1)	(0.42)	0.02	(0.01)	-	(0.41)
As at March 31, 2021	**38.29**	**18.48**	**1.77**	**0.71**	**59.25**
Depreciation expense (Refer Note 47)	16.13	7.47	1.15	0.31	25.06
Disposal	4.32	-	0.49	0.26	5.07
Adjustments (Refer Note 6.1)	0.72	0.44	0.02	-	1.18
As at March 31, 2022	**50.82**	**26.39**	**2.45**	**0.76**	**80.42**
Net carrying amount					
As at March 31, 2021	61.57	109.96	2.24	0.63	174.40
As at March 31, 2022	**78.72**	**151.98**	**0.56**	**0.06**	**231.32**

Note 6.1 *Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.*

NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	**17.90**	**83.96**
Addition during the year*	137.15	160.97
Capitalisation during the year*	152.59	(227.01)
Effect of translation adjustment (gain)/loss	0.00	(0.02)
Closing Balance	**2.46**	**17.90**

** including intangible assets*

Note 7.1 - CWIP ageing schedule

CWIP ageing schedule as at March 31, 2022

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.51	0.95	-	-	**2.46**
Projects temporarily suspended	-	-	-	-	**-**

CWIP ageing schedule as at March 31, 2021

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.82	0.25	1.05	0.78	**17.90**
Projects temporarily suspended	-	-	-	-	**-**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 7.2 - Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects temporarily suspended	NIL				

NOTE 8 - GOODWILL

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at the beginning of the year	215.36	222.56
Add :- Goodwill recognised on acquisition of KEC Spur Infrastructure Private Limited* (Refer Note 61)	26.44	-
Effect of foreign currency exchange difference recognised in other comprehensive income (OCI)	7.90	(7.20)
Balance at the end of year	**249.70**	**215.36**

The Aggregate carrying amount of goodwill of each unit is as follows

Particulars	As at March 31, 2022	As at March 31, 2021
SAE Towers Holdings, LLC and its subsidiaries (SAE) (Refer Note 8.1)	223.26	215.36
KEC Spur Infrastructure Private Limited (Spur)* (Refer Note 61)	26.44	-
Total	**249.70**	**215.36**

** formerly known as Spur Infrastructure Private Limited*

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount whenever there is any indication of impairment.

For the purpose of impairment testing, SAE entire business is considered as one Cash Generating Unit.

The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of value in use are set out below:

Particulars	As at March 31, 2022	As at March 31, 2021
Discount rate	10.04%	10.84%
Terminal value growth rate	3.50%	3.50%
Period considered for discounting	5 years	5 years

The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins at SAE level.

Based on the above, no impairment was identified as of March 31, 2022, as the recoverable amount of the CGU exceeded the carrying value.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 9 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer Note 9.1)	Computer softwares	Non Compete Fees (Refer Note 9.3)	Customer Contracts (Refer Note 61)	Total
Gross carrying amount					
As at April 01, 2020	**246.95**	**84.23**	**-**	**-**	**331.18**
Additions	-	4.65	-	-	4.65
Disposal	-	-	-	-	-
Adjustments (Refer Note 9.2)	-	(0.55)	-	-	(0.55)
As at March 31, 2021	**246.95**	**88.33**	**-**	**-**	**335.28**
Acquisition	0.00	-	-	-	**0.00**
Additions	-	0.19	0.58	4.44	**5.21**
Disposal	6.95	0.60	-	-	**7.55**
Adjustments (Refer Note 9.2)	-	0.95	-	-	**0.95**
As at March 31, 2022	**240.00**	**88.87**	**0.58**	**4.44**	**333.89**
Accumulated amortisation					
As at April 01, 2020	**186.62**	**56.57**	**-**	**-**	**243.19**
Amortisation expense (Refer Note 47)	12.34	13.90	-	-	**26.24**
Disposal	-	-	-	-	**-**
Adjustments (Refer Note 9.2)	-	(0.52)	-	-	**(0.52)**
As at March 31, 2021	**198.96**	**69.95**	**-**	**-**	**268.91**
Amortisation expense (Refer Note 47)	12.00	13.95	0.10	0.89	26.93
Disposal	6.95	0.59	-	-	7.54
Adjustments (Refer Note 9.2)	-	0.91	-	-	0.91
As at March 31, 2022	**204.01**	**84.22**	**0.10**	**0.89**	**289.21**
Net carrying amount					
As at March 31, 2021	47.99	18.38	-	-	66.37
As at March 31, 2022	**35.99**	**4.65**	**0.48**	**3.55**	**44.68**

Note 9.1

Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The carrying amount of the brand as on March 31, 2022 ₹ 35.99 crore (as at March 31, 2021 ₹ 47.99 crore) and the remaining amortisation period is 3 years (as at March 31, 2021 - 4 years).

Note 9.2

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have different functional currency.

Note 9.3

Non compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years.

NOTE 10 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current:		
Investment in equity shares (at fair value through other comprehensive income)		
Unquoted		
4900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association	*	*
	*	*
Aggregate book value of unquoted investments	*	*
Aggregate provision for diminution in value of investments	-	-

** less than rounding off norms adopted by the group.*

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Entity is concluded to be equal to cost.

NOTE 11 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current trade receivables - Unsecured		
(i) Considered good	478.84	209.01
(ii) Having significant increase in credit risk	-	-
(iii) Credit impaired	-	-
	478.84	**209.01**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	11.15	26.88
	467.69	**182.13**

***Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer Note 55.9).**

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**8.46**
Add: Created during the year	18.83
Less: Released during the year	0.41
Balance as at March 31, 2021	**26.88**
Add: Created during the year	3.24
Less: Released during the year	18.97
Balance as at March 31, 2022	**11.15**

Note 11.1 Trade receivables (non current) ageing

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Non-Current Trade Receivable							
Undisputed – considered good	260.63	5.22	84.67	117.30	10.91	0.11	478.84
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**260.63**	**5.22**	**84.67**	**117.30**	**10.91**	**0.11**	**478.84**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

As at March 31, 2021

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Non-Current Trade Receivable							
Undisputed – considered good	177.39	-	-	-	-	-	177.39
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	31.62	31.62
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**177.39**	**-**	**-**	**-**	**-**	**31.62**	**209.01**

NOTE 12 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
a) Contractually reimbursable expenses	**26.67**	**-**
b) Security Deposits, Unsecured :		
Considered good	14.36	13.24
Having significant increase in credit risk	-	-
Credit impaired	0.76	0.76
Less: Allowance for bad and doubtful security deposits (Refer Note 12.1)	0.76	0.76
	14.36	**13.24**
c) Amount withheld by customers:		
Considered good	-	-
Having significant increase in credit risk	-	10.32
Credit impaired	-	-
Less: Allowance for bad and doubtful receivables (Refer Note 12.2)	-	10.32
	-	**-**
	41.03	**13.24**

Note 12.1
Movement in the allowance for bad and doubtful security deposits (Expected Credit Loss) (Refer Note 55.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**0.76**
Add: Created during the year	0.51
Less: Released during the year	0.51
Balance as at March 31, 2021	**0.76**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2022	**0.76**

Note 12.2
Movement in the allowance for bad and doubtful receivables (Expected Credit Loss) (Refer Note 55.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**10.32**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2021	**10.32**
Add: Created during the year	-
Less: Released during the year	10.32
Balance as at March 31, 2022	**-**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 13 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payments less provisions	179.43	168.51
	179.43	**168.51**

NOTE 14 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
a) Capital Advances	10.65	10.55
b) Others		
- Excise duty recoverable from Government authorities	24.45	24.45
- VAT Credit / WCT /Service tax receivables	121.05	131.87
- GST Receivable	12.41	76.99
- Prepaid expenses	4.08	13.78
- Export benefits	-	37.41
- Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest	21.75	16.24
- Others (includes amounts towards judicial deposits)	15.21	11.96
	198.95	**312.70**
	209.60	**323.25**

NOTE 15 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	596.51	509.09
(ii) in-transit	6.52	5.84
	603.03	**514.93**
(b) Work-in-progress (Refer Note 15.1)	195.90	85.47
(c) Finished goods	227.29	195.93
(d) Stores and spares	29.27	26.10
(e) Scrap	10.99	19.77
	1,066.48	**842.20**

Note 15.1 Details of inventory of work-in-progress

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Towers and structurals	179.03	53.54
Cables	16.87	31.93
	195.90	**85.47**

NOTE 16 - INVESTMENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Quoted - Other investments :		
Investments in Commercial Papers (Carried at fair value through profit or loss)	12.64	1.06
	12.64	**1.06**
Notes: Quoted investments		
Aggregate book value of quoted investments	12.64	1.06
Aggregate book value of quoted investments and market value thereof	12.64	1.06

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 17 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables - Unsecured (Refer Note 17.1, 17.2 and 55.9)		
(a) Considered good	5,172.25	5,445.07
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	12.36	-
	5,184.61	**5,445.07**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	78.51	60.38
	5,106.10	**5,384.69**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note 55.9)

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**44.40**
Add: Created during the year	19.33
Less: Released during the year	3.22
Less: Exchange fluctuation	0.13
Balance as at March 31, 2021	**60.38**
Add: Created during the year	24.99
Less: Released during the year	7.34
Less: Exchange fluctuation	(0.48)
Balance as at March 31, 2022	**78.51**

Note 17.1: Transfer of financial assets

During the current year, the Group has discounted trade receivables with an aggregate carrying amount of ₹ 153.19 crore with banks for cash proceeds of ₹ 151.95 crore. These arrangements are "non-recourse" to the Group and accordingly, the Group has derecognised these receivables as at March 31, 2022. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 1.24 crore.

Note 17.2: Receivable from related parties is ₹ 3.90 crore (As at March 31, 2021 ₹0.08 crore).

Note 17.3: Trade receivables ageing

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	3,999.91	723.14	215.74	133.75	2.48	88.40	5,163.42
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – Credit Impaired	-	-	-	-	-	0.92	0.92
Disputed – considered good	1.83	0.49	0.21	0.55	0.46	5.29	8.83
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – Credit Impaired	-	1.70	-	0.95	0.08	8.71	11.44
Total	**4,001.74**	**725.33**	**215.95**	**135.25**	**3.02**	**103.32**	**5,184.61**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

As at March 31, 2021

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 years	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	3,979.56	907.27	250.64	70.16	138.48	72.89	5,419.00
Undisputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – Credit Impaired	-	-	-	-	-	-	-
Disputed – considered good	7.96	2.07	0.99	0.74	12.93	1.38	26.07
Disputed – Having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – Credit Impaired	-	-	-	-	-	-	-
Total	**3,987.52**	**909.34**	**251.63**	**70.90**	**151.41**	**74.27**	**5,445.07**

NOTE 18 - CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks		
(i) In current accounts	187.57	176.48
(ii) In deposit accounts	5.99	15.69
	193.56	**192.17**
(b) Cheques on hand	8.00	-
(c) Cash on hand	6.07	7.62
	207.63	**199.79**

NOTE 19 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Earmarked balances with banks - unpaid dividend accounts	3.01	2.70
(ii) Bank deposit with original maturity of more than 3 months but less than 12 months	6.22	0.43
(iii) Margin Money deposit with maturity less than 12 months	0.72	0.72
(iv) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments	44.36	45.53
	54.31	**49.38**

NOTE 20 - LOANS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Related Parties		
(a) Considered good-Unsecured		
- Loans to jointly controlled operations (net of the Group's share)	-	31.49
(b) Having significant increase in credit risk	-	-
(c) Credit Impaired	-	-
	-	**31.49**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note: 20.1 Loans to jointly controlled operations have been provided by the Group to meet the short term working capital requirements for execution of projects by the jointly controlled operations.

NOTE 21 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
(i) Sundry Deposits	34.26	63.53
(ii) Interest accrued on fixed deposits	0.36	0.38
(iii) Insurance claims	0.78	1.72
(iv) Mark to market gain on foreign currency forward and commodity contracts (Refer Note 55.7 and Note 55.8)	25.45	15.47
(v) Contractually reimbursable expenses	50.02	86.91
(vi) Others	-	1.42
	110.87	**169.43**

NOTE 22 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Amount due from customers for contract work	6,097.18	4,504.63
Less: Allowance for contract assets (Refer Note 22.1)	5.09	5.09
	6,092.09	**4,499.54**

Note 22.1 Movement in the allowance for contract assets (expected credit loss allowance)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	5.09	-
Additions	-	5.09
Reversals	-	-
Closing balance	**5.09**	**5.09**

NOTE 23 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payments less provisions	28.42	14.21
	28.42	**14.21**

NOTE 24 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	165.86	164.77
Employee advances	11.82	9.91
Cenvat / Service tax input credit receivable	0.12	0.12
Amount due as refund of custom duty	-	3.70
Excise duty recoverable from Government authorities	0.05	1.26
VAT credit / WCT receivables	106.31	63.76
GST receivable	492.95	257.96
GST/Excise rebate receivable on exports	63.71	57.32
Prepaid expenses	130.52	96.74
Export benefits	33.96	31.92
Assets classified as held for sale (Refer Note 24.1)	3.07	3.11
	1,008.37	**690.57**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 24.1 Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Leasehold Land at Jaipur [(Refer Note 24.1 (a)]	2.45	2.45
Leasehold Land at Raibareli [(Refer Note 24.1 (b)]	0.62	0.66
Total	**3.07**	**3.11**

(a) The Company has signed Memorandum of understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2021 ₹ 9.41 crore) (Refer Note 37 (a). However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.

(b) Land situated at plot no. A03 of Raebareli plant was held for sale. The Company is looking for potential buyer and negotiations are in advanced stage with few buyers. The Company is planning to conclude the deal in next financial year.

NOTE 25 - SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	₹ in crore	Nos.	₹ in crore
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	570,000,000	114.00	570,000,000	114.00
Preference Shares:				
Redeemable Preference Shares of ₹ 100 each	1,500,000	15.00	1,500,000	15.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	51.42	257,088,370	51.42
	257,088,370	**51.42**	**257,088,370**	**51.42**

Note 25.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in crore
Equity Shares Outstanding as at April 01, 2020	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2021	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2022	**257,088,370**	**51.42**

Note 25.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder*	As at March 31, 2022		As at March 31, 2021	
		Nos. of Shares Held	Percentage of Shares held	Nos. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	67,756,616	26.36	67,756,616	26.36
2	Summit Securities Limited	28,104,322	10.93	28,104,322	10.93
3	HDFC Trustee Company Limited	22,599,573	8.79	23,679,697	9.21
4	Instant Holdings Limited	22,207,827	8.64	22,207,827	8.64

** Shares held in multiple folios have been combined*

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 25.3 3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

Note 25.4 The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Note 25.5 Shares held by promoters at the end of the year

S. No	Promoter name	As at March 31, 2022			As at March 31, 2021		
		No. of Shares	% of total shares	% Change during the year	No. of Shares	% of total shares	% Change during the year
	Promoter:						
1	Harsh Vardhan Goenka	5,042,917	1.96	-	5,042,917	1.96	0.07
	Promoter Group:						
2	Anant Vardhan Goenka	40,000	0.02	-	40,000	0.02	-
3	Stellar Energy Trust (Mr.Harsh Vardhan Goenka is a Trustee)	100	-	-	100	-	-
4	Mala Goenka	50	-	-	50	-	-
5	RG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
6	AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
7	Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
8	Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
9	Radha Anant Goenka	10	-	-	10	-	-
10	Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
11	Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
12	Secura India Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
13	Swallow Associates LLP	67,756,616	26.36	-	67,756,616	26.36	-
14	Summit Securities Limited	28,104,322	10.93	-	28,104,322	10.93	0.07
15	Instant Holdings Limited	22,207,827	8.64	-	22,207,827	8.64	0.08
16	STEL Holdings Limited	5,011,891	1.95	-	5,011,891	1.95	-
17	Carniwal Investments Limited	2,970,981	1.16	-	2,970,981	1.16	-
18	Chattarpati Apartments LLP	1,790,785	0.70	-	1,790,785	0.70	-
19	Ektara Enterprises LLP	10	-	-	10	-	-
20	Malabar Coastal Holdings LLP	10	-	-	10	-	-
21	Sofreal Mercantrade Pvt. Ltd.	10	-	-	10	-	-
22	Vayu Udaan Aircraft LLP	10	-	-	10	-	-
23	Sudarshan Electronics and TV Ltd.	1	-	-	1	-	-
24	RPG Ventures Limited	284,950	0.11	-	284,950	0.11	-
25	Atlantus Dwellings and Infrastructure LLP	10	-	-	10	-	-

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 26 - OTHER EQUITY

₹ in Crore

Particulars	Reserves and Surplus								Other Comprehensive Income			Total
	Capital Reserve	Capital Reserve on Consolidation	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	Statutory Reserve	General Reserve	Retained Earnings	Effective portion of Cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income(Remeasurement of defined benefit obligations)	
Notes	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	
Balance as at April 01, 2020	84.98	0.04	86.75	14.28	38.75	0.95	152.98	2,366.39	(28.86)	33.97	(4.06)	2,746.16
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	84.98	0.04	86.75	14.28	38.75	0.95	152.98	2,366.39	(28.86)	33.97	(4.06)	2,746.16
Profit for the year	-	-	-	-	-	-	-	552.72	-	-	-	552.72
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	39.00	(32.41)	2.80	9.39
Total Comprehensive Income for the year	-	-	-	-	-	-	-	552.72	39.00	(32.41)	2.80	562.11
Transactions with owners in their capacity as owner												
Dividends	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	(38.75)	-	38.75	-	-	-	-	-
Balance as at March 31, 2021	84.98	0.04	86.75	14.28	-	0.95	191.72	2,919.11	10.14	1.56	(1.26)	3,308.27
Balance as at April 01, 2021	84.98	0.04	86.75	14.28	-	0.95	191.72	2,919.11	10.14	1.56	(1.26)	3,308.27
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	84.98	0.04	86.75	14.28	-	0.95	191.72	2,919.11	10.14	1.56	(1.26)	3,308.27
Profit for the year	-	-	-	-	-	-	-	332.08	-	-	-	332.08
Other Comprehensive Income for the year	-	-	-	-	-	-	-	-	(1.78)	29.56	3.19	30.97
Total Comprehensive Income for the year	-	-	-	-	-	-	-	332.08	(1.78)	29.56	3.19	363.05
Transactions with owners in their capacity as owner												
Transfer to Statutory reserve	-	-	-	-	-	2.13	-	(2.13)	-	-	-	-
Dividends	-	-	-	-	-	-	-	(102.81)	-	-	-	(102.81)
Balance as at March 31, 2022	84.98	0.04	86.75	14.28	-	3.08	191.72	3,146.25	8.36	31.12	1.93	3,568.51

Note (a) *Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.*

Note (b) *Capital Reserve on consolidation created on acquisition of two subsidiaries, where the net assets were more than the consideration paid in earlier years*

Note (c) *Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.*

Note (d) *Capital Redemption Reserve was created for redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.*

Note (e) *Debentures redemption reserve was created towards redemption of debentures. Accumulated amount was transferred to General reserves on account of repurchase of all outstanding debentures.*

Note (f) *Statutory reserve pertains to the Jointly Controlled Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Jointly Controlled Operation. it also consists of Statutory reserve created at KEC Towers LLC, Dubai in accordance with UAE Company law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Subsidiary.*

Note (g) *General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.*

Note (h) *Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.*

Note (i) *The cash flow hedge reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cash flow hedges, as described in accounting policy note 3.24.*

Note (j) *Foreign currency translation reserve pertains to exchange difference arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy note 3.10 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the net investment is disposed-off.*

Note (k) *Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.*

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 27 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Measured at amortised cost:		
Term loans		
From banks		
Secured [Refer Note 27.1 (a)]	45.62	21.94
Unsecured [Refer Note 27.1 (b)]	420.14	278.63
Less : Current maturities of long-term debt (Refer Note 32)	(72.50)	(81.86)
	347.64	**196.77**
	393.26	**218.71**

Note 27.1 Term loans

(a) **From banks: Secured**

(i) ₹ 45.62 crore (As at March 31, 2021 ₹ 21.94 crore) External Commercial Borrowing loan from State Bank of India the loan is secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms is three equal yearly installments starting from August, 2025. Interest rates ranges from 1.72% to 2.06% p.a. (previous year 1.78% to 1.86% p.a.)

(ii) ₹ Nil (As at March 31, 2021 ₹*) secured by first charge, on plant and machinery of Brazil subsidiary of SAE Towers Holdings, LLC repayable in Brazilian Real (BRL). These loans bear fixed interest rates nil (previous year nil) and repayable in monthly principal payments during 2020 to 2022.

** less than rounding off norms adopted by the Group.*

(b) **From Banks: unsecured:**

(i) ₹ 150 crore (As at March 31, 2021 ₹ 150 crore) unsecured Term loan from Axis Bank. Repayment terms is in two equal half yearly instalments starting from September, 2023. The Fixed interest rate is 6.80% p.a.

(ii) ₹ Nil (As at March 31, 2021 ₹ 1.36 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 12.95% to 13.42% p.a.

(iii) ₹ Nil (As at March 31, 2021 ₹ 1.10 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 7.75% to 8.56% p.a.) and repaid during the year.

(iv) ₹ Nil (As at March 31, 2021 ₹ 11.77 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 6.09% to 7.21%

(v) ₹ Nil (As at March 31, 2021 ₹ 114.40 crore) pertained to a subsidiary at Brazil and repaid during the year. The interest rates were in the ranges of 4.44% to 11.99% p.a.

(vi) ₹ 120.30 crore (Previous year nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2022 to 2024. The interest rates are in the ranges between 11.65% to 17.89% p.a. These loans are repayable in Brazilian Real (BRL).

(vii) ₹ 149.84 crore (previous year Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2024 to 2025. The present rate of interest is 16.76% p.a. (previous year Nil). These loans are repayable in Brazilian Real (BRL).

(c) As at March 31, 2022 and March 31, 2021, the Group was in compliance with all of its debt covenants for borrowings.

NOTE 28 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities (Refer Note 54)	167.44	113.06
	167.44	**113.06**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 29 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Provision for employee benefits		
- Gratuity, post employment benefits (Refer Note 57)	10.56	9.84
- Others (includes provision towards judicial deposits of a subsidiary) (Refer Note 29.1)	3.18	4.09
	13.74	**13.93**

Note 29.1 Provision towards judicial deposits*

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	4.09	3.84
Additions	-	0.37
Reversals	1.03	-
Effect of translation adjustment (gain) / loss	0.12	(0.12)
Closing balance	**3.18**	**4.09**

** These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.*

NOTE 30 - DEFERRED TAX (LIABILITIES) / ASSETS (NET)

Note 30.1 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI Foreign Exchange adjustments	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/Assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(43.27)	5.28		(0.22)	(38.21)
Undistributed earnings of jointly controlled operations	(41.94)	7.14			(34.80)
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	(0.23)	0.17			(0.06)
Allowance for doubtful debts, loans and advances	25.09	(4.61)			20.48
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	1.25		(0.97)	0.05	0.33
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	12.54	(0.86)			11.68
Provision for expected loss on construction contracts, etc.	0.05	5.07			5.12
Deferred tax on account of IND AS 116 - (Refer Note 54)	0.65				0.65
Asset held for sale	0.82				0.82
Net (Gain) / Losses on Cash flow hedges	(3.40)		0.60		(2.80)
Exchange differences on translation of foreign operations	(6.71)		(0.30)		(7.01)
Deferred Tax (Liabilities)/Assets (net)	**(55.15)**	**12.19**	**(0.67)**	**(0.17)**	**(43.80)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Significant components of deferred tax assets (net) of subsidiaries are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI Foreign Exchange adjustments	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/Assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(16.08)	(1.03)		2.10	(15.01)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	(0.90)	2.43		0.32	1.85
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	24.57	5.07		3.92	33.56
Tax loss carry forward*	56.00	114.26		29.58	199.84
Other Assets and deferred expenses	(1.66)	(1.69)		(2.76)	(6.11)
Deferred Tax (Liabilities)/Assets (net)	**61.93**	**119.04**	**-**	**33.16**	**214.13**

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

Note 30.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2021 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2020)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI Foreign Exchange adjustments	Closing Balance (As at March 31, 2021)
Deferred tax (liabilities)/Assets recognised in relation to :					
Property, plant and equipment and Intangible assets	(66.53)	7.46	-	15.79	(43.28)
Undistributed earnings of jointly controlled operations	(49.25)	7.31	-	-	(41.94)
Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years	-	(0.23)			(0.23)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or Loss (FVTPL)	(0.72)	-	-	0.72	-
Allowance for doubtful debts, loans and advances	17.25	7.84	-	-	25.09
Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)	1.86	-	(0.61)	-	1.25
Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years	21.46	4.20	-	(13.11)	12.55
Provision for expected loss on construction contracts, etc.	0.07	(0.02)	-	-	0.05
Asset held for sale	0.82	-	-		0.82
Deferred tax on account of 1st time adoption of IND AS 116 (Refer Note 54)	0.22	0.43			0.65
Other Assets and deferred expenses	(2.12)	-	-	2.12	-
Net (Gain) / Losses on Cash flow hedges	9.71		(13.11)		(3.40)
Exchange differences on translation of foreign operations	(7.85)		1.14		(6.71)
Deferred Tax (Liabilities)/Assets (net)	**(75.08)**	**26.99**	**(12.58)**	**5.52**	**(55.15)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Significant components of deferred tax assets (net) of subsidiaries as at March 31, 2021 are as follows :

₹ in Crore

Particulars	Opening Balance (As at April 01, 2020)	Recognised in Consolidated Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Recognised directly in OCI	Closing Balance (As at March 31, 2021)
Deferred Tax (liabilities)/Assets in relation to :					
Property, plant and equipment and Intangible assets	(0.66)	0.13	-	(15.55)	(16.08)
Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss	-	(0.41)		(0.49)	(0.90)
Remeasurement of defined benefit obligations recognised through Other Comprehensive Income (OCI)	-	-	(0.39)	0.39	-
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years	11.92	1.51	-	11.14	24.57
Tax loss carry forward*	11.11	48.22	-	(3.33)	56.00
Other Assets and deferred expenses	-	0.37	-	(2.03)	(1.66)
Deferred Tax (Liabilities)/Assets (net)	**22.37**	**49.82**	**(0.39)**	**(9.87)**	**61.93**

Foot Note :

Deferred tax liabilities/ assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

NOTE 31 - OTHER NON CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current:		
Deferred Government Grant (Refer Note 71)*	0.47	-
	0.47	**-**

*Movement in Deferred Government Grant

₹ in Crore

Particulars	Amount
Balance as at March 31, 2021	-
Add: Received during the year	0.50
Less: Recognised as income during the year	0.01
Less: Disclosed as Other current liabilities (Refer Note 37)	0.02
Balance as at March 31, 2022	**0.47**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 32 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
I Loans repayable on demand		
From Banks		
Secured [Refer Note 32.1 (a)]	672.79	26.93
Unsecured [Refer Note 32.1 (b)]	153.79	125.59
	826.58	**152.52**
II Other short term borrowings		
From Banks		
Secured [Refer Note 32.2 (a)]	545.36	766.27
Unsecured [Refer Note 32.2 (a)]	65.93	-
Current Maturities of long term debt (unsecured)	72.50	81.86
	683.79	**848.13**
From other parties		
Secured [Refer Note 32.2 (b)]	190.80	208.35
Unsecured [Refer Note 32.2 (b)]	768.28	497.57
	959.08	**705.92**
	2,469.45	**1,706.57**

Note 32.1 Loans repayable on demand from banks:

(a) **Secured**

(i) ₹ 570.89 crore (As at March 31, 2021 ₹ 12.28 crore) secured by first charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 5 % to 9.15% p.a. (previous year ranges from 5 % to 9.15% p.a)

(ii) ₹ 1.90 crore (As at March 31, 2021 ₹ 1.85 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company.The interest rates are in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).

(iii) Nil (As at March 31, 2021 ₹ 12.80 crore), pertains to a jointly controlled operation at Saudi Arabia secured by assignment of certain book debt and irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges from 3.50% p.a to 4.50% p.a.

(iv) ₹ 100 crore (As at March 31, 2021 ₹ NIL), secured by GST receivable. The interest rates are in the ranges from 5.10% p.a to 5.15% p.a.

(b) **Unsecured**

(i) ₹ Nil (As at March 31, 2021 ₹ 100 crore) Unsecured loan from Bank of India.The interest rates is 6.60% p.a.

(ii) ₹ Nil (As at March 31, 2021 ₹ 25.59 crore) pertains to subsidiaries at Brazil. The interest rates are in the ranges from 3.05% to 4.05 % p.a.

(iii) ₹ 139.40 crore (As at March 31, 2021 Nil) pertains to subsidiary at Brazil The interest rates are in the ranges from 8.67% to 19% p.a.(previous year Nil).

(iv) ₹ 11.95 crore (As at March 31, 2021 Nil) pertains to subsidiary at Mexico. The interest rates are in the range of 4.47% to 9.47 % p.a.(previous year Nil)

(v) ₹ 2.44 crore (As at March 31, 2021 ₹ NIL), pertains to subsidiary KEC International (Malaysia) SDN BHD. The interest rates is 2.5% + KLIBOR.

Note 32.2 Other short-term borrowings

(a) **From Banks-Secured**

(i) ₹ 502.48 crore (As at March 31, 2021 ₹ 698.50 crore) secured by security stated against Note 32.1 (i) above. The interest rates are in the ranges from 0.50% to 1.70% p.a. (previous year ranges from 0.50% to 3.50% p.a.)

(ii) ₹ 42.88 crore (As at March 31, 2021 ₹ 67.77 crore) loan secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 2.90% to 3.30% p.a. (previous year interest rate ranges between 2.95% to 3.20 % p.a)

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Unsecured

(i) ₹ 65.93 crore (As at March 31, 2021 Nil) unsecured purchase and service bill discouting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro and Small Enterprises vendors. The interest rates ranges from 4.39% to 6.50% p.a.

(b) **From Other Parties**

Secured:

(i) ₹ 190.80 crore (As at March 31, 2021 ₹ 208.35 crore) secured by security stated against Note 32.1(i) above. The interest rates are in the ranges from 3.05% to 3.75% p.a. (previous year ranges from 3.50% to 3.75% p.a.)

Unsecured:

(i) ₹ 768.28 crore (As at March 31, 2021 ₹ 497.57 crore) being listed commercial papers issued on standalone basis. Said Commercial papers carries interest rate ranges between 4.53% p.a. to 5.18% p.a. (previous year 4.50% p.a. to 5.05% p.a.) (maturity ranges from 90 days to 180 days).

Note 32.3 The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts during current and previous year.

As at March 31, 2022 and March 31, 2021, the Group was in compliance with all of its debt covenants for borrowings.

NOTE 33 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Lease liabilities (Refer Note 54)	34.46	27.35
	34.46	**27.35**

NOTE 34 - TRADE PAYABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer Note 34.1)	154.83	129.29
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Acceptances	2,151.81	1,525.69
(b) Others	4,540.69	4,515.29
	6,692.50	**6,040.98**
	6,847.33	**6,170.27**

Note 34.1 Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	135.79	114.41
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.	1.38	1.35
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	17.66	13.53
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4.16	4.98
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	19.04	14.88

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 34.2 Trade payable ageing schedule

As at March 31, 2022

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	100.01	42.18	6.59	4.25	1.80	154.83
Other than Micro and Small enterprises	Disputed	-	0.38	0.01	0.23	0.05	0.33	1.00
	Undisputed	1,322.55	2,372.68	755.07	28.32	21.51	39.56	4,539.69
Acceptances		-	2,151.81	-	-	-	-	2,151.81
Total		**1,322.55**	**4,624.88**	**797.26**	**35.14**	**25.81**	**41.69**	**6,847.33**

As at March 31, 2021

₹ in Crore

Particulars	Outstanding for following periods from due date of payments							
	Dispute Status	Unbilled	Not Due	Less than 1 years	1-2 years	2-3 years	More than 3 years	Total Outstanding
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	64.09	50.18	11.21	1.11	2.70	129.29
Other than Micro and Small enterprises	Disputed	-	2.16	1.82	2.54	1.99	6.29	14.80
	Undisputed	2,175.37	1,461.91	506.13	122.13	65.46	169.49	4,500.49
Acceptances		-	1,525.69	-	-	-	-	1,525.69
Total		**2,175.37**	**3,053.85**	**558.13**	**135.88**	**68.56**	**178.48**	**6,170.27**

NOTE 35 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Interest accrued but not due on borrowings	12.21	3.21
(b) Unpaid / unclaimed dividends#	3.01	2.70
(c) Other payables		
- Interest accrued on acceptances and customer advance	0.72	0.39
- Payable towards purchase of property plant and equipment	16.40	5.27
- Directors' commission	6.39	9.38
	23.51	**15.04**
	38.73	**20.95**

 # The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

NOTE 36 - CONTRACT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Amount due to customers for contract work	793.22	686.15
(ii) Advance from customer	1,586.12	1,384.25
(iii) Interest on customer advance	31.53	8.23
	2,410.87	**2,078.63**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 37 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Advances against assets classified as held for sale [Refer Note 24.1(a)]	9.41	9.41
(b) Other payables:		
- Statutory remittances (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.)	109.40	81.05
- Liability towards Corporate Social Responsibility (Refer note 64)	3.13	4.27
- Deferred Government Grant (Refer Note 71)	0.02	-
- Others	-	0.17
	112.55	**85.49**
	121.96	**94.90**

NOTE 38 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits:		
- Compensated absences (Refer Note 57)	37.31	34.82
- Gratuity, post employment benefits (Refer Note 57)	2.31	2.48
	39.62	**37.30**
(b) Provision - others:		
- Warranty provisions (Refer Note 38.1)	3.11	6.73
- Provision for litigation claims (Refer Note 38.2 and Note 38.3)	19.78	21.02
- Provision for foreseeable losses on construction contracts (Refer Note 38.4)	25.29	3.52
	48.18	**31.27**
	87.80	**68.57**

Note: 38.1 Warranty provisions

The Group bases its estimates of warranty cost on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The warranty provisions for various years are as follows:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	6.73	4.84
Additions	0.74	2.20
Utilisations /(reversals)	(4.71)	(0.10)
Effect of translation adjustment (gain) / loss	0.35	(0.21)
Closing balance	**3.11**	**6.73**

Note: 38.2

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	21.02	25.58
Additions	0.11	6.36
Reversals	0.80	10.92
Effect of translation adjustment (gain) / loss	0.55	-
Closing balance	**19.78**	**21.02**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note: 38.3

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the company. The same is challenged by the company before Hon'ble Delhi High Court. The balance provision relate to various sales tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

Note: 38.4 Movement in Provision for foreseeable losses on construction contracts

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	3.52	2.83
Additions	24.54	1.66
Reversals	2.78	1.01
Effect of translation adjustment (gain) / loss	0.01	0.04
Closing balance	**25.29**	**3.52**

NOTE 39 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax liabilities less payments	89.66	119.05
	89.66	**119.05**

NOTE 40 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Sale of products (Refer Note 53)		
- Towers and structurals	516.92	899.76
- Cables	859.09	764.73
	1,376.01	**1,664.49**
(b) Construction contracts revenue (Refer Note 53)		
- Transmission and distribution	6,093.93	6,600.91
- Other EPC	6,019.36	4,691.98
	12,113.29	**11,292.89**
(c) Sale of services (Refer Note 53)		
- Tower testing and design revenue	15.96	29.22
- Operating and maintenance revenue	8.53	6.34
	24.49	**35.56**
(d) Other operating revenue		
- Scrap sales	216.97	117.77
- Others	11.50	3.49
	228.47	**121.26**
	13,742.26	**13,114.20**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 41 - OTHER INCOME

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Interest income earned on financial assets that are not designated at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	1.31	0.44
(ii) Other financial assets carried at amortised cost	2.68	3.49
	3.99	**3.93**
(b) Interest income earned on financial assets that are designated at fair value through profit or loss:		
- Interest on Commercial Paper	1.36	0.44
	1.36	**0.44**
(c) Other Interest Income		
(i) Excise and VAT refund	0.19	0.07
(ii) Income tax refund	5.02	0.30
	5.21	**0.37**
(d) Government Grant (Refer Note 71)	0.16	-
(e) Other non-operating income		
- Guarantee charges	0.32	0.51
- Profit on sale of property, plant and equipment (net)*	0.86	8.15
- Miscellaneous income	1.53	16.52
	2.71	**25.18**
	13.43	**29.92**

** Previous year figure includes ₹ 7.05 crore as profit on sale of land*

NOTE 42 - COST OF MATERIALS CONSUMED)

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cost of materials consumed (including project bought outs)	6,090.81	5,696.99
	6,090.81	**5,696.99**

NOTE 43 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening stock		
Finished goods	195.93	160.34
Work-in-progress	85.47	124.67
	281.40	**285.01**
Less: Closing stock		
Finished goods	227.29	195.93
Work-in-progress	195.90	85.47
	423.19	**281.40**
	(141.79)	**3.61**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 44 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Erection / construction materials consumed	1,161.38	1,032.55
Stores consumed	63.00	40.76
Sub-contracting expenses	2,720.41	2,407.18
Power, fuel and water charges	48.45	28.60
Construction transport	123.50	102.58
Machinery Hire charges	190.27	121.48
Others	202.14	173.86
	4,509.15	**3,907.01**

NOTE 45 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and wages	1,154.78	1,010.79
Contribution to provident fund and other funds	33.29	34.27
Staff welfare expenses	70.59	70.03
	1,258.66	**1,115.09**

NOTE 46 - FINANCE COSTS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest expense for financial liabilities not classified at FVTPL	303.93	252.19
Interest expense on lease liabilities	6.78	5.21
Other borrowing costs (processing fees, etc.)	5.29	5.29
	316.00	**262.69**

NOTE 47 - DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note 5)	105.87	99.16
Depreciation on Right-of-use Assets (Refer Note 6)	25.06	27.13
Amortisation of intangible assets (Refer Note 9)	26.93	26.24
	157.86	**152.53**

NOTE 48 - OTHER EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Tools, non-erection stores and maintenance spares	17.48	16.97
Power and fuel	62.53	51.03
Rent	44.62	37.61
Rates and taxes, excluding taxes on income (net)	59.59	59.76
Insurance	105.98	88.58
Bank (guarantee, letter of credit and other) charges	96.52	97.79
Commission	25.63	68.05
Freight and forwarding (net)	279.03	342.13

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Repairs to buildings	5.99	4.65
Repairs to plant and equipment	15.14	16.75
Repairs to other property, plant and equipment	16.59	12.25
Travelling and conveyance	88.24	67.11
Payment to statutory auditors (net of Goods and service tax input credit, where applicable)		
- as auditors (for audit of financial statements and limited reviews)	1.92	1.17
- for tax audit	0.08	0.08
- for certification work	0.75	1.71
- for reimbursement of expenses	0.01	0.02
	2.76	**2.98**
Professional fees	111.76	113.01
Bad debts, loans and advances written off	6.99	51.48
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	(17.67)	(9.05)
	(10.68)	**42.43**
Allowance for bad and doubtful debts, loans and advances (net)	28.24	41.38
Directors' fees	0.71	0.61
Loss on property, plant and equipment discarded	0.67	0.86
Net gain on foreign currency transactions (Refer Note 48.2)	(61.02)	(11.37)
Corporate Social Responsibility (Refer Note 64)	13.81	11.81
Miscellaneous expenses (Refer Note 48.1)	218.34	185.90
	1,121.93	**1,250.29**

Note: 48.1 Miscellaneous expenses shown above include fees of ₹ 1.92 crore (Previous Year ₹ 1.98 crore) paid to branch auditors, fees of ₹ 0.40 crore for auditors of jointly controlled operations (Previous year ₹ 0.29 crore), fees of ₹ 2.20 crore for auditor of subsidiaries (Previous year ₹ 1.79 crore) and fees of ₹ 0.07 crore (Previous year ₹ 0.07 crores) paid to the cost auditors.

Note: 48.2 Net gain on foreign currency transactions includes gain on derivative instruments ₹ 18.22 crore (previous year gain ₹ 2.07 crore).

NOTE 49 - EXCEPTIONAL ITEM

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Trade receivable written off (Refer Note 66)	43.64	-
	43.64	**-**

NOTE 50 - INCOME TAX RECOGNIZED IN CONSOLIDATED STATEMENT OF PROFIT AND LOSS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current tax		
In respect of the current year	200.73	274.29
In respect of prior years	(2.15)	5.71
	198.58	**280.00**
Deferred tax		
In respect of the current year	(124.32)	(76.81)
In respect of prior years	(6.91)	-
	(131.23)	**(76.81)**
Total income tax expense recognised in the Consolidated Statement of Profit and Loss	**67.35**	**203.19**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 50.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Consolidated Statement of Profit and Loss is as follows :

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit after exceptional item and before tax	399.43	755.91
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	**100.54**	**190.26**
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	1.09	4.23
Corporate social responsibility expenditure	3.48	1.97
Donation	-	1.38
Tax effect of amounts taxable at lower tax rates/ different tax rates	1.36	6.13
Effect of different tax rates of subsidiaries operating in other jurisdictions	(31.01)	(12.87)
Foreign Tax credit not available	2.14	7.19
Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction	(0.16)	0.22
Tax effect due to business combination adjustment on account of merger and acquisition	(1.03)	(1.03)
	76.41	**197.48**
Adjustments recognised in the current year in relation to prior years	(9.06)	5.71
Income tax expense in the Consolidated Statement of Profit and Loss	**67.35**	**203.19**

The tax rate used for the financial years 2021-22 and 2020-21 reconciliations above is the corporate tax rate of 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.

Note 50.2 Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign operations and subsidiaries	(0.30)	1.14
- Net gain on designated portion of hedging instruments	0.60	(13.11)
- Remeasurement of defined benefit obligations	(0.97)	(1.00)
	(0.67)	**(12.97)**
Total income tax recognised in other comprehensive income	**(0.67)**	**(12.97)**
Bifurcation of the income tax recognised in other comprehensive income into :		
- Items that will not be reclassified to profit or loss	(0.97)	(1.00)
- Items that will be reclassified to profit or loss	0.30	(11.97)
	(0.67)	**(12.97)**

NOTE 51 - EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ Per Share)	(₹ Per Share)
(a) Basic earnings per share	12.92	21.50
(b) Diluted earnings per share	12.92	21.50

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit for the year attributable to the equity share holders of the Company	332.08	552.72
Earnings used in the calculation of basic/diluted earnings per share	**332.08**	**552.72**

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Weighted average number of equity shares for the purpose of basic/diluted earnings per share	257,088,370	257,088,370

NOTE 52 - JOINTLY CONTROLLED OPERATIONS

Details of the Group's Jointly Controlled Operations are as under:

	Particulars	Ownership Interest	
		As at March 31, 2022	As at March 31, 2021
a)	**Jointly Controlled Operations**		
i	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 52 (b)(i)]	51.10%	51.10%
ii	EJP KEC Joint Venture, South Africa	50.00%	50.00%
iii	KEC – ASSB JV, Malaysia	67.00%	67.00%
iv	KEC – ASIAKOM – UB JV	60.00%	60.00%
v	KEC – ASIAKOM JV	51.00%	51.00%
vi	KEC – DELCO – VARAHA JV	80.00%	80.00%
vii	KEC – VARAHA – KHAZANA JV	80.00%	80.00%
viii	KEC – VALECHA – DELCO JV	51.00%	51.00%
ix	KEC – SIDHARTH JV	80.00%	80.00%
x	KEC – TRIVENI – KPIPL JV	55.00%	55.00%
xi	KEC – UNIVERSAL JV	80.00%	80.00%
xii	KEC – DELCO – DUTSAN JV	51.00%	51.00%
xiii	KEC – ANPR – KPIPL JV	60.00%	60.00%
xiv	KEC – PLR – KPIPL JV	55.00%	55.00%
xv	KEC – BJCL JV	51.00%	51.00%
xvi	KEC – KIEL JV	90.00%	90.00%
xvii	KEC – ABEPL JV	90.00%	90.00%
xviii	KEC – TNR INFRA JV	51.00%	51.00%
xix	KEC – SMC JV	51.00%	51.00%
xx	KEC – WATERLEAU JV	51.00%	51.00%
xxi	KEC – CCECC JV (RAILWAY)	74.00%	74.00%
xxii	KEC – CCECC JV (CIVIL)	74.00%	74.00%
xxiii	CCECC – KEC JV (CIVIL)	98.50%	98.50%
xxiv	LONGJIAN – KEC JV	98.50%	98.50%
xxv	MBPL – KEC JV	49.00%	49.00%
xxvi	VNC – KEC JV	49.00%	49.00%
xxvii	HCC – KEC CONSORTIUM	49.00%	-
xxviii	KEC – VNC CONSORTIUM	50.00%	-
xxix	KEC – SPML JV	70.00%	-

b)(i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement.

ii) The Group account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above.

Accordingly, the Group has recognised its share in total income from operations ₹ 1,346.18 crore (for the year ended March 31, 2021 ₹ 1,129.84 crore), total expenditure (including tax) ₹ 1,332.01 crore (for the year ended March 31, 2021 ₹ 1,103.17 crore), total assets as at March 31, 2022 ₹ 1,251.99 crore (as at March 31, 2021 ₹ 987.25 crore) and total liabilities as at March 31, 2022 ₹ 1,063.23 crore (as at March 31, 2021 ₹ 821.78 crore) in Jointly Controlled Operations.

iii) The Group has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Group has recognised revenue, expenses, assets and liabilities related to its own share of work in standalone financials and respective financials of these JVs are not considered for the puspose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

NOTE 53 - REVENUE FROM CONTRACTS WITH CUSTOMERS

53.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Group derives revenue from the transfer of goods and services in the following major product lines and geographical regions:

₹ in Crore

For the year ended March 31, 2022	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Oil & Gas Pipelines	Total
Segment revenue								
- India	2,530.68	4,184.25	2,470.09	1,372.87	15.50	51.26	180.74	10,805.39
- UAE	232.50	-	-	0.43	-	-	-	232.93
- Brazil, Mexico & USA	820.10	-	-	-	-	-	-	820.10
- Geographies other than above	3,614.18	-	-	113.90	0.01	-	-	3,728.09
Less: Inter-segment (SBU) revenue								
- India	34.18	381.06	582.42	628.13	-	-	5.25	1,631.04
- UAE	44.84	-	-	-	-	-	-	44.84
- Brazil, Mexico & USA	0.45	-	-	-	-	-	-	0.45
- Geographies other than above	396.39	-	-	-	-	-	-	396.39
Revenue from external customers	**6,721.60**	**3,803.19**	**1,887.67**	**859.07**	**15.51**	**51.26**	**175.49**	**13,513.79**
Timing of revenue recognition								
- At a point in time	531.86	-	2.68	859.07	6.85	-	-	1,400.47
- Over time	6,189.74	3,803.19	1,884.99	-	8.66	51.26	175.49	12,113.33
	6,721.60	**3,803.19**	**1,887.67**	**859.07**	**15.51**	**51.26**	**175.49**	**13,513.79**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

For the year ended March 31, 2021	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Oil & Gas Pipelines	Total
Segment revenue								
- India	2,421.76	3,388.86	1,078.38	921.10	127.61	52.89	-	7,990.59
- UAE	625.13	-	-	4.93	-	-	-	630.06
- Brazil, Mexico & USA	1,122.52	-	-	-	-	-	-	1,122.52
- Geographies other than above	3,541.03	-	-	119.07	20.21	-	-	3,680.31
Less: Inter-segment (SBU) revenue								
- India	82.10	4.34	3.64	257.72	-	-	-	347.80
- UAE	8.60	-	-	-	-	-	-	8.60
- Brazil, Mexico & USA	2.96	-	-	-	-	-	-	2.96
- Geographies other than above	71.19	-	-	-	-	-	-	71.19
Revenue from external customers	**7,545.59**	**3,384.52**	**1,074.74**	**787.38**	**147.82**	**52.89**	**-**	**12,992.94**
Timing of revenue recognition								
- At a point in time	926.04	-	2.57	764.74	6.69	-	-	1,700.04
- Over time	6,619.55	3,384.52	1,072.17	22.64	141.13	52.89	-	11,292.90
	7,545.59	**3,384.52**	**1,074.74**	**787.38**	**147.82**	**52.89**	**-**	**12,992.94**

The Group recognised revenue amounting to ₹ 351.62 crore (for the year ended March 31, 2021, ₹ 317.48 crore) in the current reporting period that was included in Amount due to customers for contract work balance as at March 31, 2021.

53.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2022 is ₹ 23,716 crore (for the year ended March 31, 2021, ₹ 19,109 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognised as revenue during next reporting period depending upon the progress on each contract.

The remaining amount is expected to be recognised in subsequent years, with largely in year 2.

The amount disclosed above does not include variable consideration.

53.3 There are no reconciliation items of revenue recognised from contracts with customers and contract price.

53.4 In case of transmission and distribution projects, where the goods are procured from a third party, the Group makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Group is significantly involved in designing and manufacturing the procured material and there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

NOTE 54 - LEASES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) **The Balance sheet shows the following amounts relating to leases:**		
Right-of-use assets (Refer Note 6)		
Buildings	78.72	61.57
Plant & Machinery	0.56	2.24
Vehicles	0.06	0.63
Land	151.98	109.96
	231.32	**174.40**
Lease liabilities		
Current (Refer Note 33)	34.46	27.35
Non-current (Refer Note 28)	167.44	113.06
	201.90	**140.41**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(ii)	**Amounts recognised in statement of profit and loss**		
	Depreciation charge on Right of use assets (Refer Note 6)		
	Buildings	16.13	19.03
	Plant & Machinery	1.15	1.56
	Vehicles	0.31	0.64
	Land	7.47	5.90
		25.06	**27.13**
(iii)	Interest expense included in finance cost	6.78	5.21
(iv)	Expense relating to short-term leases (included in other expenses)	44.62	37.76
(v)	Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
(vi)	Expense relating to variable lease payments not included in lease liability	0.01	0.03
(vii)	Amount recognised in profit and loss arising from rent concessions (refer note 54.1) - (gain) / loss	-	(1.60)

(a) Total cash outflow for leases during current financial year is ₹ 27.15 crore (previous year ₹ 25.58 crore)

(b) Additions to the Right-of-use assets during the current financial year is ₹ 78.71 crore (previous year ₹ 21.34 crore)

(c) There are no sale & leaseback transactions.

(d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.

(e) Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.

(f) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 5.87% (Previous year: 6.00%)

Note 54.1

The Group has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

NOTE 55 - FINANCIAL INSTRUMENTS

55.1 Capital Management

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 27 and 32 offset by cash and bank balances in Notes 18 and 19) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Gearing ratio

The gearing ratio at end of the reporting period is as follows :

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Debt *	A	2,874.92	1,928.49
Cash and bank balances	B	261.94	249.17
Net debt (C)	C=A-B	2,612.98	1,679.32
Total equity	D	3,619.93	3,359.69
Net debt to equity ratio (E)	**E=C/D**	**0.72**	**0.50**

** Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in **Notes 27 and 32** and includes interest accrued but not due on borrowings.*

55.2 Categories of financial instruments

₹ in Crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	*	-	-	*	-
- Investment in commercial paper	12.64	-	-	1.06	-	-
Trade receivables #	-	-	5,573.79	-	-	5,566.82
Cash and bank balances	-	-	261.94	-	-	249.17
Loans	-	-	-	-	-	31.49
Other financial assets						
- Derivative instruments						
i) Forward exchange contracts **	14.03	4.21	-	2.07	11.70	-
ii) Over the counter (OTC) commodity derivative contracts%	-	7.23	-	-	1.70	-
- Others	-	-	126.45	-	-	167.20
Financial liabilities						
Borrowings	-	-	2,874.92	-	-	1,928.49
Trade payables	-	-	6,847.33	-	-	6,170.27
Other financial liabilities						
- Others	-	-	228.42	-	-	158.15

** less than rounding off norms adopted by the Group.*

 # Trade receivables pledged as collateral for borrowings - Refer Notes 27 and 32

*** Includes impairment loss on MTM on forward contracts amounting to ₹ 0.02 crores.*

% Includes hedge ineffectiveness on commodity contracts amounting to ₹ 0.24 crores.

FVPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

55.3 Financial risk management objectives

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

The Group seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Group has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

55.4 Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 55.5 and 55.10 below) and commodity prices (see Note 55.8 below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the Price Risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors.

55.5 Foreign currency risk management

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

Following is the foreign currency exposure of the Group:

₹ in Crore

Particulars	USD	BRL	EUR	Others	Total
As at March 31, 2022					
Assets	2,189.30	167.81	633.18	1,624.87	4,615.16
Liabilities	(1,703.80)	(691.28)	(205.03)	(726.24)	(3,326.35)
As at March 31, 2021					
Assets	2,047.11	151.81	591.96	1,751.78	4,542.65
Liabilities	(1,882.15)	(285.91)	(99.38)	(911.73)	(3,179.18)

55.6 Sensitivity for above exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of foreign operations whose Functional currency is other than INR.

5% appreciation / depreciation in the functional currency of the Group, with respect to foreign currency, will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

Exposure to currencies	Change in rate	Impact on profit before tax		Impact on equity	
		For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	+5%	**(15.78)**	(17.27)	**(8.49)**	9.02
	-5%	**15.78**	17.27	**8.49**	(9.02)
BRL	+5%	**-**	-	**26.17**	6.71
	-5%	**-**	-	**(26.17)**	(6.71)
EUR	+5%	**(22.13)**	(25.27)	**0.72**	0.64
	-5%	**22.13**	25.27	**(0.72)**	(0.64)
Others	+5%	**(34.05)**	(32.23)	**(10.88)**	(9.78)
	-5%	**34.05**	32.23	**10.88**	9.78

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

55.7 Forward exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Group mainly uses forward contracts to manage the foreign currency risk.

The following table details the foreign currency (FC) forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets / (liabilities) (₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Buy USD/INR						
Less than 3 months	**0.03**	0.42	**2.16**	31.09	**(0.01)**	0.02
Sell USD/INR						
Less than 3 Months	**1.66**	-	**125.87**	-	**1.13**	-
3 to 6 months	**1.10**	1.76	**83.42**	131.73	**0.44**	(0.36)
More than 6 Months	**8.23**	3.76	**623.67**	286.66	**2.90**	0.86
Sell EURO/ USD						
Less than 3 Months	**0.86**	0.27	**72.54**	22.78	**1.30**	(0.31)
3 to 6 months	**-**	2.05	**-**	177.28	**-**	0.46
More than 6 Months	**1.64**	2.55	**138.03**	222.73	**4.13**	2.68
Sell EURO/ INR						
Less than 3 Months	**1.24**	0.31	**104.48**	27.91	**3.58**	1.11
More than 6 Months	**0.91**	2.83	**76.73**	255.09	**1.10**	0.08
Buy EURO/ INR						
Less than 3 Months	**0.01**	-	**0.66**	-	**(0.00)**	-
Buy USD/MYR						
3 to 6 months	**-**	1.29	**-**	22.46	**-**	(0.20)
Buy JPY/INR						
Less than 3 months	**-**	79.95	**-**	55.47	**-**	(2.34)
3 to 6 months	**-**	5.26	**-**	3.81	**-**	(0.27)
BUY JPY/USD						
Less than 3 months	**0.62**	54.11	**0.39**	36.83	**(0.91)**	(1.05)
3 to 6 months	**0.57**	57.82	**0.35**	39.99	**(0.62)**	(1.76)
BUY GBP/USD						
Less than 3 months	**-**	0.20	**-**	17.94	**-**	2.27
Sell AUD/USD						
Less than 3 months	**-**	0.01	**-**	0.37	**-**	(0.00)
Sell AUD/INR						
Less than 3 months	**-**	0.02	**-**	0.94	**-**	0.01
Buy USD/ BRL						
Less than 3 Months	**-**	0.16	**-**	11.98	**-**	0.78
3 to 6 months	**-**	0.01	**-**	0.85	**-**	0.08
Buy EUR / BRL						
Less than 3 Months	**-**	0.01	**-**	1.18	**-**	0.01
Buy USD/ EURO						
Less than 3 Months	**0.11**	-	**8.10**	-	**0.99**	-
Total					**14.03**	2.07

The line-items in the balance sheet that include the above instruments are “Other financial assets”.

For the year ended March 31, 2022, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Statement of Profit and Loss is ₹ 61.18 Crore (for the year ended March 31, 2021 : ₹ 11.96 Crore).

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

In respect of the Group's foreign currency forward contract (buy), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate loss/(gain) of (₹ 3.04 crore) / ₹ 6.56 crore and loss of ₹ 1.62 crore / ₹ 4.55 crore for the year ended March 31, 2022 and the year ended March 31, 2021 respectively, in the Group's Statement of Profit and Loss.

In respect of the Group's foreign currency forward contract (sell), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of (₹ 47.89 crore) / ₹ 77.07 crore and (loss) /gain of (₹ 51.48 crore) / ₹ 59.70 crore for the year ended March 31, 2022 and the year ended March 31, 2021 respectively, in the Group's Statement of Profit and Loss.

The Group has designated following forward contracts as cash flow hedges which are outstanding as under:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets / (liabilities) (₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sell USD/INR						
Less than 3 months	**0.60**	0.40	**45.47**	30.30	**0.73**	0.73
More than 6 Months	**1.10**	-	**83.37**	-	**0.93**	-
Buy USD/INR						
Less than 3 months	**0.80**	-	**60.63**	-	**(0.35)**	-
Sell EUR/INR						
Less than 3 months	**0.40**	1.19	**33.64**	108.97	**3.19**	5.66
More than 6 Months	**1.00**	1.49	**84.10**	139.21	**(0.29)**	5.31
Total					**4.21**	11.70

The line-items in the balance sheet that include the above instruments is "Cash-flow hedge reserve".

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

Year	Risk Hedged	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in statement of profit and loss because of the reclassification
March 31, 2022	Foreign exchange risk	5.62	0.03	13.11	Revenue
March 31, 2021	Foreign exchange risk	34.51	-	18.28	Revenue

In respect of the Group's foreign currency forward contract (Buy), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of ₹ 3.45 crore / (₹ 2.74 crore) for the year ended March 31, 2022 in the Group's Statement of Other Comprehensive Income.

In respect of the Group's foreign currency forward contract (sell), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of (₹ 8.40 crore) / ₹ 17.53 crore and (loss) /gain of (₹ 1.71 crore) / ₹ 24.96 crore for the year ended March 31, 2022 and for the year ended March 31, 2021, in the Group's Statement of Other Comprehensive Income.

55.8 Commodity price risk

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

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Outstanding commodity contracts :

Cash flow hedges (Buy Commodity Contracts)		Foreign currency (USD in Crore)				Nominal Amount (₹ in Crore)				Fair value assets / (liabilities) (₹ in Crore)			
		Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead
As at March 31, 2022	**Less than 3 months**	**0.39**	**1.22**	**-**	**0.07**	**29.07**	**90.58**	**-**	**5.20**	**0.64**	**4.74**	**-**	**0.24**
	3 to 6 months	**0.05**	**0.17**	**-**	**0.05**	**3.70**	**12.95**	**-**	**3.44**	**0.21**	**1.14**	**-**	**0.26**
As at March 31, 2021	**Less than 3 months**	0.31	0.59	0.18	0.10	22.83	43.89	13.40	7.35	1.23	(0.31)	0.68	(0.16)
	3 to 6 months	-	-	0.01	0.01	-	-	0.74	0.68	-	-	0.31	(0.05)

In respect of the Group's commodity derivative contracts, a 10% appreciation/depreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of ₹ 14.97 crore / (₹ 0.50 crore) and an approximate gain/(loss) of ₹ 10.62 crore / (₹ 7.16 crore) in the Statement of other comprehensive income for the year ended March 31, 2022 and for the year ended March 31, 2021 respectively.

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

Year	Risk hedged	Change in the value of the hedging instrument recognised in other comprehensive income/(loss)	Hedge ineffectiveness recognised in statement of profit and (loss)	Amount reclassified from cash flow hedging reserve to statement of profit and (loss)	Line item affected in statement of profit and loss because of the reclassification
March 31, 2022	Commodity price risk	37.06	0.38	31.15	Cost of materials consumed
March 31, 2021	Commodity price risk	110.07	*	74.33	Cost of materials consumed

** less than rounding off norms adopted by the group.*

55.9 Credit risk management

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

Credit period varies as per the contractual terms with the customers.

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

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

Refer Note 11, 12, 17 and 22 for ECL provisioning and its movement on financial assets carried at amortised cost.

Concentration risk: As at the year ending March 31, 2022, one customer is exceeding 10% of the Group's total trade receivables, which were two as at March 31, 2021.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

In addition the Group is exposed to credit risk in relation to financial guarantees given by the Group on behalf of its jointly controlled operations (net of Company's share). The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2022 is ₹ 84.33 crore (as at March 31, 2021; ₹ 46.01 crore). These financial guarantees have been issued to the banks / customers on behalf of the jointly controlled operations under the agreements entered into by the jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Group considers the likelihood of any claim under the guarantee is remote.

Cash and cash equivalents:
As at the year end, the Group held cash and cash equivalents of ₹ 207.63 crore (March 31, 2021 ₹ 199.79 crore). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Other Bank Balances:
Other bank balances are held with bank and financial institution counterparties with good credit rating.

Derivatives:
The derivatives are entered into with bank and financial institution counterparties with good credit rating.

Other financial assets:
Other financial assets are neither past due nor impaired.

55.10 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates.

The Company's exposures to interest rates changes at the end of the reporting period are as follows :

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate instruments (including interest bearing acceptances)	3,303.82	2,504.12
Fixed rate instruments	1,710.69	946.85
Total	**5,014.51**	**3,450.97**

55.11 Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's :

Profit for the year ended March 31, 2022 would decrease/increase by ₹ 16.52 Crore (for the year ended March 31, 2021 : decrease/ increase by ₹ 12.52 Crore). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

During the year, the Group's sensitivity in interest rate has increased due to increase in variable debt instruments compared to last year.

55.12 Liquidity risk management

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years	More than 5 years	Total	Carrying Amount
As at March 31, 2022						
Interest bearing liabilities	4,621.25	347.64	45.62	-	5,014.51	5,014.51
Lease liabilities	37.24	51.87	40.26	175.36	304.73	201.90
Trade payables	4,695.53	-	-	-	4,695.53	4,695.53
Other financial liabilities	38.73	-	-	-	38.73	38.73
Total	**9,392.75**	**399.51**	**85.88**	**175.36**	**10,053.50**	**9,950.67**
As at March 31, 2021						
Interest bearing liabilities	3,084.31	344.73	21.93	-	3,450.97	3,450.97
Lease liabilities	22.52	36.47	27.79	53.62	140.40	140.40
Trade payables	4,649.23	-	-	-	4,649.23	4,649.23
Other financial liabilities	20.95	-	-	-	20.95	20.95
Total	**7,777.01**	**381.20**	**49.72**	**53.62**	**8,261.55**	**8,261.55**

The Group has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 8,737.69 crore as at March 31, 2022 (₹ 8,443.54 crore as at March 31, 2021).

55.13 Fair value measurements

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities are measured on a recurring basis.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

Financial assets/ financial liabilities	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2022	March 31, 2021		
1) Investment in commercial paper	Asset - ₹ 12.64	Asset - ₹ 1.06	Level 2	Use of quoted market prices
2) Foreign currency forward contracts not designated in hedge accounting relationships	Asset - ₹ 14.03	Asset - ₹ 2.07	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
3) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset - ₹ 4.21	Asset - ₹ 11.70	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
4) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Asset - ₹ 7.23	Asset - ₹ 1.70	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 56 - RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue expenses charged to Statement of Profit and Loss (including depreciation on Property, plant and equipment)	31.20	23.93
Expenditure capitalised during the year	-	-

NOTE 57 - EMPLOYEE BENEFIT PLANS

Brief description of the plans

1 **Defined contribution plans**

(A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes yearly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(B) Provident Fund

The Group makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore, Vadodara & employees of a subsidiary KEC SPUR Infrastructure Private Limited. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(C) Foreign Defined Contribution Plan

All eligible employees at Overseas subsidiaries are entitled under Foreign Defined Pension Fund. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(D) Provident Fund related to KEC International, Malaysia SDN BHD

The Company makes contribution to local authorities in Malaysia in relation to the Malaysian citizens who are on the rolls of KEC International, Malaysia SDN BHD. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

2 **Defined Benefit Plans**

(A) Gratuity

(i) **Company, it's Jointly Controlled Operations & KEC SPUR Infrastructure Private Limited**

The Company, it's jointly controlled operations (i.e. CCECC-KEC JV & Longjian-KEC JV) & subsidiary in India (i.e. KEC SPUR Infrastructure Private Limited - KEC Spur) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(ii) **Jointly Controlled operation in Saudi (Al Sharif JV)**

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits payable are as under:

For Service Less Than 5 years	1/2 * Service * Applicable salary
For Service More Than 5 years	First Five Years: 1/2* Service* Applicable Salary Beyond 5 Years: Service* Applicable Salary

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

(iii) **Overseas subsidiaries - SAE Towers México, S. de R.L. de C.V. (SAE Towers Mexico)**

The subsidiaries have an unfunded retirement benefit and severance benefit plan, as per the requirement of Local Federal Labor Law. The benefit consists of amount to be paid to employees in case of death, disability and separation from the subsidiaries, according to the Articles 49, 50 and 162 of the Local Federal Labor Law.

(iv) **Overseas subsidiary - KEC International, Malaysia SDN BHD (KEC Malaysia)**

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

(v) **Overseas subsidiary - KEC Tower LLC**

The overseas subsidiary at Dubai i.e. KEC Tower LLC has an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits are payable on completion of 1 year of service & are as under:

For Service Less Than 5 years	21 /30 * applicable salary * no. of years of service
For Service more Than 5 years	1* applicable Salary * no. of years of service

In respect of the plan in India (Company, it's jointly controlled operations (i.e. CCECC-KEC JV & Longjian-KEC JV) & subsidiary (i.e. KEC SPUR Infrastructure Private Limited) and jointly controlled operation in Saudi, overseas subsidiary at Dubai (i.e. KEC Tower LLC) & overseas subsidiary at Malaysia (i.e. KEC International, Malaysia SDN BHD) the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2022 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(B) Provident Fund

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

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Details of defined contribution plan

The Group has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Superannuation Fund	0.91	1.01
Provident Fund	1.60	3.43
Employees' Pension Scheme	8.55	8.20
Employees' State Insurance Corporation	0.14	0.21
Admin charges - PF, ESIC	0.73	0.51
Foreign Defined Contribution Plan (Provident fund)	2.26	0.57

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Details of defined benefit plan

(A) Gratuity

₹ in Crore

		Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
I		**Components of defined benefit cost**		
	1	Current service cost	6.89	9.08
	2	Interest cost on benefit obligation (Net)	(0.35)	0.44
	A	**Total expenses included in Statement of Profit and Loss (P&L)**	**6.54**	**9.52**
	3	Actuarial changes arising from changes in demographic assumptions	(0.04)	0.13
	4	Actuarial changes arising from changes in financial assumptions	(2.26)	1.75
	5	Actuarial changes arising from changes in experience adjustments	(1.61)	(5.23)
	6	Return on Plan Assets (excluding interest income)	(0.25)	(0.45)
	B	**Total recognized in Other Comprehensive Income (OCI)**	**(4.16)**	**(3.80)**
	C	**Total defined benefit cost recognized in P&L and OCI**	**2.38**	**5.72**
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(4.31)	(6.48)
	2	Actual Contributions	2.30	8.23
III		**Net asset/(liability) recognized in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligations	(60.51)	(58.43)
	2	Fair Value of Plan Assets	50.17	48.15
	3	Exchange fluctuation on account of conversion of Jointly Controlled operation	(2.53)	(2.04)
	4	Net asset / (liability) recognized in the Balance Sheet	(12.87)	(12.32)
IV		**Change in Present Value of Defined Benefit Obligation during the year**		
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	58.43	55.88
	2	Plan Liability acquired during the year	0.34	-
	3	Current Service Cost	6.89	9.08
	4	Interest Cost	3.07	3.30
	5	Benefits paid including direct payment	(4.31)	(6.48)
	6	Actuarial changes arising from changes in demographic assumptions	(0.04)	0.13
	7	Actuarial changes arising from changes in financial assumptions	(2.26)	1.75
	8	Actuarial changes arising from changes in experience adjustments	(1.61)	(5.23)
	9	Present Value of Defined Benefit Obligations as at the end of the year	60.51	58.43
V		**Change in Fair Value of Plan Assets during the year**		
	1	Plan Assets as at the beginning of the year	48.15	41.49
	2	Plan Assets acquired during the year	0.32	-
	3	Interest Income	3.45	2.85
	4	Actual Company Contributions	2.30	8.23
	5	Benefits paid	(4.31)	(4.99)
	6	Expected return on Plan Assets (excluding interest income)	0.26	0.57
	7	Plan Assets as at the end of the year	50.17	48.15

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

		Particulars		As at March 31, 2022	As at March 31, 2021
VI-A		**Actuarial Assumptions (Considered for the Company)**			
	1	Discount Rate		6.90%	6.40%
	2	Expected Return on plan assets		6.90%	6.40%
	3	Salary escalation Rate		8.00%	8.00%
	4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	5	Disability		**5% of Mortality Rate**	**5% of Mortality Rate**
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	17.00%
			31-44 years	12.00%	12.00%
			45 years and above	11.00%	11.00%
VI-B		**Actuarial Assumptions (Considered for Jointly Controlled Operations in Saudi)**			
	1	Discount Rate		2.75%	1.60%
	2	Salary escalation Rate		7.00%	7.00%
	3	Mortality Table		**Implicit in Withdrawal**	
	4	Disability		**Implicit in Withdrawal**	
	5	Withdrawal (Rate of Employee Turnover)	Managers (M0 to M6)	10.00%	10.00%
			Others	15.00%	15.00%
VI-C		**Actuarial Assumptions (Considered for Jointly Controlled Operations CCECC-KEC JV)**			
	1	Discount Rate		7.30%	6.60%
	2	Salary escalation Rate		8.00%	6.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.00%	7.00%
			31-44 years	7.00%	7.00%
			45 years and above	7.00%	7.00%
VI-D		**Actuarial Assumptions (Considered for Jointly Controlled Operations Longjian-KEC JV)**			
	1	Discount Rate		7.50%	7.30%
	2	Salary escalation Rate		8.00%	6.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.00%	7.00%
			31-44 years	7.00%	7.00%
			45 years and above	7.00%	7.00%
VI-E		**Actuarial Assumptions (Considered for KEC Spur Infrastructure Private Limited)**			
	1	Discount Rate		7.20%	-
	2	Expected Return on plan assets		7.20%	-
	3	Salary escalation Rate		8.00%	-
	4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	5	Disability		**5% of Mortality rate**	
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	10.00%	-
			31-44 years	10.00%	-
			45 years and above	10.00%	-

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
VI-F	**Actuarial Assumptions (Considered for overseas subsidiary at Mexico)**		
	1 Discount Rate	7.96%	6.00%
	2 Salary escalation Rate	5.60%	5.60%
	3 Mortality Table	EMSSA 09	
	4 Disability Table	ACTIMSS	
	5 Withdrawal (Rate of Employee Turnover)	30.00%	30.00%
VI-G	**Actuarial Assumptions (Considered for overseas subsidiary at Malaysia)**		
	1 Discount Rate	3.70%	4.10%
	2 Salary escalation Rate	0.00%	0.00%
	3 Mortality Table	Mortality studies of Malaysian Assured Lives from 2011 to 2015	
	4 Disability	5% of Mortality Rate	
	5 Withdrawal (Rate of Employee Turnover) Managers	10.00%	10.00%
	Others	15.00%	15.00%
VI-H	**Actuarial Assumptions (Considered for overseas subsidiary at Dubai)**		
	1 Discount Rate	3.70%	2.30%
	2 Salary escalation Rate	6.00%	6.00%
	3 Mortality Table	Implicit in withdrawal	
	4 Disability	Implicit in withdrawal	
	5 Withdrawal (Rate of Employee Turnover) Involuntary	0.00%	0.00%
	Voluntary	5.00%	5.00%
VII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.		
VIII	**The major categories of Plan Assets of the Company as a percentage of the total plan assets**		
	Equity	4.59%	4.19%
	Debt	42.40%	44.92%
	Money Market Investments	53.00%	50.89%
IX	**The major categories of Plan Assets of the subsidiary KEC SPUR Infrastructure Private Limited as a percentage of the total plan assets**		
	Equity	0.00%	
	Debt	100.00%	
	Money Market Investments	0.00%	
	Mutual Fund	0.00%	
X	**Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2023 ₹ 6.57 crore**		
XI	**Contribution expected to be paid to the Plan of the Subsidiary, KEC SPUR Infrastructure Private Limited during the year ended March 31, 2023 - ₹ 0.02 crore**		
XII	**Weighed Average duration of the Plan**		
	Considered for the Company	6 years	6 years
	Considered for Jointly Controlled Operation in Saudi	7 years	7 years
	Considered for Jointly Controlled Operation CCECC-KEC JV	11 years	10 years
	Considered for Jointly Controlled Operation Longjian-KEC JV	12 years	11 years

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Considered for Subsidiary - KEC Spur Infrastructure Private Limited	9 years	-
Considered for Subsidiary - KEC International, Malaysia SDN BHD	12 years	13 years
Considered for Subsidiary - KEC Tower LLC	18 years	10 years

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Maturity profile of defined benefit obligation		
1 Year 1	8.00	7.03
2 Year 2	13.27	11.62
3 Year 3	9.39	7.62
4 Year 4	8.81	8.05
5 Year 5	9.07	8.26
6 Next 5 years	47.95	41.49

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation)		
A. Discount rate		
Discount rate - 50 basis points	64.94	59.22
Discount rate + 50 basis points	61.33	55.97
B. Salary increase rate		
Salary rate - 50 basis points	61.45	56.13
Salary rate + 50 basis points	64.72	58.98
Demographic assumptions sensitivity analysis		
C. Withdrawal Rate		
Withdrawal Rate - 100 basis points	61.21	58.08
Withdrawal Rate + 100 basis points	60.15	57.01

Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

XIII The following table shows a breakdown of the defined benefit obligation and plan assets by Group:

Particulars	As at March 31, 2022									As at March 31, 2021							
	Gratuity								Total	Gratuity							Total
	Company	Al Sharif JV	CCECC-KEC JV	Longjian-KEC JV	SAE Towers Mexico	KEC Malaysia	KEC Tower LLC	KEC Spur		Company	Al Sharif JV	CCECC-KEC JV	Longjian-KEC JV	SAE Towers Mexico	KEC Malaysia	KEC Tower LLC	
(A) Present value of obligation	49.84	9.23	0.32	0.32	2.40	0.03	0.57	0.33	63.04	47.75	9.39	0.21	0.20	2.74	0.01	0.17	60.47
(B) Fair value of plan assets	49.80	-	-	-	-	-	-	0.37	50.17	48.15	-	-	-	-	-	-	48.15
(C) Total liability =(A) - (B)	**0.04**	**9.23**	**0.32**	**0.32**	**2.40**	**0.03**	**0.57**	**(0.04)**	**12.87**	**(0.40)**	**9.39**	**0.21**	**0.20**	**2.74**	**0.01**	**0.17**	**12.32**

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Company's contribution to the provident fund	8.65	7.54

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
a. Approach used	Deterministic	Deterministic
b. Discount Rate	6.90%	6.40%
c. Attrition Rate		
Upto 30 years	17.00%	17.00%
31 - 44 years	12.00%	12.00%
45 years and above	11.00%	11.00%
d. Weighted Average Yield	7.17%	8.06%
e. Weighted Average YTM	7.17%	8.06%
f. Reinvestment Period on Maturity	6 years	6 years
g. Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	

3 Short term employee benefits (Compensated Absences)

The short term employee benefits cover the Group's liability for sick and earned leave.

The amount of the provision of ₹ 37.31 crore (as at March 31, 2021 ₹ 34.82 crore) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 58 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

(A) Details of related parties with whom transactions have taken place

Key Management Personnel (KMP)

Mr. H. V. Goenka - Chairman

Mr. Vimal Kejriwal - Managing Director and CEO

Mr. Rajeev Aggarwal - Chief Financial Officer

Mr. Amit Kumar Gupta - Company Secretary

Mr. A. T. Vaswani - Non-Executive Director

Mr. D. G. Piramal - Non-Executive Director

Mr. G. L. Mirchandani - Non-Executive Director

Ms. Nirupama Rao - Non-Executive Director

Mr. R. D. Chandak - Non-Executive Director

Mr. S. M. Trehan - Non-Executive Director

Mr. Vinayak Chatterjee - Non-Executive Director (w.e.f. 6 December, 2021)

Mr. Vikram Gandhi - Non-Executive Director

Mr. M. S. Unnikrishnan - Non-Executive Director

Post - employment benefit plan

KEC International Ltd. Employees' Group Gratuity Scheme

KEC International Limited - Provident Fund

KEC International Ltd. Superannuation Scheme

Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited

B. N. Elias & Co. LLP

Palacino Properties LLP

RPG Life Sciences Limited

RPG Enterprises Limited

Raychem RPG Private Limited

Ceat Speciality Tyres Limited

Harrisons Malayalam Limited

Spencers and Company Limited

Zensar Technologies Limited

Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)

Summit Securities Limited (holds 10.93 percent Equity Shares of the Company)

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

(B) Transactions with the Related Parties

₹ in Crore

Transactions	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sale of Products		**1.00**		**1.00**		**1.52**		**1.52**
CEAT Limited		-		-		0.74		0.74
CEAT Specialty Tyres Limited		-		-		0.62		0.62
Raychem RPG Private Limited		1.00		1.00		0.16		0.16
Sale under Turnkey Contracts						**6.33**		**6.33**
CEAT Limited						6.33		6.33
Services rendered		**0.06**		**0.06**		**0.38**		**0.38**
CEAT Limited		0.06		**0.06**		0.12		0.12
RPG Life Sciences Limited		-		-		0.03		0.03
Swallow Associates LLP		-		-		0.02		0.02
Summit Securities Limited		-		-		0.05		0.05
RPG Enterprises Limited		-		-		0.16		0.16
Services received		**35.70**		**35.70**		**22.74**		**22.74**
Raychem RPG Private Limited		0.02		0.02		-		-
CEAT Limited		5.90		5.90		5.95		5.95
RPG Enterprises Limited		29.77		29.77		16.77		16.77
Harrisons Malayalam Limited		0.01		0.01		0.02		0.02
Rent Income		**0.28**		**0.28**		-		-
CEAT Limited		0.01		0.01		-		-
RPG Life Sciences Limited		0.06		0.06		-		-
Swallow Associates LLP		0.01		0.01		-		-
Summit Securities Limited		0.05		0.05		-		-
RPG Enterprises Limited		0.15		0.15		-		-
Purchase of goods		**16.14**		**16.14**		**10.30**		**10.30**
Raychem RPG Private Limited		16.14		16.14		10.30		10.30
Rent & maintenance charges paid		**4.42**		**4.42**		**4.41**		**4.41**
Palacino Properties LLP		0.28		0.28		0.24		0.24
Spencer and Company Limited		4.14		4.14		4.14		4.14
Raychem RPG Private Limited		-		-		0.03		0.03
Compensation to Key Management Personnel								
Mr. Vimal Kejriwal - Managing Director & CEO	**8.17**			**8.17**	**7.19**			**7.19**
short-term employee benefits (including Bonus and value of perquisites)	7.80			7.80	6.86			6.86
post-employment benefits # $	0.37			0.37	0.33			0.33
Mr. Rajeev Aggarwal - Chief Financial Officer	**3.86**			**3.86**	**3.58**			**3.58**
short-term employee benefits (including Bonus and value of perquisites)	3.76			3.76	3.49			3.49
post-employment benefits # $	0.10			0.10	0.09			0.09

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

₹ in Crore

Transactions	For the year ended March 31, 2022				For the year ended March 31, 2021			
	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Mr. Amit Kumar Gupta - Company Secretary	**0.72**			**0.72**	**0.67**			**0.67**
short-term employee benefits (including Bonus and value of perquisites)	0.70			0.70	0.65			0.65
post-employment benefits # $	0.02			0.02	0.02			0.02
Sitting fees & Commission paid to Non-Executive Directors	**7.80**			**7.80**	**10.00**			**10.00**
Mr. H. V. Goenka	6.16			6.16	8.47			8.47
Mr. A. T. Vaswani	0.24			0.24	0.23			0.23
Mr. D. G. Piramal	0.18			0.18	0.17			0.17
Mr. G. L. Mirchandani	0.17			0.17	0.17			0.17
Ms. Nirupama Rao	0.17			0.17	0.17			0.17
Mr. R. D. Chandak	0.24			0.24	0.24			0.24
Mr. S. M. Trehan	0.24			0.24	0.24			0.24
Mr. Vinayak Chatterjee (w.e.f. December 6, 2021)	0.06			0.06	-			-
Mr. Vikram Gandhi	0.16			0.16	0.14			0.14
Mr. M. S. Unnikrishnan	0.18			0.18	0.17			0.17
Payments made/expenses incurred on behalf of related party		**0.27**		**0.27**				**-**
RPG Life Sciences Limited		0.01		0.01				
RPG Enterprises Limited		*		*				
Summit Securities Limited		0.01		0.01				
Zensar Technologies Limited		*		*				
CEAT Limited		0.24		0.24				
Raychem RPG Private limited		0.01		0.01				
Payments made/expenses incurred by related party		**0.23**		**0.23**				
CEAT Limited		0.23		0.23				
Advance received towards project execution		-		-		**4.81**		**4.81**
CEAT Limited		-		-		4.81		4.81
Contribution made			**11.01**	**11.01**			**15.49**	**15.49**
KEC International Limited Employee's Gratuity Fund			1.45	1.45			6.95	6.95
KEC International Limited Provident Fund			8.65	8.65			7.54	7.54
KEC International Limited Superannuation Fund			0.91	0.91			1.00	1.00

** less than rounding off norms adopted by the Company*

 # excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

$ Including PF and other benefits.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

(C) Balances outstanding as at the year end

₹ in Crore

Balances	As at March 31, 2022 Key Management Personnel	As at March 31, 2022 Entities where control / significant influence by KMPs and their relatives exist	As at March 31, 2022 Post - employment benefit plan	As at March 31, 2022 Total	As at March 31, 2021 Key Management Personnel	As at March 31, 2021 Entities where control / significant influence by KMPs and their relatives exist	As at March 31, 2021 Post - employment benefit plan	As at March 31, 2021 Total
Amount receivable/ (payable)	**(7.10)**	**16.55**	**(0.04)**	**9.41**	**(9.38)**	**7.12**	**0.40**	**(1.86)**
RPG Life Sciences Limited		-		-		0.01		0.01
Raychem RPG Private Limited		(0.73)		(0.73)		(1.49)		(1.49)
Palacino Properties LLP		0.09		0.09		0.09		0.09
B. N. Elias & Co. LLP		0.01		0.01		0.01		0.01
CEAT Limited		4.73		4.73		(4.03)		(4.03)
Spencer and Company Limited		2.70		2.70		2.70		2.70
Harrisons Malayalam Limited		9.85		9.85		9.85		9.85
RPG Enterprises Limited		(0.10)		(0.10)		(0.02)		(0.02)
KEC International Ltd. Employees' Group Gratuity Scheme			(0.04)	(0.04)			0.40	0.40
Mr. H. V. Goenka	(6.10)			(6.10)	(8.42)			(8.42)
Mr. A. T. Vaswani	(0.12)			(0.12)	(0.12)			(0.12)
Mr. D. G. Piramal	(0.12)			(0.12)	(0.12)			(0.12)
Mr. G. L. Mirchandani	(0.12)			(0.12)	(0.12)			(0.12)
Ms. Nirupama Rao	(0.12)			(0.12)	(0.12)			(0.12)
Mr. R. D. Chandak	(0.12)			(0.12)	(0.12)			(0.12)
Mr. S. M. Trehan	(0.12)			(0.12)	(0.12)			(0.12)
Mr. Vinayak Chatterjee (w.e.f. December 6, 2021)	(0.04)			(0.04)				
Mr. Vikram Gandhi	(0.12)			(0.12)	(0.12)			(0.12)
Mr. M. S. Unnikrishnan	(0.12)			(0.12)	(0.12)			(0.12)

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 59 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities#

Claims against the Company not acknowledged as debt:

₹ in Crore

Sr. No	Particulars	Relating to various years comprise in the period	As at March 31, 2022	As at March 31, 2021
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2018	32.18	
		1994-2018		21.93
2	Excise Duty * (Tax/Penalty/Interest)	2003-2018	16.55	
		1994-2014		29.77
3	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05	
		2003-2016		2.75
4	Entry Tax* (Tax/Penalty/Interest)	2009-2012	0.50	
		2001-2014		6.78
5	Goods & Services Tax (Tax/Penalty/Interest)	2018-2019	0.14	
		2018-2021		0.14
6	(i) Contingent liability of Income Tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company.	A.Y. 2005-2006	-	1.88
	(ii) Income Tax matters of the Company mainly ondisallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.	A.Y 2014-15 A.Y 2015-16 A.Y 2016-17 A.Y 2017-18	51.00	
		A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y. 2016-17		52.87
	(iii) Income Tax matters at overseas unit/s of the Company**	2002-2019	11.94	
		2002-2019		11.92
	(iv) Income Tax matters of a jointly controlled operations (Company's share)**	2013-2017	4.39	
		2013-2017		4.39
7	Customs Duty^	1995-1996	0.60	
		1995-1996		0.60
8	Civil Suits^^		9.46	
				19.14
9	Guarantees excluding financial guarantees - surety bonds obtained by Group's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts.		394.51	589.99

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

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

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

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

 # excluding financial guarantees referred to in Note 55.9.

Footnote for Note 59 (i) above :
Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

(ii) Commitments

₹ in Crore

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	28.56	26.57
2	Derivative related commitments	Refer Notes 55.7 and 55.8	

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 60 - SEGMENT REPORTING

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC business. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the business as a whole. The CODM reviews the Group's performance on the analysis of profit before tax at an overall level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

Information about geographical areas are as under :

₹ in Crore

Particulars	Revenue from External customers		Non-current assets	
	Year ended March 31, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	9,340.03	7,679.31	1,042.94	1,075.42
United Arab Emirates (UAE)	201.23	625.36	244.82	210.42
Brazil, Mexico and USA	850.31	1,141.50	511.48	501.80
Geographies other than above	3,350.69	3,668.03	129.90	119.52
Total	**13,742.26**	13,114.20	**1,929.14**	1,907.16

Information about major customers

During the current year ended March 31, 2022, revenue of ₹ 1,560.36 crore (previous year ended March 31, 2021 is ₹ 1991.73 crore) arising from a customer in India is contributing to more than 10% of the Group's revenue.

No other customer outside India, individually contributed 10% or more to the Group's revenue for the year ended March 31, 2022 and for the year ended March 31, 2021.

NOTE 61 - The Company, on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) for purchase consideration of ₹ 56.93 Crores. Consequently, KEC Spur Infrastructure Private Limited became wholly owned subsidiary of the Company from the aforesaid date.

The amalgamation has been accounted for using the acquisition method prescribed under Ind AS 103 – 'Business Combinations', and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed are recorded at their acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired and liabilities assumed has been recognised as Customer contracts and Goodwill.

The following table presents the purchase price allocation

₹ in Crore

Description	Purchase price allocation
Fair value of Net Assets acquired	26.05
Customer contracts	4.44
Goodwill	26.44
Total purchase price	**56.93**

NOTE 62 - DISCLOSURE PURSUANT TO IND AS 1 "PRESENTATION OF FINANCIAL STATEMENTS"

The details of amounts which are expected by the Group to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	1,192.87	1,436.98
Contract Assets	396.45	519.62
Contract Liabilities	353.38	284.51

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 63 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO DIVISION II TO SCHEDULE III TO THE COMPANIES ACT, 2013

Note 63.1

As at March 31, 2022

₹ in Crore

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group')	Net Assets i.e. Total Assets-Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	106.51	3,855.57	130.82	434.44	13.32	4.13	120.80	438.57
(Including jointly controlled operations)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.37	0.00	0.01	-	-	0.00	0.01
2 KEC Spur Infrastructure Private Limited	1.18	42.74	5.02	16.69	-	-	4.60	16.69
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.00	0.18	(0.00)	(0.00)	(0.03)	(0.01)	(0.00)	(0.01)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	(0.01)	(0.21)	(0.04)	(0.12)	(0.02)	(0.01)	(0.04)	(0.13)
3 KEC Investment Holdings, Mauritius	0.00	0.06	(0.08)	(0.27)	-	-	(0.07)	(0.27)
4 KEC Global Mauritius, Mauritius	0.08	2.78	(0.00)	(0.00)	0.40	0.12	0.03	0.12
5 KEC International (Malaysia) SDN BHD	0.38	13.85	1.44	4.78	(1.11)	(0.34)	1.22	4.43
6 KEC Tower LLC	4.20	151.99	6.39	21.23	9.44	2.92	6.65	24.15
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	13.45	487.14	(72.70)	(241.45)	77.98	24.16	(59.87)	(217.30)
Sub Total	**125.82**	**4,554.47**	**70.85**	**235.30**	**100.00**	**30.97**	**73.34**	**266.27**
Consolidation Adjustment	(25.82)	(934.54)	29.15	96.78	-	-	26.66	96.78
Total:	**100.00**	**3,619.93**	**100.00**	**332.08**	**100.00**	**30.97**	**100.00**	**363.05**

Footnote

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets-Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
1 SAE Towers Holdings LLC, Delaware (USA)	33.91	1,227.47	-	-	77.98	24.16	6.65	24.16
2 SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	0.00	0.00	-	-	-	-	-	-
3 SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	0.00	0.02	-	-	-	-	-	-
4 SAE Towers Mexico S de RL de CV, Mexico	2.78	100.79	0.07	0.22	-	-	0.06	0.22
5 SAE Towers Brazil Torres de Transmission Ltda, Brazil	0.74	26.83	(71.85)	(238.61)	-	-	(65.73)	(238.61)
6 SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.37	13.51	(0.29)	(0.97)	-	-	(0.27)	(0.97)
7 SAE Towers Ltd, Delaware (USA)	0.53	19.21	0.13	0.44	-	-	0.12	0.44
8 SAE Engenharia E Construcao Ltda, Brazil	-	-	-	-	-	-	-	-
9 KEC Engineering & Construction Services S de RL de CV, Mexico	(0.07)	(2.54)	-	-	-	-	-	-
Less: Net effect of Intra group elimination	(24.81)	(898.15)	(0.76)	(2.53)	-	-	(0.70)	(2.53)
Total	**13.45**	**487.14**	**(72.70)**	**(241.45)**	**77.98**	**24.16**	**(59.87)**	**(217.30)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Note 63.2

As at March 31, 2021

₹ in Crore

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group')	Net Assets i.e. Total Assets-Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets	Amount (₹ in Crore)	As % of Consolidated Profit or Loss	Amount (₹ in Crore)	As % of Consolidated OCI	Amount (₹ in Crore)	As % of Consolidated TCI	Amount (₹ in Crore)
1	2	3	4	5	6	7	8	9
Parent								
KEC International Limited	104.77	3,519.79	116.89	646.09	377.95	35.51	121.26	681.60
(Including jointly controlled operations)								
Subsidiaries								
Indian								
1 KEC Power India Private Limited	0.01	0.35	0.00	0.01	-	-	0.00	0.01
Foreign								
1 RPG Transmission Nigeria Limited, Nigeria	0.01	0.19	-	-	(0.21)	(0.02)	(0.00)	(0.02)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	(0.00)	(0.08)	(0.03)	(0.17)	-	-	(0.03)	(0.17)
3 KEC Investment Holdings, Mauritius	(0.00)	(0.08)	(0.03)	(0.14)	(0.21)	(0.02)	(0.03)	(0.16)
4 KEC Global Mauritius, Mauritius	0.12	4.16	-	-	(1.49)	(0.14)	(0.02)	(0.14)
5 KEC International (Malaysia) SDN BHD	0.28	9.42	0.89	4.92	(15.97)	(1.50)	0.61	3.42
6 KEC Tower LLC	3.51	117.80	0.07	0.38	1.70	0.16	0.10	0.54
7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note)	15.33	515.07	(17.80)	(98.37)	(262.00)	(24.59)	(21.87)	(122.96)
Sub Total	**124.02**	**4,166.62**	**100.00**	**552.72**	**100.00**	**9.39**	**100.00**	**562.11**
Consolidation Adjustment	(24.02)	(806.93)	-	-	-	-	-	-
Total	**100.00**	**3,359.69**	**100.00**	**552.72**	**100.00**	**9.39**	**100.00**	**562.11**

Footnote

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income (TCI)	
	As % of Consolidated Net Assets of KEC Group	Amount (₹ in Crore)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Crore)	As % of Consolidated OCI of KEC Group	Amount (₹ in Crore)	As % of Consolidated TCI of KEC Group	Amount (₹ in Crore)
1 SAE Towers Holdings LLC, Delaware (USA)	29.69	997.61	(0.22)	(1.20)	-	-	(0.21)	(1.20)
2 SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)	-	-	-	-	-	-	-	-
3 SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)	-	0.01	-	-	-	-	-	-
4 SAE Towers Mexico S de RL de CV, Mexico	2.89	97.01	0.77	4.23	-	-	0.75	4.23
5 SAE Towers Brazil Torres de Transmission Ltda, Brazil	2.18	73.23	(17.93)	(99.07)	-	-	(17.63)	(99.07)
6 SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.40	13.49	0.09	0.49	-	-	0.09	0.49
7 SAE Towers Ltd, Delaware (USA)	0.54	18.10	0.01	0.03	-	-	0.01	0.03
8 SAE Engenharia E Construcao Ltda, Brazil	-	-	-	-	-	-	-	-
9 KEC Engineering & Construction Services S de RL de CV, Mexico	(0.07)	(2.36)	-	-	-	-	-	-
Less: Net effect of Intra group elimination	(20.30)	(682.02)	(0.52)	(2.85)	(262.00)	(24.59)	(4.88)	(27.46)
Total	**15.33**	**515.07**	**(17.80)**	**(98.37)**	**(262.00)**	**(24.59)**	**(21.87)**	**(122.96)**

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 64 - Expenditure towards Corporate Social Responsibility (CSR) Activities

₹ in Crore

Sr. No.	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Gross amount required to be spent by the Company during the year	13.81	11.81
(b)	Amount approved by Board to be spent during the year	13.81	11.81
(c)	Amount spent during the year (in cash) on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above*	10.67	7.54

** Includes ₹ 10.11 crore (Previous year ₹ 6.40 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ 0.56 crore (Previous year ₹ 1.14 crore) towards direct CSR spent by the Company.*

₹ in Crore

A. Details of ongoing CSR Projects under Section 135(6) of the Act

Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
4.27*	-	12.77	9.64	4.28**	3.13*	-

Balance as at April 01, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
-	-	9.60	5.33	-	4.27*	-

** ₹ 3.13 crore as at March 31, 2022 (Previous year ₹ 4.27 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.*

*** Includes interest of ₹ 0.01 crore earned on unspent CSR amount*

₹ in Crore

B. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

Balance unspent as at April 01, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	1.03	1.03	-

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

Balance unspent as at April 01, 2020	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2021
-	-	2.21	2.21	-

NOTE 65 - The Board of Directors of the Company at its meeting held on May 03, 2022 have recommended a Dividend of ₹ 4/- per equity share of ₹ 2/- each for the year ended March 31, 2022, subject to approval of the shareholders.

NOTE 66 - During the quarter ended September 30, 2021, the Group has recorded a charge of ₹ 43.64 crore net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

NOTE 67 - The Company has issued unsecured Commercial Papers from time to time. These Commercial Papers are having a Credit Rating of CRISIL A1+ and IND A1+ and are Listed on BSE Limited. During the year ended March 31, 2022, the Company has repaid interest and principal of all Commercial Papers on their respective due dates.

NOTE 68 - Based on the assessment performed by the Group and considering the strong order book and available liquidity, the Group believes that the impact of Covid-19 is not material. Accordingly, the pandemic is not likely to have a significant impact on the Group's future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2022 and on its control environment. The Group will continue to closely monitor material changes to future economic conditions, if any, as and when they arise.

NOTE 69 - The Group is executing few projects in Afghanistan, which are currently on hold due to force majeure event. The Group is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. The Group does not expect any material financial impact due to this event as the projects are funded by international funding agencies (Asian Development Bank, USAID and World Bank). The Group has a net exposure of ₹ 233 crore after netting off advances, liabilities (including contract liabilities) and insurance cover as of March 31, 2022. The Group is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event.

NOTE 70 - The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Group's assessment, Group can adequately source the funding required at mentioned branches and Jointly Controlled Operations.

NOTE 71 - (i) During the year, The Group has received ₹ 0.50 crores towards government grant from Government of Rajasthan for setting up of Oxygen plant under Special package for Medical oxygen. The Group has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.01 crores (Refer Note 41). The balance amount of grant is shown as “Deferred Grant” in non-current liability ₹ 0.47 crores (Refer Note 31) and other current liability of ₹ 0.02 crore (Refer Note 37). The Group doesn’t have any unfulfilled conditions and other contingencies attaching to same.

(ii) The Group had imported capital assets worth ₹ 1.76 crore during the previous year under EPCG license against which revenue of ₹ 0.15 crore (Refer Note 41) was deferred since conditions and other contingencies attached to the same are not fulfilled in the previous year. During the current year the income is recognised since all conditions related to the license are fulfilled.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

NOTE 72 - DETAILS OF BENAMI PROPERTY HELD

No proceedings have been initiated on or are pending against any of the entities in the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTE 73 - WILFUL DEFAULTER

None of the entities in the Group has been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 74 - RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

NOTE 75 - DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 76 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE 77 - UNDISCLOSED INCOME

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

NOTE 78 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

NOTE 79 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE 80 - The Group has implemented the decision given in the Supreme Court Judgement in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees’ Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. April 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

NOTE 81 - The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

Notes

Notes forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2022

The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 82 - The Group has approved its financial statements in its board meeting dated May 03, 2022.

Signatures to Notes 1 to 82 which form an integral part of the consolidated financial statements.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover**	Profit/ (Loss) before Taxation**	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
1	SAE Towers Holdings LLC, USA*	INR	1,131.93	95.54	1,276.25	48.78	-	-	-	-	-	-	100%
		USD(000)	149,356.19	12,605.98	168,399.11	6,436.95	-	-	-	-	-	-	
2	SAE Towers Brazil Subsidiary Company LLC, USA*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	0.00	0.00	-	-	-	-	-	-	-	
3	SAE Towers Mexico Subsidiary Holding Company LLC, USA*	INR	-	0.02	0.02	-	-	-	-	-	-	-	100%
		USD(000)	-	2.13	2.13	-	-	-	-	-	-	-	
4	SAE Towers Mexico S de RL de CV, Mexico*	INR	167.33	(66.54)	261.63	160.83	-	185.12	2.13	1.91	0.22	-	100%
		USD(000)	22,079.02	(8,779.36)	34,521.33	21,221.67	-	24,872.92	285.64	256.45	29.19	-	
5	SAE Towers Brasil Torres de Transmissao Ltda, Brazil*	INR	301.02	(274.20)	881.00	854.17	-	693.37	(358.27)	(119.66)	(238.61)	-	100%
		USD(000)	39,719.61	(36,179.63)	116,246.07	112,706.09	-	93,164.14	(48,138.36)	(16,077.87)	(32,060.49)	-	
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	INR	-	13.51	18.19	4.67	-	12.61	(0.14)	0.83	(0.97)	-	100%
		USD(000)	-	1,783.04	2,399.88	616.84	-	1,694.59	(18.37)	112.00	(130.38)	-	
7	SAE Towers Ltd, USA*	INR	15.17	4.05	26.33	7.12	-	186.92	0.50	0.06	0.44	-	100%
		USD(000)	2,001.00	533.79	3,473.86	939.07	-	25,115.71	66.66	7.50	59.16	-	
8	SAE Engenharia E Construcao Ltda, Brazil*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
9	KEC Engineering & Construction Services S de RL de CV, Mexico*	INR	-	(2.54)	(2.51)	30.94	-	-	-	-	-	-	100%
		USD(000)	-	(334.84)	(330.75)	4,082.98	-	-	-	-	-	-	
10	KEC Investment Holdings, Mauritius	INR	674.76	159.52	834.34	0.06	-	-	0.09	0.09	(95.86)	-	100%
		USD(000)	89,032.55	21,048.50	110,088.77	7.73	-	-	-12868.82	11.92	(12,880.74)	-	
11	KEC Global Mauritius, Mauritius	INR	2.33	0.45	2.82	0.04	-	-	0.01	0.01	(0.00)	-	100%
		USD(000)	370.00	(2.81)	372.19	5.00	-	-	0.92	1.13	(0.21)	-	
12	KEC International (Malaysia) SDN.BHD, Malaysia	INR	1.73	12.12	144.01	130.16	-	145.61	6.17	1.39	4.78	-	100%
		MYR(000)	1,021.74	6,655.35	79,955.01	70,905.67	-	80,986.46	3,121.44	771.92	2,349.52	-	
13	RPG Transmission Nigeria Limited, Nigeria	INR	0.21	(0.03)	0.18	0.00	-	-	(0.00)	-	(0.00)	-	100%
		Naira(000)	10,000.00	(160.39)	9,839.61	-	-	-	(50.00)	-	(50.00)	-	

₹ in Crore

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover**	Profit/ (Loss) before Taxation**	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
14	KEC Global FZ – LLC, Ras UL Khaimah, UAE	INR	1.77	(1.98)	0.24	0.45	-	-	(0.12)	-	(0.12)	-	100%
		AED(000)	1,000.00	(101.49)	116.58	218.08	-	-	(62.09)	-	(62.09)	-	
15	Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refer Note 3)	INR	3.65	163.29	302.61	135.67	-	138.68	12.74	3.54	9.20	-	51.10%
		SAR(000)	3,000.00	116,914.3	216,018.04	93,199.49	-	99,129.87	10,290.38	2,466.37	7,824.01	-	
16	KEC Towers LLC, Dubai, UAE	INR	126.04	25.91	423.49	272.08	-	369.19	21.27	-	21.27	-	100%
		AED(000)	63,173.50	10,548.99	209,778.30	136,055.81	-	181,391.29	9,572.76		9,572.76		
17	KEC EPC LLC, Dubai, UAE (Refer Note 1)	INR	0.62	0.04	4.85	4.28	-	-	(0.04)	-	(0.04)	-	100%
		AED(000)	300.00	(19.24)	2,353.83	2,073.06		-	(19.24)	-	(19.24)		
18	KEC Power India Private Limited, India	INR	0.22	0.15	0.38	0.01	-	-	0.02	0.01	0.01	-	100%
19	KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastrucutre Private Limited) (Refer Note 2)	INR	0.30	42.44	155.15	112.41	-	180.74	22.29	5.60	16.69	-	100%

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:
1 USD = ₹ 75.7875
1 AED = ₹ 20.624
1 NAIRA= ₹ 0.182
1 SAR = ₹ 20.191
1 MYR= ₹ 18.011

** Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC*

*** Average exchange rates for the year considered for conversion (actual entry rate during the year)*

Footnotes:

1 *KEC EPC LLC, Step down Subsidiary, was incorporated on October 06, 2021.*

2 *The Company on Octobter 13, 2021 acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) thereby making it a wholly owned subsidiary of the Company.*

3 *KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Ltd. Co.', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is "Subsidiary" of the Company under the Companies Act, 2013. In terms of Indian Accounting Standard (Ind AS- 111) the financials of Al Sharif JV continues to be forming part of standalone accounts due to Joint Operation Control between the shareholders.*

4 *There are no Subsidiaries which have been liquidated or sold during the year.*

Part "B" : Associates and joint ventures

₹ in Crore

Name of Associates / joint ventures	RP Goenka Group of Companies Employees Welfare Association
1. Latest audited balance sheet date	31/03/2022
2. Shares of Associate / joint ventures held by the company on the year end	
No.	-
Amount of Investment in Associates / joint ventures	-
Extend of Holding %	49
3. Description of how there is significant influence	By virtue of shareholding
4. Reason why the associate / joint ventures is not consolidated	Refer foot note no-1
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	-
6. Profit / Loss for the year	-
i. Considered in Consolidation	No
ii. Not considered in Consolidation	-

The figures reported above are without considering elimination

Footnotes:

1. *As there are significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, the carrying value of the Group's interest in the Associate are not considered in the consolidated financial statements.*
2. *There are no associates or joint ventures which have been incorporated, liquidated or sold during the year.*

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Independent Auditor's Report

To the Members of KEC International Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

1. We have audited the accompanying standalone financial statements of KEC International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's 44 branches located at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Congo, Egypt, Ethiopia, Georgia, Ghana, Guinea, Indonesia, Ivory Coast, Jordan, Kazakhstan, Kenya, Kuwait, Laos, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia and 29 jointly controlled operations consolidated on a proportionate basis (refer Notes 3.3 and 50 to the attached standalone financial statements) (hereinafter referred to as "standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on audited financial statements of branches and jointly controlled operations, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 14 and 15 of the Other Matter Paragraph below, is sufficient and appropriate to provide a basis for our opinion.

EMPHASIS OF MATTER

4. We draw attention to Note 66 of the standalone financial statements, regarding the Company's net exposure aggregating to ₹ 233 crores from its transmission line projects in Afghanistan as at March 31, 2022, which are currently on hold due to Force Majeure event. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Further, the bank guarantees issued by the Company in respect of the aforesaid ongoing projects are also currently not enforceable due to the force majeure event. Our opinion is not modified in respect of this matter.

KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Estimation of contract cost and revenue recognition (Refer Notes 38 and 51 to the standalone financial statements) Contract revenue amounting to ₹ 11,405.94 crores for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses. The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion. We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition.	Our procedures over the recognition of construction revenue included the following: • Understood and evaluated the design and tested effectiveness of key internal financial controls, including those related to review and approval of estimated project cost and review of provision for estimated loss by the authorised representatives. • For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion. • For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures • To test the forecasted cost to complete, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the similar completed projects. • Assessed the adequacy of presentation and related disclosures in the standalone financial statements. Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.
Valuation of accounts receivable in view of risk of credit losses (Refer to Notes 10 and 15 to the standalone financial statement) Accounts receivables amounting to ₹ 5,258.06 crores (including retention receivables) is a significant item in the Company's standalone financial statements as at March 31, 2022 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, latest discussion/ correspondence with the customer. Given the relative significance of these receivables to the standalone financial statements and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.	Our audit incorporated the following procedures with regards to provisioning of receivables: • Understood and evaluated the accounting policy of the company. • Evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss. • Inquired with senior management regarding status of collectability of the receivable • For material balances, the basis of provision was discussed with the audit committee. • Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, cash collection, performance against historical trends. Based on our work as stated above, no significant deviations were observed in respect of management's assessment of valuation of accounts receivables.

Key audit matter	How our audit addressed the key audit matter
Assessment of carrying value of investments in subsidiary (Refer to Note 9 to the standalone financial statement) The Company has an investment of ₹ 867.09 crores in KEC Investment Holding, Mauritius, whose wholly owned subsidiary SAE Tower holdings LLC ('SAE') is making losses over the past few years and the carrying value of the investment is higher than the net assets of SAE. This is an indicator of a potential impairment of the investment. Testing for impairment depends on the future results of the company like estimating future cash flows in the value-in use discounted cash flow model prepared by the Company (the Model) to support the carrying value, determining the discount and growth rates to be adopted in the Model. In addition, there is significant scope for judgement in determining the assumptions underlying the forecasted results. Given the relative significance of this investment to the standalone financial statements and the nature and extent of audit procedures involved in valuation of this investment, we determined this to be a key audit matter.	Our audit incorporated the following procedures with regards to impairment testing of investments: • Evaluated the design and tested the operating effectiveness of key controls in relation to determination of impairment loss. • Assessed and challenged the information used by Management for impairment assessment of the investments. Performed sensitivity analysis on the Model by analysing the impact of using other possible growth rates and discount rates within a reasonable and foreseeable range. • Compared the growth rates used in the Model with historical information, economic and industry forecasts. • Evaluated the competency and capabilities of the external management's valuation expert performing the investment impairment assessment. • Evaluated the Company's process regarding impairment assessment by involving auditor's valuation expert to assist in assessing the appropriateness of the impairment model including the independent assessment of the underlying assumptions relating to discount rate, terminal value, etc. • Checked the mathematical accuracy of the impairment model. • Obtained results of work performed by the component auditor of the subsidiary in their impairment valuation including, consistency of the operating performance, outlook and assumptions used in the component's valuation model. • Assessed the adequacy of presentation and disclosures made in the financial statements. Based on the above procedures performed, we observed the management's impairment assessment related to investments in subsidiaries to be reasonable.

OTHER INFORMATION

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

7. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

9. 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.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

12. 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.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing

so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTER

14. We did not audit the financial statements/ financial information of 40 branches and 28 jointly controlled operations included in the standalone financial statements of the Company, which constitute total assets of ₹ 3,500 crores and net asset of ₹ 450 crores as at March 31, 2022, total revenue of ₹ 3,022 crores, total net profit after tax of ₹ 92 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 96 crores and net cash inflows amounting to ₹ 29 crores for the year then ended. These financial statements/ financial information have been audited by other auditors, whose reports have been furnished to us by the Management and our opinion on the standalone financial statements (including other information) in so far as it relates to the amounts and disclosures included in respect of these branches and jointly controlled operations and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid branches and jointly controlled operations, is based solely on the report of such other auditors.

15. The financial statements/ financial information of 4 branches and 1 jointly controlled operation located outside India, included in the standalone financial statements, which constitute total assets of ₹ 36 crores and net liabilities of ₹ 95 crores as at March 31, 2022, total revenue from operations of ₹ 27 crores, total net loss after tax of ₹ 71 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 71 crores and net cash outflows amounting to ₹ 3 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements/ financial information of such branches and jointly controlled operations located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches and jointly controlled operations located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation on account of loss incurred during the year by these branches and jointly controlled operation which are not material to the Company.

Our opinion on the standalone financial statements, and our 'Report on Other Legal and Regulatory Requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

16. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. As required by Section 143(3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches and jointly controlled operations.

    (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

    (d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches and financial statements/ financial information of jointly controlled operations.

    (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.

    (g) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

    i. The standalone financial statements disclose the impact , if any, of pending litigations on the standalone financial position of the Company, its branches and jointly controlled operations – Refer Note 57 to the standalone financial statements.

    ii. Provision has been made in the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts as at March 31, 2022 - Refer Note 36 to the standalone financial statements. The Company did not have any long-term derivative contracts as at March 31, 2022.

    iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

    iv. a) The management has represented that, to the best of its knowledge and belief no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 9.8 to the standalone financial statements);

    (b) The management has represented that, to the best of its knowledge and belief no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 9.8 to the standalone financial statements); and

    (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

    v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.

18. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner

Place: Mumbai
Membership Number: 045255

Date: May 03, 2022
UDIN: 22045255AIIEEP1897

Annexure A to Independent Auditor's Report

Referred to in paragraph 17(g) of the Independent Auditor's Report of even date to the members of KEC International Limited on the standalone financial statements for the year ended March 31, 2022

REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to standalone financial statements of KEC International Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date, which includes the internal financial controls over financial reporting of the Company's 44 branches.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

6. A Company's internal financial controls with reference to 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 includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of 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 STANDALONE FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company including 44 branches has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

OTHER MATTER

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements insofar as it relates to 44 branches of the Company is based on the corresponding reports of the auditors of such Branches of the Company. Our opinion is not modified in respect of this matter.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AIIEEP1897

Place: Mumbai
Date: May 03, 2022

Annexure B to Independent Auditor's Report

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of KEC International Limited on the standalone financial statements as of and for the year ended March 31, 2022

i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.

(B) The Company is maintaining proper records showing full particulars of Intangible Assets.

(b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee), as disclosed in Note 5 to the standalone financial statements, are held in the name of the Company, except for the following :

Description of property	Gross carrying value (₹ in Crores)	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate*	Reason for not being held in the name of the Company
Freehold land at Jabalpur	0.81	SAE (I) Limited	No	01-10-2007	Transferred to and vested in the Company pursuant to schemes of Amalgamation/Arrangement in the earlier years. Third party has claimed title of the property and the said matter is sub judice before the Hon'ble High Court.
Flat at Worli, Mumbai	1.30	Kamani Engineering Corporation Limited	No	31-03-2005	Transferred to and vested in the Company, pursuant to the Schemes of Amalgamation /Arrangement in earlier years. The Company has been following up with the society for transfer of the flat in its name and is in the process of sending legal notice through its lawyers to the Society.
Freehold land at Mysore	24.24	RPG Telecom Limited	No	01-03-2010	Transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/ Arrangement in earlier years. The Company has been following up with the Tehsildars office, Mysore, Karnataka for transfer of the land in its name and is in the process of engaging the external local legal Counsel to change the relevant records of Government Department.
Freehold land at Village Dhanot, Taluka Kalol, Gujarat	-	i. Asian Cables Corporation Limited	No	01-03-2010	Transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/ Arrangement in earlier years. Applications for change of name in the revenue record were rejected by Sub-Divisional Officer (SDO) for want of payment of stamp duty.
		ii. CETEX Petrochemicals Limited		31-03-2005	The Company is in the process of filing a revision application before Appropriate Authority challenging the order passed in the Appeal.

**The dates stated in column refers to transfer and vesting date pursuant to the appointed date as per the Schemes of Amalgamation/ Arrangement with the companies stated in column "Held in the name of".*

(d) The Company has not revalued its Property, Plant and Equipment (including Right-of-use assets) or intangible assets during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right-of-use assets) or intangible assets does not arise.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.

ii. (a) The physical verification of inventory excluding stocks with third parties has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory by Management as compared to book records were not material and have been appropriately dealt with in the books of account.

(b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account. (Also refer Note 30 to the standalone financial statements)

iii. (a) The Company has made investments in three companies, granted unsecured loans to two companies and provided guarantee to four companies including one jointly controlled operation (JCO). The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to the subsidiaries and a jointly controlled operation are as per the table given below:

₹ in Crore

Particulars	Loans	Guarantees
Aggregate amount granted/ provided during the year*		
- Subsidiaries	26.91	467.73
- Jointly Controlled Operation	-	522.82
Balance outstanding as at balance sheet date in respect of the above		
- Subsidiaries	15.71	467.73
- Jointly Controlled Operations	-	522.82

** Excludes impact of revaluation of foreign currency loan*

(Also refer Notes 9, 18 and 53 to the standalone financial statements)

(b) In respect of the aforesaid investments/guarantees/ loans, the terms and conditions under which such loans were granted/investments were made/ guarantees were provided are not prejudicial to the Company's interest.

(c) In respect of the aforesaid loans, no schedule for repayment of principal and interest was stipulated. Therefore, in the absence of stipulation of repayment terms, we are unable to comment on the regularity of repayment of principal and payment of interest.

(d) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which fell due during the year and were renewed or extended. Further, no fresh loans were granted to same parties to settle the existing overdue loans.

(f) Following loans were granted during the year, including to related parties under Section 2(76) of the Act, which are repayable on demand or where no schedule for repayment of principal and interest has been stipulated by the Company.

	All Parties	Promoters	Related Parties
Aggregate of loans			
Repayable on demand	15.71	-	15.71
Percentage of loans	100%	-	100%

(Also refer Note 18 to the standalone financial statements).

iv. The Company is engaged in providing infrastructural facilities as specified in Schedule VI to the Act and accordingly, the provisions of Section 186, except sub section (1), of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186(1) of the Act in respect of the loans and investments made, and guarantees provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also, refer Note 79 to the standalone financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2022 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where the dispute is pending
The Central Sales Tax Act, 1956 and Local Sales Tax Acts	Sales tax and value added tax	16.92	2002-2003 to 2016-2017	Appellate Authority – up to Commissioner's level
		21.65	2006-2007 to 2014-2015	Revisionary Board of Madhya Pradesh & West Bengal
		4.58	2007-2008 to 2014-2015	Appellate Tribunal
		2.15	2009-2010 to 2014-2015	Rajasthan Tax Board, Ajmer
The Finance Act, 1994	Service Tax	178.90	2004-2005 to 2016-2017	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		145.33	2004-2005 to 2008-2009	Supreme Court of India
The Customs Act, 1962	Custom Duty	0.60	1995-1996	High Court
The Central Excise Act, 1944	Excise Duty	1.61	1989-1995 to 2016-17	Appellate Authority – up to Commissioner's level
		11.28	2005-2006 to 2016 -2017	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		1.44	2005-2006 to 2016-2017	High Court
		0.13	2008-2009 to 2009-2010	Supreme Court
The Income- Tax Act, 1961	Income Tax	1.52	2012-2013	Commissioner of Income Tax
		3.80	2017-18	Income Tax Appellate Tribunal
Name of the statute	Nature of dues	Amount ₹	Period to which the amount relates	Forum where the dispute is pending
Entry Tax Act, 1976, Madhya Pradesh	Entry Tax	0.23	2001-2002 to 2002-2003, 2009-2010 to 2011-2012	Appellate Authority – up to Deputy Commissioner's level, Board of Appeals, Madhya Pradesh
Entry Tax, Gurgaon	Entry Tax	1.25	2013-14 to 2016-17	Sales Tax Appellate Authority
Goods and Services Tax	Goods and Services Tax	0.08	2018-19 to 2019-2020	GST Appeal

viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 78 to the standalone financial statements)

(d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or jointly controlled operations.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or jointly controlled operations.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) 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, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

(c) 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, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

(b) The reports of the Internal Auditor for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) Based on the information and explanations provided by the management of the Company, the Group has 3 CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.

Following matters have been reported by the auditors of the respective components under the report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 (CARO) on the financial statements of respective components of the Company which have been reproduced under this clause by us as under :

Sr. No.	Name of component	Date of report	Matters reproduced
1	KEC International Limited - Cameron Branches	April 19, 2022	The branch has incurred cash losses of XOF 94,749,766 in the financial year and of XOF 5,248,115 in the immediately preceding financial year.
2	KEC INTERNATIONAL LIMITED - UAE BRANCHES	April 21, 2022	The Branches have incurred cash losses of AED 39,191,292 during the financial year ended March 31, 2022 while there was no cash loss in the immediately preceding financial year;
3	KEC International Limited Kazakhstan branch	April 19, 2022	The branch has incurred cash losses of KZT 22,605,126 in the financial Year and of KZT 37,879,253 in the immediately preceding financial year.
4	KEC International Limited, Kenya branch	April 14, 2022	The branch has incurred cash losses of Kshs. 27,583,665 in the financial year and of Kshs. 20,718,406 in the immediately preceding financial year.
5	KEC International Limited - Kuwait branch	April 13, 2022	The branch has incurred cash losses of KWD 56.616 in the financial year and of KWD 730.608 in the immediately preceding financial year.
6	KEC International Limited - Laos Branch	April 19, 2022	The branch has incurred cash losses of LAK 4,073,706 in the financial year and of LAK 3,229,406 in the immediately preceding financial year.
7	KEC International Limited - Lybia Branch	April 19, 2022	The branch has incurred cash losses of LYD 287,717.212 in the financial year and of LYD 60,126.265 in the immediately preceding financial year.
8	KEC International Limited - Morocco Branch	April 13, 2022	The branch has incurred cash losses of MAD 22,30,956 in the financial year and of Mad NIL in the immediately preceding financial year.
9	KEC International LTD Nicargua Branch	April 22, 2022	The branch has incurred cash losses of NIO 6,90,79,025 in the financial year and of NIO 7,05,67,882 in the immediately preceding financial year.
10	KEC International Limited – (South Africa Branch)	April 26, 2022	The branch has incurred a loss of ZAR 130 756 859 in the financial year and of ZAR 8 333 347 in the immediately preceding financial year(2021).
11	KEC International Zambia Branch	April 29, 2022	The branch has incurred cash losses of ZMW 15,257,799 in the financial year and of ZMW 1,583,432 in the immediately preceding financial year.
12	KEC International Limited Moldova Branch	April 21, 2022	The branch has commenced operation in the current financial year and has incurred cash losses of MDL 1,17,300 in the current financial year.
13	KEC International Limited Sri Lanka	April 11, 2022	The branch has incurred cash losses of ₹ 74,022,047 in the financial year and ₹ Nil in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 67 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable. (Also refer Note 60 to the standalone financial statements)

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing projects to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also refer Note 60 to the standalone financial statements)

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 01274N/N500016

Sarah George
Partner
Membership Number: 045255
UDIN: 22045255AIIEEP1897

Place: Mumbai
Date: May 03, 2022

Balance Sheet

as at March 31, 2022

₹ in Crore

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Non-current Assets			
(a) Property, plant and equipment	5	646.24	593.75
(b) Right-of-use assets	6	79.98	49.72
(c) Capital work-in-progress	7	2.21	17.85
(d) Intangible assets	8	40.31	65.41
		768.74	**726.73**
(e) Financial assets			
(i) Investments	9	964.45	806.90
(ii) Trade receivables	10	467.69	182.13
(iii) Other financial assets	11	41.03	13.24
		1,473.17	**1,002.27**
(f) Non-current tax assets (net)	12	179.43	168.51
(g) Other non-current assets	13	193.88	311.04
Total Non-Current Assets		**2,615.22**	**2,208.55**
(2) Current Assets			
(a) Inventories	14	706.42	680.55
(b) Financial assets			
(i) Trade receivables	15	4,713.10	5,211.77
(ii) Cash and cash equivalents	16	156.50	133.06
(iii) Bank balances other than (ii) above	17	53.96	49.04
(iv) Loans	18	26.90	56.05
(v) Other financial assets	19	90.66	138.37
		5,041.12	**5,588.29**
(c) Contract assets	20	5,876.10	4,331.77
(d) Current tax assets (net)	21	14.74	8.57
(e) Other current assets	22	925.56	628.63
Total Current Assets		**12,563.94**	**11,237.81**
Total Assets		**15,179.16**	**13,446.36**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	23	51.42	51.42
(b) Other equity	24	3,804.11	3,468.37
Total Equity		**3,855.53**	**3,519.79**
Liabilities			
(1) Non-current Liabilities			
(a) Financial liabilities			
(i) Borrowings	25	195.62	171.94
(ii) Lease liabilities	26	31.76	4.37
		227.38	**176.31**
(b) Provisions	27	8.98	8.57
(c) Deferred tax liabilities (net)	28	43.74	54.93
(d) Other non-current liabilities	29	0.47	-
Total Non-Current Liabilities		**280.57**	**239.81**
(2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	30	2,243.16	1,599.12
(ii) Lease liabilities	31	12.53	9.20
(iii) Trade payables	32		
- total outstanding dues of micro and small enterprises		153.73	129.29
- total outstanding dues other than micro and small enterprises		6,100.85	5,711.74
(iv) Other financial liabilities	33	28.97	19.84
		8,539.24	**7,469.19**
(b) Contract liabilities	34	2,245.17	1,967.00
(c) Other current liabilities	35	101.36	74.81
(d) Provisions	36	81.80	60.08
(e) Current tax liabilities (net)	37	75.49	115.68
Total Current Liabilities		**11,043.06**	**9,686.76**
Total Equity And Liabilities		**15,179.16**	**13,446.36**

The above balance sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Statement of Profit and Loss

for the year ended March 31, 2022

₹ in Crore

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
I.	Revenue from operations	38	12,573.27	11,851.79
II.	Other income	39	19.00	28.02
III.	**Total Income (I+II)**		**12,592.27**	**11,879.81**
IV.	Expenses			
	(i) Cost of materials consumed	40	5,248.64	4,845.99
	(ii) Changes in inventories of finished goods and work-in-progress	41	(0.13)	(3.58)
	(iii) Erection and sub-contracting expenses	42	4,370.17	3,890.90
	(iv) Employee benefits expense	43	849.83	767.37
	(v) Finance costs	44	269.30	241.35
	(vi) Depreciation and amortisation expense	45	123.32	121.78
	(vii) Other expenses	46	975.44	1,119.38
	Total expenses		**11,836.57**	**10,983.19**
V.	**Profit before exceptional items and tax (III-IV)**		**755.70**	**896.62**
VI.	Exceptional Items	47	142.84	-
VII.	**Profit after exceptional items and before tax (V - VI)**		**612.86**	**896.62**
VIII.	Tax expense :	48		
	(i) Current tax		190.24	277.74
	(ii) Deferred tax		(11.82)	(27.21)
			178.42	**250.53**
IX.	**Profit for the year (VII-VIII)**		**434.44**	**646.09**
X.	Other Comprehensive Income			
	A Items that will not be reclassified to profit or loss			
	(i) Remeasurement of defined benefit obligations	55	4.01	2.47
	(ii) Income tax relating to these items	48.2	(0.92)	(0.61)
	B Items that will be reclassified to profit or loss			
	(i) Exchange differences on translation of financial statements of foreign operations	24	3.12	(6.49)
	(ii) Net gain/(losses) on cash flow hedges	24	(2.38)	52.11
	(iii) Income tax relating to these items	48.2	0.30	(11.97)
	Total Other Comprehensive Income		**4.13**	**35.51**
XI.	**Total Comprehensive Income for the year (IX + X)**		**438.57**	**681.60**
XII.	Earnings per equity share (of ₹ 2 each)			
	(i) Basic	49	16.90	25.13
	(ii) Diluted		16.90	25.13

The above statement of profit and loss should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Statement of changes in equity

for the year ended March 31, 2022

A. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2022 Nos.	As at March 31, 2022 ₹ in crore	As at March 31, 2021 Nos.	As at March 31, 2021 ₹ in crore
Equity Shares Outstanding at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Changes in Equity Share capital due to prior period errors	-	-	-	-
Restated balance at the beginning of the year	257,088,370	51.42	257,088,370	51.42
Add: Shares issued during the year	-	-	-	-
Equity Shares Outstanding at the end of the year	**257,088,370**	**51.42**	**257,088,370**	**51.42**

B. OTHER EQUITY

₹ in Crore

Particulars	Reserve and Surplus							Other Comprehensive Income			Total
	Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Statutory Reserve	Retained Earnings	Effective portion of cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	
Balance as at April 01, 2020	84.98	86.75	14.28	38.75	152.98	0.95	2,407.79	(28.86)	34.11	(4.97)	2,786.76
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	84.98	86.75	14.28	38.75	152.98	0.95	2,407.79	(28.86)	34.11	(4.97)	2,786.76
Profit for the year	-	-	-	-	-	-	646.09	-	-	-	646.09
Other Comprehensive Income for the year	-	-	-	-	-	-	-	39.00	(5.35)	1.86	35.51
Total Comprehensive Income for the year	-	-	-	-	-	-	646.09	39.00	(5.35)	1.86	681.60
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	-	-	-	-	-
Transfer to General reserve	-	-	-	(38.75)	38.75	-	-	-	-	-	-
Balance as at March 31, 2021	84.98	86.75	14.28	-	191.73	0.95	3,053.89	10.14	28.76	(3.11)	3,468.37
Balance as at April 01, 2021	84.98	86.75	14.28	-	191.73	0.95	3,053.89	10.14	28.76	(3.11)	3,468.37
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	84.98	86.75	14.28	-	191.73	0.95	3,053.89	10.14	28.76	(3.11)	3,468.37
Profit for the year	-	-	-	-	-	-	434.44	-	-	-	434.44
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(1.78)	2.82	3.09	4.13
Total Comprehensive Income for the year	-	-	-	-	-	-	434.44	(1.78)	2.82	3.09	438.57
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	(102.83)	-	-	-	(102.83)
Balance as at March 31, 2022	84.98	86.75	14.28	-	191.73	0.95	3,385.50	8.36	31.58	(0.02)	3,804.11

The above statement of changes in equity should be read in conjunction with the accompanying notes.

In terms of our report of even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Cash Flow Statement

for the year ended March 31, 2022

₹ in Crore

	Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	PROFIT FOR THE YEAR AFTER TAX		**434.44**		**646.09**
	Adjustments for:				
	Income tax expense	178.42		250.53	
	Depreciation and amortisation expense	123.32		121.78	
	Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets	(0.98)		(8.21)	
	Loss on property, plant and equipment discarded & intangible assets derecognised	0.67		0.86	
	Finance costs	269.30		241.35	
	Interest income	(8.64)		(4.66)	
	Dividend income from equity instruments	(1.51)		-	
	Bad debts, loans and advances written off/written back (net)	(10.68)		42.43	
	Exceptional items (Refer note 47)	142.84		-	
	Allowance for bad and doubtful debts, loans and advances (net)	18.44		40.62	
	Mark to market (gain)/loss on forward and commodity contracts	(12.25)		1.52	
	Net unrealised exchange loss	20.90		30.69	
			719.83		**716.91**
			1,154.27		**1,363.00**
	Changes in assets and liabilities				
	Changes in working capital:				
	Adjustments for (increase) / decrease in operating assets:				
	Inventories	(25.87)		(83.39)	
	Trade receivables	205.01		(353.05)	
	Other financial assets	28.27		34.94	
	Contract assets	(1,532.26)		(1,027.69)	
	Other current assets	(295.94)		82.57	
	Other non-current assets	117.26		(115.87)	
			(1,503.53)		**(1,462.49)**
	Adjustments for increase / (decrease) in operating liabilities:				
	Trade payables	397.99		1,151.28	
	Other current liabilities	26.68		16.58	
	Contract liabilities	254.87		(87.78)	
	Other financial liabilities	(4.90)		55.13	
	Provisions	26.12		4.15	
			700.76		**1,139.36**
	CASH GENERATED FROM OPERATIONS		**351.50**		**1,039.87**
	Taxes paid (net of refunds)		(247.52)		(207.16)
	NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)		**103.98**		**832.71**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure)	(111.64)		(135.01)	
	Proceeds from sale of property, plant and equipment	1.46		64.76	
	Payment towards investments in subsidiaries	(256.75)		(36.57)	
	Loans given to subsidiaries	(26.91)		(40.99)	
	Loans repaid by subsidiaries including interest*	26.29		0.85	
	Interest received	10.19		5.90	
	Dividend received from a subsidiary	1.51		-	
	Bank balances not considered as Cash and cash equivalents (net)	(5.07)		(38.40)	
			(360.92)		**(179.46)**
	NET CASH FLOW USED IN INVESTING ACTIVITIES (B)		**(360.92)**		**(179.46)**

Cash Flow Statement (contd.)

for the year ended March 31, 2022

₹ in Crore

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	22.38		171.94	
Repayments of other than short-term borrowings	-		(265.78)	
Repayment of lease liabilities	(14.77)		(14.34)	
Net increase / (decrease) in short-term borrowings	627.10		(159.17)	
Finance costs paid	(239.50)		(331.70)	
Dividend paid	(102.53)		(0.50)	
		292.68		**(599.55)**
NET CASH FLOW GENERATED FROM / (USED IN) FINANCING ACTIVITIES (C)		**292.68**		**(599.55)**
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		**35.74**		**53.70**
Cash and cash equivalents at the beginning of the year (Refer Note 16)		133.06		85.51
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(12.30)		(6.15)
Cash and cash equivalents at the end of the year (Refer Note 16)		**156.50**		**133.06**
Supplemental Information				
Non Cash Transactions from Investing and Financing Activities:				
(i) Acquisition of Right-of-use assets		44.92		4.74
(ii) Conversion of loan into equity		-		154.81

** Excludes ₹ 154.81 crore (previous year) for conversion of loan into equity, being a non-cash item.*

Reconciliation of liabilities arising from financing activities:

Particulars	As at March 31, 2021	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2022
Long term borrowings (including current maturity and accrued interest)	172.85	22.38	-	1.29	0.68	197.20
Short term borrowings	1,600.32	627.10	-	16.94	(0.33)	2,244.03
Lease liabilities	13.57	(14.77)	43.76	0.02	1.71	44.29
Total liabilities from financing activities	**1,786.74**	**634.71**	**43.76**	**18.25**	**2.06**	**2,485.52**

Particulars	As at March 31, 2020	Cash flows	Movement in lease liabilities	Foreign exchange movement	Interest movement during the year	As at March 31, 2021
Debentures (including accrued interest)	343.78	(250.00)	-	-	(93.78)	-
Long term borrowings (including current maturity and accrued interest)	18.19	156.16	-	-	(1.50)	172.85
Short term borrowings	1,818.73	(159.17)	-	(58.08)	(1.16)	1,600.32
Lease liabilities	24.01	(14.34)	2.74	(0.30)	1.46	13.57
Total liabilities from financing activities	**2,204.71**	**(267.35)**	**2.74**	**(58.38)**	**(94.98)**	**1,786.74**

The above cash flow statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

1. GENERAL INFORMATION

KEC International Limited ("the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

2. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing April 01, 2021:

- Extension of COVID-19 related concessions – amendments to Ind AS 116
- Interest rate benchmark reform – amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases.

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

Amendments applicable from April 01, 2022

The Ministry of Corporate Affairs has vide notification dated March 23, 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective April 01, 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on March 24, 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from April 01, 2021.

Consequent to above, the company has changed the classification/ presentation of (i) current maturities of long-term borrowings (ii) security deposits

- The current maturities of long-term borrowings (including interest accrued) has now been included in the "Current borrowings" line item. Previously, current maturities of long-term borrowings and interest accrued were included in 'other financial liabilities' line item.
- security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The company has reclassified comparative amounts of security deposits amounting to ₹ 13.24 crore and ₹ 34.26 crore from non-current and current loans respectively to Other financial assets (non-current and current respectively) to conform with current year presentation as per the requirements of Ind AS 1.

3. SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

The financial statements comply in all material aspects with Ind AS notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans, that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, 'Inventories' or value in use in Ind AS 36 'Impairment of Assets' or net present value of lease payments in Ind AS 116 'Leases', as applicable.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below:

Operating Cycle

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

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

3.3 Interests in jointly controlled operations (Refer Note 50)

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under jointly controlled operations, the Company as a joint operator recognises in relation to its interest in a jointly controlled operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the jointly controlled operation; and
4. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the Ind AS applicable to the assets, liabilities, revenues, and expenses.

When a Company transacts with a jointly controlled operation in which a Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interests in the jointly controlled operation.

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

3.4 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet.

3.5 Revenue recognition

The Company derives revenue principally from following streams:

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

3.5.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

In determining the transaction price for sale of product, the Company considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

3.5.2 Sale of services:

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

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

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

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

3.5.3 Construction contracts:

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

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

Due to the nature of work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

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

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

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

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

3.5.4 Other Operating Revenue:

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

3.5.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate for and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

3.6 Leasing

As a lessee:

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

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

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

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

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Amendment to Ind AS 116 'Leases'w.r.t "Covid-19-Related Rent Concessions" provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. The Company has applied the practical expedient for all qualifying rent concessions and these concessions have been accounted as variable lease payments in the statement of profit and loss in the period in which they are granted.

Right-of-use assets are measured at cost comprising the following:

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

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

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

As a lessor

Lease income from operating leases where the Company is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

3.7 Foreign currency transactions

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

3.7.1 Accounting for transactions and balances in foreign currencies

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

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

Exchange differences on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.21 below for hedging accounting policies);
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the statement of profit and loss on repayment of the monetary items

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

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

2. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Company is reclassified in the statement of profit and loss.

3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

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

3.9 Employee benefits

3.9.1 Long Term Employee Benefits:

(a) Defined Contribution Plans:

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

(b) Defined Benefit Plans:

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

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

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

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

(c) **Compensated absences:**

Company has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

3.9.2 Short-term employee benefit:

Liabilities for wages & salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

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Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Short term employee benefits also cover the Company's liability for sick and earned leave.

3.10 Taxation

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

3.10.1 Current tax

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company, its branches and jointly controlled operations operate and generate taxable income.

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

3.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

3.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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3.11 Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life specified in Schedule II to the Companies Act, 2013, except in the case of assets where the useful life was determined based on technical advice. The estimate of the useful life of the assets has been based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

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

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

Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed.

3.12 Intangible assets

3.12.1 Intangible assets acquired separately

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

3.12.2 Intangible assets acquired in a business combination

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

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

3.12.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

3.12.4 Derecognition of intangible assets

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

3.12.5 Useful lives of intangible assets

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

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

3.13 Impairment of Non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

3.14 Investments

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other comprehensive income.

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Also refer 3.17)

Investment in preference shares of subsidiaries are classified as equity since the company has the option of early conversion with fixed ratio and also there is no requirement for mandatory dividend payout.

3.14.1 Impairment of investments in subsidiaries

Investment in subsidiaries are carried at cost and are tested for Impairment in accordance with Ind AS 36, 'Impairment of assets'. The carrying amount of investment is tested for impairment as a single asset by comparing it's recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of investment.

3.15 Inventories

Inventories (Raw material, work-in-progress, finished goods, stores and spares and erection material) are stated at the lower of cost and net realisable value. Cost of purchased material is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion

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and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

3.16 Provisions and contingencies

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

The amount recognised as a provision is the management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

3.17 Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

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

3.18 Classification and Measurement of Financial Assets

3.18.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

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

3.18.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

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

3.18.4 Impairment of financial assets

The Company recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss.

3.18.5. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Company continues to recognise the asset to the extent of Company's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

3.19 Classification and Measurement Financial liabilities and equity instruments

3.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

3.19.3. Financial liabilities

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

3.19.3.1 Financial liabilities subsequently measured at amortised cost

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

3.19.3.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from contract with customers'.

The Financial guarantees issued to third parties on behalf of subsidiaries are recorded at fair value. The same is recognised as Other income in the statement of Profit and Loss.

3.19.3.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

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3.20 Derivative financial instruments

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

3.21 Hedge accounting

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

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

3.21.1 Cash flow hedges that qualify for hedge accounting

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

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

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

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

3.22 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

3.23 Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

3.24 Exceptional items

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

3.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in Note 3, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the financial statements.

4.1 Classification of Joint Arrangement as a Jointly Controlled Operations

In terms of Ind AS 111, 'Joint Arrangement', the Company has classified its joint arrangements as jointly controlled operations as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 50 for the list of joint arrangements).

4.2 Revenue recognition for construction contracts

Refer Note 3.5.3 and Note 51.

4.3 Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also given in the normal course of business. There are certain obligations which management has concluded based on all available facts and circumstances are treated as contingent liabilities and disclosed in the Notes but are not provided for in the financial statements. Although there can be no assurance of the final outcome of the legal proceedings in which the company is involved it is not expected that such contingencies will have a material effect on its financial position or profitability.

4.4 Income taxes

In preparing the financial statements, the Company recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

4.5 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

4.6 Impairment of Investments of subsidiaries

Determining whether the investments in subsidiaries are impaired requires an estimate in the value in use of investments. The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is an indication for impairment.

The carrying amount of investment is tested for impairment as a single asset by comparing it's value in use with its carrying amount, any impairment loss recognised reduces the carrying amount of investment.

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In considering the value in use, the Board of directors have anticipated the future market conditions and other parameters that affect the operations of these entities including operating results, business plans, future cash flows and economic conditions and key assumptions such as estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

4.7 Fair value measurements

The Company applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Company's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

Particulars	Freehold Land	Buildings	Plant and Equipment	Erection Tools	Furniture and Fixtures	Vehicles	Office Equipment	Computers	Total
Gross carrying amount									
As at April 01, 2020	**65.90**	**168.31**	**642.35**	**146.59**	**26.63**	**57.05**	**12.71**	**34.83**	**1,154.37**
Additions	-	2.89	63.42	55.70	0.17	-	0.86	3.80	126.84
Disposal	-	0.64	37.51	33.86	0.16	1.46	0.27	0.47	74.37
Adjustments	-	(0.17)	(0.40)	(0.48)	(0.13)	(0.56)	(0.05)	(0.06)	(1.85)
As at March 31, 2021	**65.90**	**170.39**	**667.86**	**167.95**	**26.51**	**55.03**	**13.25**	**38.10**	**1,204.99**
Additions	-	22.28	53.39	44.41	1.38	7.45	1.47	7.11	137.49
Disposal	-	0.05	3.14	4.35	0.11	0.63	0.18	0.51	8.97
Adjustments	-	0.22	0.65	0.79	0.16	0.71	0.07	0.08	2.68
As at March 31, 2022	**65.90**	**192.84**	**718.76**	**208.80**	**27.94**	**62.56**	**14.61**	**44.78**	**1,336.19**
Accumulated depreciation									
As at April 01, 2020	**-**	**58.55**	**323.55**	**70.53**	**15.75**	**42.39**	**9.58**	**25.93**	**546.28**
Depreciation expense (Refer Note 45)	-	7.76	37.71	25.42	2.10	3.06	1.06	4.02	81.13
Disposal	-	0.61	7.25	4.83	0.15	1.35	0.25	0.44	14.88
Adjustments	-	(0.12)	(0.22)	(0.28)	(0.06)	(0.55)	(0.03)	(0.03)	(1.29)
As at March 31, 2021	**-**	**65.58**	**353.79**	**90.84**	**17.64**	**43.55**	**10.36**	**29.48**	**611.24**
Depreciation expense (Refer Note 45)	-	9.28	37.37	27.32	1.85	3.02	0.95	4.06	83.85
Disposal	-	0.05	2.22	4.32	0.07	0.52	0.16	0.42	7.76
Adjustments	-	0.22	0.58	0.80	0.17	0.70	0.07	0.08	2.62
As at March 31, 2022	**-**	**75.03**	**389.52**	**114.64**	**19.59**	**46.75**	**11.22**	**33.20**	**689.95**
Net carrying amount									
As at March 31, 2021	65.90	104.81	314.07	77.11	8.87	11.48	2.89	8.62	593.75
As at March 31, 2022	**65.90**	**117.81**	**329.24**	**94.16**	**8.35**	**15.81**	**3.39**	**11.58**	**646.24**

Notes

forning part of the financial statements as at and for the year ended March 31, 2022

Note 5.1: Title deeds of Immovable property not held in name of the Company

Relevant line item in Balance sheet	Desciption of item of property	Gross carrying value	Title deeds in the name of	Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director	Property held since date	Reason for not being held in the name of the company
Property, plant and equipment	Freehold land at Village Dhanot, Taluka Kalol, Gujarat	0.00	i. Asian Cables Corporation Limited	No	March 01, 2010	Transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/ Arrangement in earlier years. Applications for change of name in the revenue record were rejected by Sub-Divisional Officer (SDO) for want of payment of stamp duty. The Company is in the process of filing a revision application before Appropriate Authority challenging the order passed in the Appeal.
			ii. CETEX Petrochemicals Limited		March 31, 2005	
Property, plant and equipment	Freehold land at Mysore	24.24	RPG Telecom Limited	No	March 01, 2010	Transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/ Arrangement in earlier years. The Company has been following up with the Tehsildars office, Mysore, Karnataka for transfer of the land in its name and is in the process of engaging the external local legal Counsel to change the relevant records of Government Department.
Property, plant and equipment	Freehold land at Jabalpur	0.81	SAE (I) Limited	No	October 01, 2007	Titles have been transferred to and vested in the Company pursuant to schemes of amalgamation/ arrangement in the earlier years. Third party has claimed title of the property and the said matter is sub judice before the Court.
Property, plant and equipment	Flat at Worli, Mumbai	1.30	Kamani Engineering Corporation Limited	No	March 31, 2005	Transferred to and vested in the Company, pursuant to the Schemes of Amalgamation /Arrangement in earlier years. The Company has been following up with the society for transfer of the flat in its name and is in the process of sending legal notice through its lawyers to the Society.

Note 5.2 For details of Property, plant and equipment having gross carrying amount aggregating ₹ 486.70 crore (As at March 31, 2021 ₹ 418 crore), which are pledged as security for borrowings - Refer Notes 25 and 30.

Note 5.3 Adjustments represents foreign currency exchange translation adjustment on account of a branch and jointly controlled operations which have different functional currency.

Note 5.4 During the year, the company has reclassified Leasehold Land amounting to ₹ 38.07 crore as on March 31, 2021 (Net Block) from "Property, plant and equipment" to "Right-of-use assets", the said disclosure being more relevant to the users of financial statements. This change doesn't result in any impact on total non current assets and total assets.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 52)

₹ in Crore

Description	Buildings	Land (Refer Note 5.4)	Plant & Machinery	Vehicles	Total
Gross Carrying Amount					
As at April 01, 2020	**30.66**	**50.62**	**3.25**	**1.63**	**86.16**
Additions	4.74	-	-	-	4.74
Disposal	4.85	0.06	-	0.29	5.20
As at March 31, 2021	**30.55**	**50.56**	**3.25**	**1.34**	**85.70**
Additions	31.73	13.19	-	-	44.92
Disposal	4.00	-	1.03	0.52	5.55
As at March 31, 2022	**58.28**	**63.75**	**2.22**	**0.82**	**125.07**
Accumulated Depreciation					
As at April 01, 2020	**12.92**	**11.37**	**0.15**	**0.17**	**24.61**
Depreciation expense (Refer Note 45)	11.65	1.04	1.38	0.64	14.71
Disposal	3.23	0.01	-	0.10	3.34
As at March 31, 2021	**21.34**	**12.40**	**1.53**	**0.71**	**35.98**
Depreciation expense (Refer Note 45)	9.91	2.45	0.94	0.31	13.61
Disposal	3.75	-	0.49	0.26	4.50
As at March 31, 2022	**27.50**	**14.85**	**1.98**	**0.76**	**45.09**
Net carrying amount					
As at March 31, 2021	9.21	38.16	1.72	0.63	49.72
As at March 31, 2022	**30.78**	**48.90**	**0.24**	**0.06**	**79.98**

NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening Balance	**17.85**	**8.64**
Addition during the year*	122.62	139.81
Capitalisation during the year*	(138.26)	(130.60)
Closing Balance	**2.21**	**17.85**

** including intangible assets*

Note 7.1 CWIP ageing schedule as at March 31, 2022

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.26	0.95	-	-	2.21
Projects temporarily suspended	-	-	-	-	-

CWIP ageing schedule as at March 31, 2021

₹ in Crore

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	15.77	0.25	1.05	0.78	17.85
Projects temporarily suspended	-	-	-	-	-

Notes

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Note 7.2 Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

Particulars	To be completed in				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects temporarily suspended	NIL				

NOTE 8 - INTANGIBLE ASSETS

₹ in Crore

Particulars	Brands (Refer Note 8. 1)	Computer softwares	Non Compete Fees (Refer Note 8. 2)	Total
Gross carrying amount				
As at April 01, 2020	**246.96**	**76.03**	**-**	**322.99**
Additions	-	4.13	-	4.13
Disposal	-	-		-
As at March 31, 2021	**246.96**	**80.16**	**-**	**327.12**
Additions	-	0.19	0.58	0.77
Disposal	6.95	0.60	-	7.55
As at March 31, 2022	**240.01**	**79.75**	**0.58**	**320.34**
Accumulated amortisation				
As at April 01, 2020	**186.62**	**49.15**	**-**	**235.77**
Amortisation expense (Refer Note 45)	12.34	13.60	-	25.94
Disposal	-	-		-
As at March 31, 2021	**198.96**	**62.75**	**-**	**261.71**
Amortisation expense (Refer Note 45)	12.00	13.76	0.10	25.86
Disposal	6.95	0.59	-	7.54
As at March 31, 2022	**204.01**	**75.92**	**0.10**	**280.03**
Net carrying value				
As at March 31, 2021	48.00	17.41	-	65.41
As at March 31, 2022	**36.00**	**3.83**	**0.48**	**40.31**

Note 8.1 Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The carrying amount of the brand as on March 31, 2022 ₹ 36 crore (as at March 31, 2021 ₹ 48 crore) and the remaining amortisation period is 3 years (as at March 31, 2021 - 4 years).

Note 8.2 Non compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non compete agreement i.e. 3 years.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 9 - INVESTMENTS

₹ in Crore

	Particulars	As at March 31, 2022	As at March 31, 2021
Non-current :			
(A)	**Investment in Equity Instruments: (measured at cost)**		
	Unquoted		
(a)	**Subsidiaries - wholly owned**		
10,000,000	Fully paid Ordinary Shares of Naira 1 each of RPG Transmission Nigeria Limited [Refer Note 9.5(b)]	0.35	0.35
1,000	Fully paid Equity Shares of AED 1,000 each of KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates [Refer Note 9.5(b)]	1.19	1.19
59,032,548	(As at March 31, 2021, 47,855,780) Fully paid Ordinary Shares of US $ 1 each of KEC Investment Holdings, Mauritius [Refer Notes 9.1 and 9.5(a)]	#673.71	#483.93
30,000,000	4% Non Cumulative convertible preference shares US $ 1 each of KEC Investment Holdings, Mauritius (Refer Notes 9.2)	193.39	193.39
631,735	(As at March 31, 2021, 603,000) Fully paid Equity Shares of AED 100 each of KEC Towers-LLC, Dubai, United Arab Emirates (Refer Note 9.3)	130.31	120.27
1,021,744	Fully paid Ordinary Shares of RM $ 1 each of KEC International Malaysia SDN BHD, Malaysia	4.58	4.58
370,000	Fully paid Ordinary Shares of US $ 1 each of KEC Global, Mauritius	2.33	2.33
221,022	Fully paid Equity Shares of ₹ 10 each of KEC Power India Private Limited [Refer Note 9.5(b)]	0.86	0.86
300,000	Fully paid Equity Shares of ₹ 10 each of KEC Spur Infrastructure Private Limited. (formerly known as Spur Infrastructure Private Limited) (Refer Note: 9.6)	56.93	-
	Less: Provision for impairment in subsidiaries (Refer Note. 9.5).	99.20	-
		964.45	**806.90**
(B)	**Investment in equity shares (at fair value through other comprehensive income)**		
	Unquoted		
4,900	Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association (Refer Note 9.4)	★	★
		964.45	**806.90**
★less than rounding off norms adopted by the company.			
Aggregate book value of unquoted investments		964.45	806.90
Aggregate amount of impairment in the value of investments		99.20	-

Note 9.1 During the year, Company has acquired 2,30,000 shares, 20,32,591 shares, 35,08,772 shares and 54,05,405 shares (previous year 32,25,806) of USD 1 each at a premium of USD 1.29, 1.47, 1.85 and 0.85 respectively (previous year USD 0.55) per share of KEC Investment Holding, Mauritius. During previous year, the Company has converted loan given to its Subsidiary into equity 1,979,592 shares of USD 1 each at a premium of USD 1.45 per share of KEC Investment Holding, Mauritius.

Note 9.2 This represents investment in preference shares of KEC Investment Holdings, Mauritius. These shares are compulsorily convertible into equity shares with a conversion ratio of one is to four. The issuer has the option of early conversion as well with above fixed ratio. There is no mandatory dividend payout year on year. Considering the said terms, the investment has been classified as equity.

Notes

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Note 9.3 During the year, Company had acquired 28,735 shares of AED 100 each at a premium of AED 74 per share of KEC Tower LLC, Dubai. During the previous year, the Company has converted loan given to its Subsidiary into Equity 6,00,000 shares at AED 100 each of KEC Tower LLC, Dubai.

Note 9.4 As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Company to transfer funds to the RP Goenka Group of Companies in the form of cash dividends, the fair value of the RP Goenka Group of Companies interest in the Company is concluded to be equal to cost.

Note 9.5 a) The Company has made impairment provision of ₹ 97.34 crore (previous year: ₹ Nil) for its investments in KEC Investment Holdings, Mauritius, due to significant losses incurred by the Company's step down subsidiary in Brazil i.e. SAE Towers Brazil Torres de Transmissão Ltda (a wholly owned subsidiary of SAE Towers Holdings LLC, USA). Provision for impairment of investment is recognised to the extent recoverable value of investments is lower than the carrying value of investments. The recoverable value of investments was calculated using value in use method. The value in use is determined based on discounted cash flow projections prepared after considering significant judgments while finalizing assumptions on growth in revenues, EBITDA and discount rates. Provision for impairment of investments in subsidiary company has been presented as an Exceptional Item. (Refer Note. 47).

b) During the current year, the Company has also made below impairment provisions for its investments in various subsidiaries. Impairment is provided due to losses incurred by these subsidiaries from its operations. Provision for impairment of investment is calculated by comparing the networth of the company and the carrying value of investments. Provision for impairment of investments in subsidiary company has been presented as an Exceptional Item. (Refer Note. 47).

Details of impairment provision is as follows:

i) Impairment of Investment in RPG Transmission Nigeria Limited ₹ 0.17 crores (Previous year Nil)

ii) Impairment of Investment in KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates ₹ 1.19 crores (Previous year Nil)

iii) Impairment of Investment in KEC Power India Private Limited ₹ 0.50 crores (Previous year Nil)

Note 9.6 The Company, on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) ('Spur') for purchase consideration of ₹ 56.93 crore. Consequently, Spur became wholly owned subsidiary of the Company from the aforesaid date.

 # Includes ₹ 12.27 crore (As at March 31, 2021 ₹ 12.27 crore) towards adjustment on account of fair value of financial guarantees issued to subsidiaries and step down subsidiaries, as applicable.

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Note 9.7 Disclosure Regarding ultimate utilisation of invested funds by subsidiary

For the year ended March 31, 2022

Date of funds advanced	Amount of funds invested (US$ in Crore)	Name of intermediary where funds advanced	Date of funds further advanced by intermediary	Amount of funds further invested by intermediary (US$ in Crore)	Name of ultimate beneficiary where funds advanced	Date of funds further advanced by intermediary	Amount of funds further invested by intermediary (US$ in Crore)	Name of ultimate beneficiary where funds advanced	₹ in Crore
April 22, 2021	0.05	KEC Investment Holdings, Mauritius **Address:** C/O IQEQ MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324 **Unique Identification no.** C096879	April 23, 2021	0.05	SAE Towers Holdings, LLC **Address:** 363 N. Sam Houston Pkwy E Suite 1100 Houston TX 77060 **Unique Identification no.** 20-8475605	-	-	-	3.95
June 24, 2021	0.50		June 25, 2021	0.50		June 25, 2021	0.50	SAE Towers Brasil Torres de Transmissao Ltda **Address:** Rua Moacyr Gonçalves Costa, Número 15 Bairro Jardim Piemont Sul, CEP 32.669-722, Betim – MG, Brasil **Unique Identification no.** 07.758.028/0001-31	37.27
August 04, 2021	0.50		August 05, 2021	0.50		August 05, 2021	0.50		37.10
August 30, 2021	0.50		August 31, 2021	0.50		September 01, 2021	0.50		36.72
January 10, 2022	0.50		January 11, 2022	0.50		January 12, 2022	0.50		37.10
January 27, 2022	0.50		January 28, 2022	0.50		January 28, 2022	0.50		37.63

For the year ended March 31, 2021

Date of funds advanced	Amount of funds invested (US$ in Crore)	Name of intermediary where funds advanced	Date of funds further advanced by intermediary	Amount of funds further invested by intermediary (US$ in Crore)	Name of ultimate beneficiary where funds advanced	Date of funds further advanced by intermediary	Amount of funds further invested by intermediary (US$ in Crore)	Name of ultimate beneficiary where funds advanced	₹ in Crore
January 08, 2021	0.25	KEC Investment Holdings, Mauritius **Address:** C/O IQEQ MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324 **Unique Identification no.** C096879	January 11, 2021	0.25	SAE Towers Holdings, LLC **Address:** 363 N. Sam Houston Pkwy E Suite 1100 Houston TX 77060 **Unique Identification no.** 20-8475605	January 11, 2021	0.25	SAE Towers Brasil Torres de Transmissao Ltda **Address:** Rua Moacyr Gonçalves Costa, Número 15 Bairro Jardim Piemont Sul, CEP 32.669-722, Betim – MG, Brasil **Unique Identification no.** 07.758.028/0001-31	18.32
January 22, 2021	0.25		January 26, 2021	0.25		January 26, 2021	0.25		18.26

Note: (i) *For the above transactions, the Company has complied with with the relevant provisions of the Foreign Exchange Managemant Act, 1999 and of the Companies Act, 2013. These transactions are not violative of the prevention of money laundring Act,2002*

(ii) *Intermediaries have not provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.*

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 9.8 Other than the information disclosed in Note 9.7, the Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
b. provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTE 10 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current trade receivables - Unsecured		
(a) Considered good	478.84	209.01
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	478.84	**209.01**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	11.15	26.88
	467.69	**182.13**

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer Note 53.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**8.46**
Add: Created during the year	18.83
Less: Released during the year	0.41
Balance as at March 31, 2021	**26.88**
Add: Created during the year	3.24
Less: Released during the year	18.97
Balance as at March 31, 2022	**11.15**

Note 10.1: Trade receivables (non current) ageing

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	260.63	5.22	84.67	117.30	10.91	0.11	478.84
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	-	-
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**260.63**	**5.22**	**84.67**	**117.30**	**10.91**	**0.11**	**478.84**

As at March 31, 2021

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	177.39	-	-	-	-	-	177.39
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	-	-	-	-	-	31.62	31.62
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**177.39**	**-**	**-**	**-**	**-**	**31.62**	**209.01**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 11 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
(a) **Contractually reimbursable expenses**	**26.67**	**-**
(b) **Security Deposits, Unsecured :**		
Considered good	14.36	13.24
Having significant increase in credit risk	-	-
Credit impaired	0.76	0.76
Less: Allowance for bad and doubtful security deposits (Refer Note 11.1)	0.76	0.76
	14.36	**13.24**
(c) **Amount withheld by customers:**		
Considered good	-	-
Having significant increase in credit risk	-	-
Credit impaired	-	10.32
Less: Allowance for bad and doubtful receivables (Refer Note 11.2)	-	10.32
	41.03	**13.24**

Note 11.1

Movement in the allowance for bad and doubtful security deposits (expected credit loss allowance) - (Refer Note 53.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**0.76**
Add: Created during the year	0.51
Less: Released during the year	0.51
Balance as at March 31, 2021	**0.76**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2022	**0.76**

Note 11.2

Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) - (Refer Note 53.9).

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**10.32**
Add: Created during the year	-
Less: Released during the year	-
Balance as at March 31, 2021	**10.32**
Add: Created during the year	-
Less: Released during the year	10.32
Balance as at March 31, 2022	**-**

NOTE 12 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payments less provisions	179.43	168.51
	179.43	**168.51**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 13 - OTHER NON-CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Capital advances	10.65	10.55
(b) Others		
- Excise duty recoverable from Government authorities	24.45	24.45
- VAT Credit / WCT / Service Tax Receivable	121.05	131.87
- GST Receivable	12.41	76.99
- Export benefits	-	37.41
- Sales tax/ excise duty/ service tax/entry tax, etc. paid under protest	21.75	16.24
- Prepaid expenses	3.57	13.53
	183.23	**300.49**
	193.88	**311.04**

NOTE 14 - INVENTORIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Inventories (lower of cost and net realisable value)		
(a) Raw materials		
(i) in stock	443.82	413.47
(ii) in-transit	4.62	1.33
	448.44	**414.80**
(b) Work-in-progress (Refer Note 14.1)	20.63	37.28
(c) Finished goods	200.00	183.22
(d) Stores and spares	26.39	25.56
(e) Scrap	10.96	19.69
	706.42	**680.55**

Note 14.1 Details of inventory of work-in-progress :

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Towers and structurals	3.76	5.35
Cables	16.87	31.93
	20.63	**37.28**

NOTE 15 - TRADE RECEIVABLES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables - Unsecured (Refer Note 15.1, 15.2 and 53.9)		
(a) Considered good	4,779.22	5,270.04
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	4,779.22	**5,270.04**
Less: Allowance for bad and doubtful receivables (expected credit loss allowance)*	66.12	58.27
	4,713.10	**5,211.77**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer Note 53.9)

₹ in Crore

Particulars	Amount
Balance as at March 31, 2020	**42.93**
Add: Created during the year	18.56
Less: Released during the year	3.22
Balance as at March 31, 2021	**58.27**
Add: Created during the year	15.19
Less: Released during the year	7.34
Balance as at March 31, 2022	**66.12**

Note 15.1 Transfer of financial assets

During the current year, the Company has discounted trade receivables with an aggregate carrying amount of ₹ 153.19 crore with banks for cash proceeds of ₹ 151.95 crore. These arrangements are "non-recourse" to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2022. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 1.24 crore.

Note 15.2 Receivable from related party is ₹ 23.67 crore (As at March 31, 2021 ₹ 12.80 crore).

Note 15.3: Trade receivables ageing

As at March 31, 2022

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	3,774.04	597.48	198.64	110.32	18.23	71.68	4,770.39
Undisputed – having significant increase in credit risk							-
Undisputed – credit impaired							-
Disputed – considered good	1.83	0.49	0.21	0.55	0.46	5.29	8.83
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**3,775.87**	**597.97**	**198.85**	**110.87**	**18.69**	**76.97**	**4,779.22**

As at March 31, 2021

₹ in Crore

Particulars	Not Due	Less than 6 months	6 months - 1 year	1 - 2 Years	2 - 3 Years	More than 3 years	Total Outstanding
Undisputed – considered good	3,860.43	859.20	247.78	84.92	138.32	61.68	5,252.33
Undisputed – having significant increase in credit risk	-	-	-	-	-	-	-
Undisputed – credit impaired	-	-	-	-	-	-	-
Disputed – considered good	8.57	2.07	0.99	0.76	5.30	0.02	17.71
Disputed – having significant increase in credit risk	-	-	-	-	-	-	-
Disputed – credit impaired	-	-	-	-	-	-	-
Total	**3,869.00**	**861.27**	**248.77**	**85.68**	**143.62**	**61.70**	**5,270.04**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 16 - CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Balances with banks		
(i) In current accounts	136.49	109.79
(ii) In deposit accounts	5.99	15.69
	142.48	**125.48**
(b) Cheques on hand	8.00	-
(c) Cash on hand	6.02	7.58
	156.50	**133.06**

NOTE 17 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Earmarked balances with banks - unpaid dividend accounts	3.01	2.70
(ii) Bank deposit with original maturity of more than 3 months but less than 12 months	5.87	0.09
(iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments	44.36	45.53
(iv) Margin Money deposit with maturity less than 12 months	0.72	0.72
	53.96	**49.04**

NOTE 18 - LOANS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Related Parties		
(a) Considered Good - Unsecured		
(i) Loans to related parties - KEC Investment Holdings, Mauritius (wholly owned subsidiary)	-	3.83
(ii) Loans to related parties - KEC Global Mauritius (wholly owned subsidiary)	-	10.24
(iii) Loans to related parties - KEC Towers LLC (wholly owned subsidiary)	10.75	10.08
(iv) Loans to related parties - KEC Global FZ LLC (wholly owned subsidiary)	0.44	0.41
(v) Loans to related parties - KEC International (Malaysia) SDN. BHD. (wholly owned subsidiary)	12.36	-
(vi) Loans to related parties - KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited)	3.35	-
(vii) Loans to Jointly controlled operations (net of the Company's share)	-	31.49
(b) Having significant increase in credit risk	-	-
(c) Credit impaired	-	-
	26.90	**56.05**

Note 18.1: The Company has provided short term loans to wholly owned subsidiaries for the purpose of providing working capital and other business requirements. These loans are given at rates comparable to the average commercial rate of interest.

Note 18.2: Loans to Jointly Controlled Operations have been provided by the Company to meet the short term working capital requirements for execution of projects by the Jointly controlled operations.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 18.3: Disclosure required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

(i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

₹ in Crore

Name of Subsidiary	Loans (interest bearing) outstanding	Maximum amount outstanding during the year
KEC Investment Holdings Mauritius		
As at March 31, 2022	**-**	**3.83**
As at March 31, 2021	3.83	38.85
KEC Global Mauritius		
As at March 31, 2022	**-**	**10.24**
As at March 31, 2021	10.24	10.24
KEC Towers LLC		
As at March 31, 2022	**10.75**	**10.75**
As at March 31, 2021	10.08	122.27
KEC Global FZ LLC		
As at March 31, 2022	**0.44**	**0.44**
As at March 31, 2021	0.41	0.41
KEC International (Malaysia) SDN. BHD.		
As at March 31, 2022	**12.36**	**15.13**
As at March 31, 2021	-	-
KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited)		
As at March 31, 2022	**3.35**	**12.00**
As at March 31, 2021	-	-

NOTE 19 - OTHER FINANCIAL ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
(i) Security Deposit	20.91	34.36
(ii) Interest accrued on fixed deposits	0.35	0.36
(iii) Insurance claims	0.78	0.72
(iv) Mark to market gain on foreign currency forward and commodity contracts (Refer Note 53.7 and Note 53.8)	24.47	14.60
(v) Contractually reimbursable expenses	44.15	86.91
(vi) Others	-	1.42
	90.66	**138.37**

NOTE 20 - CONTRACT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good		
Amount due from customers for contract work	5,881.19	4,336.86
Less: Allowance for contract assets (Refer Note 20.1)	5.09	5.09
	5,876.10	**4,331.77**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 20.1 Movement in the allowance for contract assets (expected credit loss allowance)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	5.09	-
Additions	-	5.09
Reversals	-	-
Closing balance	**5.09**	**5.09**

NOTE 21 - CURRENT TAX ASSETS (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax payments less provisions	14.74	8.57
	14.74	**8.57**

NOTE 22 - OTHER CURRENT ASSETS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Advances to suppliers	152.30	154.70
Employee advances	6.33	7.55
Cenvat / Service tax input credit receivable	0.12	0.12
Amount due as refund of custom duty	-	3.70
Excise duty recoverable from Government authorities	0.05	1.26
VAT credit / WCT receivables	59.79	24.08
GST receivables	493.92	257.96
GST/Excise rebate receivable on exports	63.71	57.32
Prepaid expenses	112.31	86.91
Export benefits	33.96	31.92
Assets classified as held for sale (Refer Note 22.1)	3.07	3.11
	925.56	**628.63**

Note 22.1 - Details of assets classified as held for sale

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Leasehold Land at Jaipur [(Refer Note 22.1 (a)]	2.45	2.45
Leasehold Land at Raibareli [(Refer Note 22.1 (b)]	0.62	0.66
Total	**3.07**	**3.11**

(a) The Company has signed Memorandum of understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2021 ₹ 9.41 crore) [Refer Note 35 (a)]. However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.

(b) Land situated at plot no. A03 of Raebareli plant was held for sale. The Company is looking for potential buyer and negotiations are in advanced stage with few buyers. The Company is planning to conclude the deal in next financial year.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 23 - SHARE CAPITAL

Particulars	As at March 31, 2022		As at March 31, 2021	
	Nos.	₹ in Crore	Nos.	₹ in Crore
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	570,000,000	114.00	570,000,000	114.00
Preference Shares				
Redeemable Preference Shares of ₹ 100 each	1,500,000	15.00	1,500,000	15.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	51.42	257,088,370	51.42
	257,088,370	**51.42**	**257,088,370**	**51.42**

Note 23.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

Particulars	Nos.	₹ in Crore
Equity Shares Outstanding as at April 01, 2020	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2021	257,088,370	51.42
Add: Shares issued during the year	-	-
Equity Shares Outstanding as at March 31, 2022	**257,088,370**	**51.42**

Note 23.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder*	As at March 31, 2022		As at March 31, 2021	
		Nos. of Shares Held	Percentage of Shares held	Nos. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	67,756,616	26.36	67,756,616	26.36
2	Summit Securities Limited	28,104,322	10.93	28,104,322	10.93
3	HDFC Trustee Company Limited	22,599,573	8.79	23,679,697	9.21
4	Instant Holdings Limited	22,207,827	8.64	22,207,827	8.64

** Shares held in multiple folios have been combined*

Note 23.3

3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

Note 23.4

The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 23.5 Shares held by promoters at the end of the year

Sr. No	Promoter name	As at March 31, 2022 No. of Shares	As at March 31, 2022 % of total shares	As at March 31, 2022 % Change during the year	As at March 31, 2021 No. of Shares	As at March 31, 2021 % of total shares	As at March 31, 2021 % Change during the year
Promoter:							
1	Harsh Vardhan Goenka	5,042,917	1.96	-	5,042,917	1.96	0.07
Promoter Group:							
2	Anant Vardhan Goenka	40,000	0.02	-	40,000	0.02	-
3	Stellar Energy Trust (Mr. Harsh Vardhan Goenka is a Trustee)	100	-	-	100	-	-
4	Mala Goenka	50	-	-	50	-	-
5	RG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
6	AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)	10	-	-	10	-	-
7	Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
8	Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)	10	-	-	10	-	-
9	Radha Anant Goenka	10	-	-	10	-	-
10	Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
11	Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
12	Secura India Trust (Mr. Harsh Vardhan Goenka is a Trustee)	1	-	-	1	-	-
13	Swallow Associates LLP	67,756,616	26.36	-	67,756,616	26.36	-
14	Summit Securities Limited	28,104,322	10.93	-	28,104,322	10.93	0.07
15	Instant Holdings Limited	22,207,827	8.64	-	22,207,827	8.64	0.08
16	Stel Holdings Limited	5,011,891	1.95	-	5,011,891	1.95	-
17	Carniwal Investments Limited	2,970,981	1.16	-	2,970,981	1.16	-
18	Chattarpati Apartments LLP	1,790,785	0.70	-	1,790,785	0.70	-
19	Ektara Enterprises LLP	10	-	-	10	-	-
20	Malabar Coastal Holdings LLP	10	-	-	10	-	-
21	Sofreal Mercantrade Pvt. Ltd.	10	-	-	10	-	-
22	Vayu Udaan Aircraft LLP	10	-	-	10	-	-
23	Sudarshan Electronics and TV Ltd.	1	-	-	1	-	-
24	RPG Ventures Limited	284,950	0.11	-	284,950	0.11	-
25	Atlantus Dwellings and Infrastructure LLP	10	-	-	10	-	-

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 24 - OTHER EQUITY

₹ in Crore

Particulars	Reserves & Surplus: Capital Reserve	Securities Premium	Capital Redemption Reserve	Debenture Redemption Reserve	General Reserve	Statutory Reserve	Retained Earnings	Other Comprehensive Income: Effective portion of cash flow Hedges	Exchange differences on translation of foreign operations	Other items of other comprehensive income (Remeasurement of defined benefit obligations)	Total
Notes	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	
Balance as at April 01, 2020	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,407.79**	**(28.86)**	**34.11**	**(4.97)**	**2,786.76**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2020	**84.98**	**86.75**	**14.28**	**38.75**	**152.98**	**0.95**	**2,407.79**	**(28.86)**	**34.11**	**(4.97)**	**2,786.76**
Profit for the year	-	-	-	-	-	-	646.09	-	-	-	646.09
Other Comprehensive Income for the year	-	-	-	-	-	-	-	39.00	(5.35)	1.86	35.51
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**646.09**	**39.00**	**(5.35)**	**1.86**	**681.60**
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	-	-	-	-	-
Transfer to general reserve	-	-	-	(38.75)	38.75	-	-	-	-	-	-
Balance as at March 31, 2021	**84.98**	**86.75**	**14.28**	**-**	**191.73**	**0.95**	**3,053.89**	**10.14**	**28.76**	**(3.11)**	**3,468.37**
Balance as at April 01, 2021	**84.98**	**86.75**	**14.28**	**-**	**191.73**	**0.95**	**3,053.89**	**10.14**	**28.76**	**(3.11)**	**3,468.37**
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-	-	-
Restated balance as at April 01, 2021	**84.98**	**86.75**	**14.28**	**-**	**191.73**	**0.95**	**3,053.89**	**10.14**	**28.76**	**(3.11)**	**3,468.37**
Profit for the year	-	-	-	-	-	-	434.44	-	-	-	434.44
Other Comprehensive Income for the year	-	-	-	-	-	-	-	(1.78)	2.82	3.09	4.13
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**434.44**	**(1.78)**	**2.82**	**3.09**	**438.57**
Transactions with owners in their capacity as owner											
Dividends	-	-	-	-	-	-	(102.83)	-	-	-	(102.83)
Balance as at March 31, 2022	**84.98**	**86.75**	**14.28**	**-**	**191.73**	**0.95**	**3,385.50**	**8.36**	**31.58**	**(0.02)**	**3,804.11**

Note (a) Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.

Note (b) Securities premium is used to record the premium on issue of shares. The reserve utilized in accordance with the provisions of the Companies Act, 2013.

Note (c) Capital redemption reserve was created for redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.

Note (d) Debentures redemption reserve was created towards redemption of debentures. Accumulated amount was transferred to General reserves on account of repurchase of all outstanding debentures.

Note (e) General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

Note (f) Statutory reserve pertains to the Jointly Controlled Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Jointly Controlled Operation.

Note (g) Retained earnings represents accumulated profit as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

Note (h) The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in accounting policy Note 3.21

Note (i) Foreign currency translation reserve pertains to exchange difference arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy Note 3.7 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the net investment is disposed-off.

Note (j) Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

Notes

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NOTE 25 - BORROWINGS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current:		
Measured at amortised cost :		
Term loans*		
From banks		
Secured	45.62	21.94
Unsecured	150.00	150.00
	195.62	**171.94**

Term loans from banks* :

Secured :

₹ 45.62 crore (As at March 31, 2021 ₹ 21.94 crore) External Commercial Borrowing loan from State Bank of India the loan is secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil bussiness in India. Repayment terms is three equal yearly instalments starting from August, 2025. Interest rates ranges from 1.71900% to 2.06386% p.a. (previous year 1.77550% to 1.85613% p.a.)

Unsecured :

₹ 150 crore (As at March 31, 2021 ₹ 150 crore) unsecured Term loan from Axis Bank. Repayment terms is two equal half yearly instalments starting from September, 2023. The Fixed interest rate is 6.80% p.a.

As at March 31, 2022 and March 31, 2021, the Company was in compliance with all of its debt covenants for borrowings.

NOTE 26 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities (Refer Note 52)	31.76	4.37
	31.76	**4.37**

NOTE 27 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current:		
Provision for employee benefits		
- Gratuity (Refer Note 55)	8.98	8.57
	8.98	**8.57**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 28 - DEFERRED TAX LIABILITIES (NET)

28.1 Significant components of deferred tax liabilities (net) are as follows:

₹ in Crore

Particulars	Opening Balance (As at April 01, 2021)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Closing Balance (As at March 31, 2022)
Deferred tax (liabilities)/assets recognised in relation to :				
Property, plant and equipment and intangible assets	(43.28)	5.07	-	(38.21)
Undistributed earnings of jointly controlled operations	(41.94)	7.14	-	(34.80)
Allowance for doubtful debts, loans and advances	25.09	(4.61)		20.48
Expenses debited to the Statement of Profit and Loss allowable in subsequent years	12.54	(0.86)	-	11.68
Provision for expected loss on construction contracts, etc.	0.05	5.07	-	5.12
Deferred tax on account of IND AS 116 - (Refer Note 52)	0.65	-	-	0.65
Asset held for sale	0.82	-	-	0.82
Deferred tax (liabilities)/assets recognised	**(46.07)**	**11.82**	**-**	**(34.26)**
Deferred tax (liabilities)/assets in relation to OCI:				
Net (Gain) / Losses on Cash flow hedges	(3.40)	-	0.60	(2.80)
Exchange differences on translation of foreign jointly controlled operations	(6.71)	-	(0.30)	(7.01)
Remeasurement of defined benefit obligations	1.25	-	(0.92)	0.33
Deferred tax (liabilities)/Assets in relation to OCI	**(8.86)**	**-**	**(0.62)**	**(9.48)**
Deferred Tax (Liabilities)/Assets (net)	**(54.93)**	**11.82**	**(0.62)**	**(43.74)**

28.2 Significant components of deferred tax liabilities (net) as at March 31, 2021 are as follows:

₹ in Crore

Particulars	Opening Balance (As at April 01, 2020)	Recognised in Statement of Profit and Loss	Recognised in other comprehensive income (OCI)	Closing Balance (As at March 31, 2021)
Deferred tax (liabilities)/assets recognised in relation to :				
Deferred tax (liabilities) recognised in relation to :				
Property, plant and equipment and intangible assets	(50.73)	7.45	-	(43.28)
Undistributed earnings of jointly controlled operations	(49.25)	7.31	-	(41.94)
Allowance for doubtful debts, loans and advances	17.25	7.84	-	25.09
Expenses debited to the Statement of Profit and Loss allowable in subsequent years	8.34	4.20	-	12.54
Provision for expected loss on construction contracts, etc.	0.07	(0.02)	-	0.05
Deferred tax on account of IND AS 116	0.22	0.43	-	0.65
Asset held for sale	0.82	-	-	0.82
Deferred tax (liabilities)/assets recognised	**(73.28)**	**27.21**	**-**	**(46.07)**
Deferred tax (liabilities)/assets in relation to OCI:				
Net (Gain) / Losses on Cash flow hedges	9.71	-	(13.11)	(3.40)
Exchange differences on translation of foreign jointly controlled operations	(7.85)	-	1.14	(6.71)
Remeasurement of defined benefit obligations	1.86	-	(0.61)	1.25
Deferred tax (liabilities)/Assets in relation to OCI	**3.72**	**-**	**(12.58)**	**(8.86)**
Deferred Tax (Liabilities)/Assets (net)	**(69.56)**	**27.21**	**(12.58)**	**(54.93)**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 29 - OTHER NON CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current:		
Deferred Government Grant (Refer Note 69)*	0.47	-
	0.47	**-**

***Movement in Deferred Government Grant**

₹ in Crore

Particulars	As at March 31, 2022
Balance as at March 31, 2021	-
Add: Received during the year	0.50
Less: Recognised as income during the year	0.01
Less: Disclosed as other current liabilities (Refer Note 35)	0.02
Balance as at March 31, 2022	**0.47**

NOTE 30 - BORROWINGS

Particulars	As at March 31, 2022	As at March 31, 2021
I Loans repayable on demand		
From Banks		
Secured [Refer Note 30.1]	672.79	26.93
Unsecured [Refer Note 30.1]	-	100.00
II Other short term borrowings		
From Banks		
Secured [Refer Note 30.2 (a)]	545.36	766.27
Unsecured [Refer Note 30.2 (a)]	65.93	-
	611.29	**766.27**
From Other Parties		
Secured [Refer Note 30.2 (b)]	190.80	208.35
Unsecured [Refer Note 30.2 (b)]	768.28	497.57
	2,243.16	**1,599.12**

Note 30.1 Loans repayable on demand from banks :

Secured:

(i) ₹ 570.89 crore (As at March 31, 2021 ₹ 12.28 crore) secured by first charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 5% to 9.15% p.a. (previous year ranges from 5% to 9.15% p.a)

(ii) ₹ 1.90 crore (As at March 31, 2021 ₹ 1.85 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).

(iii) Nil (As at March 31, 2021 ₹ 12.80 crore), pertains to a jointly controlled operation at Saudi Arabia secured by assignment of certain book debt and irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 3.50% p.a to 4.50% p.a.

(iv) ₹ 100 crore (As at March 31, 2021 ₹ NIL), secured by GST receivable. The interest rates are in the ranges from 5.10% p.a. to 5.15% p.a.

Notes

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Unsecured:

i) Nil (As at March 31, 2021 ₹ 100 crore) Unsecured loan from Bank of India. The interest rate was 6.60% p.a.

Note 30.2 Other short-term borrowings

(a) **From Banks-secured**

(i) ₹ 502.48 crore (As at March 31, 2021 ₹ 698.50 crore) secured by security stated against Note 30.1 (i) above. The interest rates are in the ranges from 0.50% to 1.70% p.a. (previous year ranges from 0.50% to 3.50% p.a.)

(iii) ₹ 42.88 crore (As at March 31, 2021 ₹ 67.77 crore) loan secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 2.90% to 3.30% p.a. (previous year interest rate ranges between 2.95% to 3.20 % p.a)

Unsecured:

(i) ₹ 65.93 crore (As at March 31, 2021 Nil) unsecured purchase and service bill discouting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro and Small Enterprises vendors. The interest rates ranges from 4.39% to 6.50% p.a.

(b) **From Other Parties**

Secured:

(i) ₹ 190.80 crore (As at March 31, 2021 ₹ 208.35 crore) secured by security stated against Note 30.1(i) above. The interest rates are in the ranges from 3.05% to 3.75% p.a. (previous year ranges from 3.50% to 3.75% p.a.) (maturity are in ranges from 90 days to 180 days).

Unsecured:

(ii) ₹ 768.28 crore (As at March 31, 2021 ₹ 497.57 crore) being listed commercial papers which carries interest rate ranges between 4.53% p.a. to 5.18% p.a. (previous year 4.50% p.a. to 5.05% p.a.) (maturity ranges from 90 days to 180 days).

Note 30.3 The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts during current and previous years.

As at March 31, 2022 and March 31, 2021, the Company was in compliance with all of its debt covenants for borrowings.

NOTE 31 - LEASE LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Lease liabilities (Refer Note 52)	12.53	9.20
	12.53	**9.20**

NOTE 32 - TRADE PAYABLES

Particulars	As at March 31, 2022	As at March 31, 2021
Trade payables		
(i) Total outstanding dues of micro and small enterprises (Refer Note 32.1)	153.73	129.29
(ii) Total outstanding dues of creditors other than micro and small enterprises		
(a) Acceptance	2,162.61	1,523.47
(b) Others	3,938.24	4,188.27
	6,100.85	**5,711.74**
	6,254.58	**5,841.03**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 32.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the company.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) The principal amount remaining unpaid to supplier as at the end of accounting year	134.74	114.41
(b) The interest due thereon remaining unpaid to supplier as at the end of accounting year	1.34	1.35
(c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	17.65	13.53
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	4.11	4.98
(f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure.	18.99	14.88

Note 32.2: Trade payable ageing schedule

As at March 31, 2022

₹ in Crore

Particulars		Outstanding for following periods from due date of payments						
	Dispute Status	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total Outstanding
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	99.51	41.58	6.59	4.25	1.80	153.73
Other than Micro and Small enterprises	Disputed	-	0.38	0.01	0.23	0.05	0.33	1.00
	Undisputed	1,144.35	2,152.90	531.24	29.93	39.10	39.72	3,937.24
Acceptances		-	2,162.61	-	-	-	-	2,162.61
Total		**1,144.35**	**4,415.40**	**572.83**	**36.75**	**43.40**	**41.85**	**6,254.58**

As at March 31, 2021

₹ in Crore

Particulars		Outstanding for following periods from due date of payments						
	Dispute Status	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total Outstanding
Micro and Small enterprises	Disputed	-	-	-	-	-	-	-
	Undisputed	-	64.09	50.18	11.21	1.11	2.70	129.29
Other than Micro and Small enterprises	Disputed	-	2.09	1.13	0.84	1.98	5.85	11.89
	Undisputed	2,044.16	1,262.53	491.56	142.61	65.47	170.05	4,176.38
Acceptances		-	1,523.47	-	-	-	-	1,523.47
Total		**2,044.16**	**2,852.18**	**542.87**	**154.66**	**68.56**	**178.60**	**5,841.03**

NOTE 33 - OTHER FINANCIAL LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Interest accrued but not due on borrowings	2.45	2.10
(b) Unpaid / unclaimed dividends #	3.01	2.70
(c) Other payables:		
- Interest accrued on acceptances	0.72	0.39
- Payable towards purchase of property, plant and equipment	16.40	5.27
- Directors' commission	6.39	9.38
	23.51	**15.04**
	28.97	**19.84**

#The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 34 - CONTRACT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Amount due to customers for contract work	776.56	670.00
(ii) Advance from customer	1,437.08	1,288.77
(iii) Interest on customer advance	31.53	8.23
	2,245.17	**1,967.00**

NOTE 35 - OTHER CURRENT LIABILITIES

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Advances against assets classified as held for sale (Refer Note 22.1)	9.41	9.41
(b) Other payables:		
- Statutory remittances (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.)	88.80	60.96
- Liability towards Corporate Social Responsibility (Refer Note 60)	3.13	4.27
- Deferred Government Grant (Refer Note 69)	0.02	-
- Others	-	0.17
	91.95	**65.40**
	101.36	**74.81**

NOTE 36 - PROVISIONS

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Provision for employee benefits		
- Compensated absences (Refer Note 55)	36.84	34.71
- Gratuity (Refer Note 55)	0.94	0.83
	37.78	**35.54**
(b) Provision - others :		
- Provision for litigation claims (Refer Note 36.1 and 36.2)	19.78	21.02
- Provision for foreseeable losses on construction contracts (Refer Note 36.3)	24.24	3.52
	44.02	**24.54**
	81.80	**60.08**

Note: 36.1

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	21.02	25.58
Additions	0.11	6.36
Reversals	0.80	10.92
Effect of translation adjustment (gain) / loss	0.55	-
Closing balance	**19.78**	**21.02**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note: 36.2

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the company. The same is challenged by the company before Hon'ble Delhi High Court. The balance provision relates to various cases of Income Tax, Indirect taxes and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

Note 36.3 Movement in Provision for foreseeable losses on construction contracts

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Opening balance	3.52	2.83
Additions	23.49	1.66
Reversals	2.78	1.01
Effect of translation adjustment (gain) / loss	0.01	0.04
Closing balance	**24.24**	**3.52**

NOTE 37 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax liabilities less payments	75.49	115.68
	75.49	**115.68**

NOTE 38 - REVENUE FROM OPERATIONS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Sale of products (Refer Note 51)		
- Towers and structurals	97.46	222.08
- Cables	859.09	764.73
	956.55	**986.81**
(b) Construction contracts revenue (Refer Note 51)		
- Transmission and distribution	5,522.99	6,048.71
- Other EPC	5,882.95	4,691.98
	11,405.94	**10,740.69**
(c) Sale of services (Refer Note 51)		
- Tower testing and design revenue	14.75	19.60
- Operating and maintenance revenue	8.53	6.34
	23.28	**25.94**
(d) Other operating revenue		
- Scrap sales	176.00	94.86
- Others	11.50	3.49
	187.50	**98.35**
	12,573.27	**11,851.79**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 39 - OTHER INCOME

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
(a) Interest income earned on financial assets that are not designated at fair value through profit or loss:		
(i) Bank deposits (at amortised cost)	1.12	0.42
(ii) Other financial assets carried at amortised cost	2.33	3.87
	3.45	**4.29**
(b) Interest income earned on other assets		
(i) Excise and VAT refund	0.19	0.07
(ii) Income tax refund	5.00	0.30
	5.19	**0.37**
(c) Dividend income from equity instruments		
- in Subsidiary	1.51	-
(d) Government Grant (Refer Note 69)	0.16	-
(e) Other non-operating income:		
- Guarantee charges	6.88	4.77
- Profit on sale of property, plant and equipment (net)*	0.86	8.02
- Miscellaneous income	0.95	10.57
	8.69	**23.36**
	19.00	**28.02**

** Previous year figure includes ₹ 7.05 crore as profit on sale of land*

NOTE 40 - COST OF MATERIALS CONSUMED

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Cost of materials consumed (including project bought outs)	5,248.64	4,845.99
	5,248.64	**4,845.99**

NOTE 41 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Opening stock		
Finished goods	183.22	160.34
Work-in-progress	37.28	56.58
	220.50	**216.92**
Less: Closing stock		
Finished goods	200.00	183.22
Work-in-progress	20.63	37.28
	220.63	**220.50**
	(0.13)	**(3.58)**

NOTE 42 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Erection / construction materials consumed	1,157.56	1,032.54
Stores consumed	62.00	40.46
Sub-contracting expenses	2,598.43	2,393.70
Power, fuel and water charges	45.09	28.10
Construction transport	121.99	102.41
Machinery hire charges	186.69	120.67
Others	198.41	173.02
	4,370.17	**3,890.90**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 43 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Salaries and wages	780.20	699.97
Contribution to provident fund and other funds	32.34	33.19
Staff welfare expenses	37.29	34.21
	849.83	**767.37**

NOTE 44 - FINANCE COSTS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Interest expense for financial liabilities not classified at FVTPL	262.30	234.60
Interest expense on lease liabilities	1.71	1.46
Other borrowing costs (processing fees, etc.)	5.29	5.29
	269.30	**241.35**

NOTE 45 - DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Depreciation on property, plant and equipment (Refer Note 5)	83.85	81.13
Depreciation on Right-of-use Assets (Refer Note 6)	13.61	14.71
Amortisation of intangible assets (Refer Note 8)	25.86	25.94
	123.32	**121.78**

NOTE 46 - OTHER EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Tools, non-erection stores and maintenance spares	14.18	14.84
Power and fuel	43.16	36.19
Rent	41.43	36.58
Rates and taxes, excluding taxes on income (net)	57.00	57.52
Insurance	100.58	84.77
Bank (guarantee, letter of credit and other) charges	89.29	91.76
Commission	20.94	58.51
Freight and forwarding (net)	234.29	287.39
Repairs to buildings	1.54	1.41
Repairs to plant and equipment	9.26	9.10
Repairs to other property, plant and equipment	15.65	11.28
Travelling and conveyance	84.08	64.73
Payment to statutory auditors (net of Goods and Service Tax input credit, where applicable)		
- as auditors (for audit of financial statements and limited reviews)	1.92	1.17
- for tax audit	0.08	0.08
- for certification work	0.75	1.71
- for reimbursement of expenses	0.01	0.02
	2.76	**2.98**
Professional fees	99.03	109.70
Bad debts, loans and advances written off	6.99	51.48
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	(17.67)	(9.05)
	(10.68)	**42.43**
Allowance for bad and doubtful debts, loans and advances (net)	18.44	40.62
Directors' fees	0.71	0.61
Loss on property, plant and equipment discarded	0.67	0.86
Net gain on foreign currency transactions (Refer Note 46.2)	(57.37)	(14.81)
Corporate Social Responsibility (Refer Note 60)	13.73	11.81
Miscellaneous expenses (Refer Note 46.1)	196.75	171.10
	975.44	**1,119.38**

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 46.1: Miscellaneous expenses shown above include fees of ₹ 1.92 crore (Previous year ₹ 1.98 crore) paid to branch auditors, fees of ₹ 0.40 crore for auditors of jointly controlled operations (Previous year ₹ 0.29 crore) and fees of ₹ 0.07 crore (Previous year ₹ 0.07 crore) paid to the cost auditors.

Note 46.2: Net gain on foreign currency transactions includes gain on derivative instruments ₹ 17.23 crore (Previous year gain ₹ 1.20 crore)

NOTE 47 - EXCEPTIONAL ITEMS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Trade receivable written off (Refer Note 63)	43.64	-
Provision for Impairment of Investment in Subsidiaries (Refer Note 9.5)	99.20	-
	142.84	**-**

NOTE 48 - INCOME TAX RECOGNISED IN STATEMENT OF PROFIT AND LOSS

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Current tax		
In respect of the current year	193.02	273.61
In respect of prior years	(2.78)	4.13
	190.24	**277.74**
Deferred tax		
In respect of the current year	(4.92)	(27.21)
In respect of prior years	(6.90)	-
	(11.82)	**(27.21)**
Total income tax expense recognised in the Statement of Profit and Loss	**178.42**	**250.53**

Note 48.1: The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit after exceptional items and before tax	612.86	896.62
Indian Statutory income tax rate	25.17%	25.17%
Income tax expense	154.26	225.68
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	1.92	4.04
Provision towards impairment in value of investments	24.97	-
Corporate social responsibility expenditure	3.45	1.97
Donation	-	1.38
Tax effect of amounts taxable at lower tax rates/ different tax rates	1.36	6.14
Foreign Tax credit not available	2.14	7.19
	188.10	**246.40**
Adjustments recognised in the current year in relation to the tax of prior years	(9.68)	4.13
Income tax expense in Statement of Profit and Loss	**178.42**	**250.53**

The tax rate used for the financial years 2021-22 and 2020-21 reconciliations above is the corporate tax rate of 25.17 % payable by the corporate entities in India on taxable profits under the Indian tax law.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

Note 48.2: Income tax recognised in other comprehensive income

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Deferred tax		
Arising on income and expenses recognised in other comprehensive income:		
- Translation of foreign operations	(0.30)	1.14
- Net gain on designated portion of hedging instruments	0.60	(13.11)
- Remeasurement of defined benefits obligations	(0.92)	(0.61)
Total income tax recognised in other comprehensive income	**(0.62)**	**(12.58)**
Bifurcation of the income tax recognised in other comprehensive income into :		
- Items that will not be reclassified to profit or loss	(0.92)	(0.61)
- Items that will be reclassified to profit or loss	0.30	(11.97)
	(0.62)	**(12.58)**

NOTE 49 - EARNINGS PER SHARE

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
	(₹ Per Share)	(₹ Per Share)
(a) Basic earnings per share	16.90	25.13
(b) Diluted earnings per share	16.90	25.13

Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Profit for the year attributable to the equity share holders of the Company	434.44	646.09
Earnings used in the calculation of basic/ diluted earnings per share	**434.44**	**646.09**

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Weighted average number of equity shares for the purpose of basic / diluted earnings per share	257,088,370	257,088,370

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 50 - JOINTLY CONTROLLED OPERATIONS

Details of the Company's Jointly Controlled Operations are as under:

Particulars		Ownership Interest As at March 31, 2022	Ownership Interest As at March 31, 2021
a)	Jointly Controlled Operations		
i	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 50 (b)(i)]	51.10%	51.10%
ii	EJP KEC Joint Venture, South Africa	50.00%	50.00%
iii	KEC – ASSB JV, Malaysia	67.00%	67.00%
iv	KEC – ASIAKOM – UB JV	60.00%	60.00%
v	KEC – ASIAKOM JV	51.00%	51.00%
vi	KEC – DELCO – VARAHA JV	80.00%	80.00%
vii	KEC – VARAHA – KHAZANA JV	80.00%	80.00%
viii	KEC – VALECHA – DELCO JV	51.00%	51.00%
ix	KEC – SIDHARTH JV	80.00%	80.00%
x	KEC – TRIVENI – KPIPL JV	55.00%	55.00%
xi	KEC – UNIVERSAL JV	80.00%	80.00%
xii	KEC – DELCO – DUTSAN JV	51.00%	51.00%
xiii	KEC – ANPR – KPIPL JV	60.00%	60.00%
xiv	KEC – PLR – KPIPL JV	55.00%	55.00%
xv	KEC – BJCL JV	51.00%	51.00%
xvi	KEC – KIEL JV	90.00%	90.00%
xvii	KEC – ABEPL JV	90.00%	90.00%
xviii	KEC – TNR INFRA JV	51.00%	51.00%
xix	KEC – SMC JV	51.00%	51.00%
xx	KEC – WATERLEAU JV	51.00%	51.00%
xxi	KEC – CCECC JV (RAILWAY)	74.00%	74.00%
xxii	KEC – CCECC JV (CIVIL)	74.00%	74.00%
xxiii	CCECC – KEC JV (CIVIL)	98.50%	98.50%
xxiv	LONGJIAN – KEC JV	98.50%	98.50%
xxv	MBPL – KEC JV	49.00%	49.00%
xxvi	VNC – KEC JV	49.00%	49.00%
xxvii	HCC – KEC CONSORTIUM	49.00%	-
xxviii	KEC – VNC CONSORTIUM	50.00%	-
xxix	KEC – SPML JV	70.00%	-

b) (i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which hold 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation.

In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

ii) The Company account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above.

Accordingly, the Company has recognised its share in total income from operations ₹ 1,346.18 crore (for the year ended March 31, 2021 ₹ 1,129.84 crore), total expenditure (including tax) ₹ 1,332.01 crore (for the year ended March 31, 2021 ₹ 1,103.17 crore), total assets as at March 31, 2022 ₹ 1,251.99 crore (as at March 31, 2021 ₹ 987.25 crore) and total liabilities as at March 31, 2022 ₹ 1,063.23 crore (as at March 31, 2021 ₹ 821.78 crore) in Jointly Controlled Operations.

iii) The Company has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Company has recognised revenue, expenses, assets and liabilities related to its own share of work in financials and respective financials of these JVs are not considered for the purpose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

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NOTE 51 - REVENUE FROM CONTRACTS WITH CUSTOMERS

51.1 Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company derives revenue from the transfer of goods and services in the following major product lines and geographical regions:

₹ in Crore

For the year ended March 31, 2022	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Total
Segment revenue							
- India	2,496.98	4,184.25	2,470.09	1,372.88	15.51	51.26	10,590.97
- UAE	221.26	-	-	0.43	-	-	221.69
- Brazil, Mexico & USA	0.45	-	-	-	-	-	0.45
- Geographies other than above	3,120.94	-	-	113.90	0.01	-	3,234.85
Less: Inter-segment (SBU) revenue							
- India	0.49	381.06	582.42	628.13	-	-	1,592.10
- UAE	0.19	-	-	-	-	-	0.19
- Brazil, Mexico & USA	-	-	-	-	-	-	-
- Geographies other than above	69.90	-	-	-	-	-	69.90
Revenue from external customers	**5,769.05**	**3,803.19**	**1,887.67**	**859.08**	**15.52**	**51.26**	**12,385.77**
Timing of revenue recognition							
- At a point in time	111.21	-	2.68	859.08	6.86	-	979.83
- Over time	5,657.84	3,803.19	1,884.99	-	8.66	51.26	11,405.94
	5,769.05	**3,803.19**	**1,887.67**	**859.08**	**15.52**	**51.26**	**12,385.77**

₹ in Crore

For the year ended March 31, 2021	Transmission & Distribution	Railways	Civil	Cables	Solar	Smart Infra	Total
Segment revenue							
- India	2,342.54	3,388.86	1,078.38	921.10	127.61	52.88	7,911.37
- UAE	622.48	-	-	4.93	-	-	627.41
- Brazil, Mexico & USA	2.96	-	-	-	-	-	2.96
- Geographies other than above	3,352.58	-	-	119.07	20.21	-	3,491.86
Less: Inter-segment (SBU) revenue							
- India	0.13	4.33	3.65	257.73	-	-	265.84
- UAE	-						-
- Brazil, Mexico & USA	-	-	-	-	-	-	-
- Geographies other than above	14.32	-	-	-	-	-	14.32
Revenue from external customers	**6,306.11**	**3,384.53**	**1,074.73**	**787.37**	**147.82**	**52.88**	**11,753.44**
Timing of revenue recognition							
- At a point in time	238.76	-	2.57	764.73	6.69	-	1,012.75
- Over time	6,067.35	3,384.53	1,072.16	22.64	141.13	52.88	10,740.69
	6,306.11	**3,384.53**	**1,074.73**	**787.37**	**147.82**	**52.88**	**11,753.44**

The Company recognised revenue amounting to ₹ 345.13 crore (for the year ended March 31, 2021, ₹ 317.48 crore) in the current reporting period that was included in the Amount due to customers for contract work balance as of March 31, 2021.

51.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2022 is ₹ 21,137 crore (for the year ended March 31, 2021 ₹ 17,685 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2022 will be recognised as revenue during next reporting period depending upon the progress on each contract.

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The remaining amount is expected to be recognised in subsequent years, with largely in year 2.

The amount disclosed above does not include variable consideration.

51.3 There are no reconciliation items of revenue recognised from contracts with customers and contract price.

51.4 In case of transmission and distribution projects, where the goods are procured from a third party, the Company makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Company is significantly involved in designing and manufacturing the procured material and there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

NOTE 52 - LEASES

₹ in Crore

	Particulars	As at March 31, 2022	As at March 31, 2021
(i)	**The Balance sheet shows the following amounts relating to leases:**		
	Right-of-use assets (Refer Note 6)		
	Buildings	30.78	9.21
	Plant & Machinery	0.24	1.72
	Vehicles	0.06	0.63
	Land	48.90	38.16
		79.98	**49.72**
	Lease liabilities		
	Current (Refer Note 31)	12.53	9.20
	Non-current (Refer Note 26)	31.76	4.37
		44.29	**13.57**

		For the Year ended March 31, 2022	For the Year ended March 31, 2021
(ii)	**Amounts recognised in statement of profit and loss**		
	Depreciation charge on Right-of-use assets (Refer Note 6)		
	Buildings	9.91	11.65
	Plant & Machinery	0.94	1.38
	Vehicles	0.31	0.64
	Land	2.45	1.04
		13.61	**14.71**
(iii)	Interest expense included in finance cost	1.71	1.46
(iv)	Expense relating to short-term leases (included in other expenses)	41.41	36.77
(v)	Expense relating to leases of low-value assets that are not shown above as short-term leases	-	-
(vi)	Expense relating to variable lease payments not included in lease liability	0.01	0.03
(vii)	Amount recognised in profit and loss arising from rent concessions (Refer Note 52.1)-(gain)/loss	-	(0.03)

a. Total cash outflow for leases during current financial year is ₹ 14.77 crore (Previous year ₹ 14.34 crore)

b. Additions to the right-of-use assets during the current financial year is ₹ 44.92 crore (Previous year ₹ 4.74 crore)

c. There are no sale and leaseback transactions.

d. Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.

e. Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.

f. When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 7.25% (Previous year: 8.75%)

Note 52.1

The Company has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

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NOTE 53 - FINANCIAL INSTRUMENTS

53.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Company consists of net debt (borrowings as detailed in Notes 25 and 30 offset by cash and bank balances in Notes 16 and 17) and total equity of the Company.

The Company is not subject to any externally imposed capital requirements.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Gearing ratio

The gearing ratio at end of the reporting period is as follows.

₹ in Crore

Particulars		As at March 31, 2022	As at March 31, 2021
Debt *	A	2,441.23	1,773.16
Cash and bank balances	B	210.46	182.10
Net debt (C)	C=A-B	2,230.77	1,591.06
Total equity	D	3,855.53	3,519.79
Net debt to equity ratio (E)	**E=C/D**	**0.58**	**0.45**

** Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 25 and 30 and includes interest accrued but not due on borrowings.*

53.2 Categories of financial instruments

₹ in Crore

Particulars	As at March 31, 2022			As at March 31, 2021		
	FVPL	FVOCI	Amortised Cost	FVPL	FVOCI	Amortised Cost
Financial assets						
Non-current investment						
- Investment in equity instruments	-	★	-	-	★	-
Trade receivables#	-	-	5,180.79	-	-	5,393.90
Cash and bank balances	-	-	210.46	-	-	182.10
Loans	-	-	26.90	-	-	56.05
Other financial assets						
- Derivative instruments						
i) Forward exchange contracts**	13.04	4.21	-	1.20	11.70	-
ii) Over the counter (OTC) commodity derivative contracts%	-	7.23	-	-	1.70	-
- Others	-	-	107.22	-	-	137.00
Financial liabilities						
Borrowings	-	-	2,441.23	-	-	1,773.16
Trade payables	-	-	6,254.58	-	-	5,841.03
Other financial liabilities						
- Others	-	-	70.81	-	-	31.31

** less than rounding off norms adopted by the Company*

 # Trade receivables pledged as collateral for borrowings - Refer Notes 25 and 30

*** Includes impairment loss on MTM on forward contracts amounting to ₹ 0.02 crore.*

% Includes hedge ineffectiveness on commodity contracts amounting to ₹ 0.24 crore.

FVPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

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53.3 Financial risk management objectives

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

The Company seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Company has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Company does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

53.4 Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 53.5 and 53.10 below) and commodity price (see Note 53.8 below). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the price risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors.

53.5 Foreign currency risk management

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

Following is the foreign currency exposure of the Company:

₹ in Crore

Particulars	USD	EUR	Others	Total
As at March 31, 2022				
Assets	1,940.11	633.18	1,495.66	4,068.95
Liabilities	(1,471.24)	(191.44)	(566.21)	(2,228.89)
As at March 31, 2021				
Assets	1,973.44	591.96	1,701.19	4,266.59
Liabilities	(1,649.56)	(87.08)	(841.32)	(2,577.96)

53.6 Sensitivity for above exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of jointly controlled operations and branches whose functional currency is other than INR.

5% appreciation / depreciation in the functional currency of the Company, with respect to foreign currency, will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

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₹ in Crore

Exposure to currencies	Change in rate	Impact on profit before tax		Impact on equity	
		For the year ended March 31, 2022	For the year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
USD	+5%	(16.10)	(17.27)	(7.34)	1.07
	-5%	16.10	17.27	7.34	(1.07)
EUR	+5%	(22.13)	(25.27)	0.04	0.03
	-5%	22.13	25.27	(0.04)	(0.03)
Others	+5%	(34.05)	(32.22)	(12.42)	(10.77)
	-5%	34.05	32.22	12.42	10.77

53.7 Forward exchange contracts

The Company has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Company mainly uses forward contracts to manage the foreign currency risk.

The following table details the foreign currency (FC) forward contracts outstanding at the end of the reporting period:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets /(liabilities) (₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Buy USD/INR						
Less than 3 months	0.03	0.42	2.16	31.09	(0.01)	0.02
Sell USD/INR						
Less than 3 Months	1.66	-	125.87	-	1.13	-
3 to 6 months	1.10	1.76	83.42	131.73	0.44	(0.36)
More than 6 Months	8.23	3.76	623.67	286.66	2.90	0.86
Sell EURO / USD						
Less than 3 Months	0.86	0.27	72.54	22.78	1.30	(0.31)
3 to 6 months	-	2.05	-	177.28	-	0.46
More than 6 Months	1.64	2.55	138.03	222.73	4.13	2.68
Sell EURO / INR						
Less than 3 Months	1.24	0.31	104.48	27.91	3.58	1.11
More than 6 Months	0.91	2.83	76.73	255.09	1.10	0.08
Buy EURO / INR						
Less than 3 Months	0.01	-	0.66	-	(0.00)	-
Buy USD / MYR						
3 to 6 months	-	1.29	-	22.46	-	(0.20)
Buy JPY / INR						
Less than 3 months	-	79.95	-	55.47	-	(2.34)
3 to 6 months	-	5.26	-	3.81	-	(0.27)
BUY JPY / USD						
Less than 3 months	0.62	54.11	0.39	36.83	(0.91)	(1.05)
3 to 6 months	0.57	57.82	0.35	39.99	(0.62)	(1.76)
BUY GBP / USD						
Less than 3 months	-	0.20	-	17.94	-	2.27
Sell AUD/USD						
Less than 3 months	-	0.01	-	0.37	-	(0.00)
Sell AUD/INR						
Less than 3 months	-	0.02	-	0.94	-	0.01
Total					**13.04**	**1.20**

The line-items in the balance sheet that include the above instruments are "Other financial assets".

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For the year ended March 31, 2022, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Statement of Profit and Loss is ₹ 60.07 crore (for the year ended March 31, 2021: ₹ 11.96 crore).

In respect of the Company's foreign currency forward contract (buy), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate loss/(gain) of (₹ 2.99 crore) / ₹ 6.51 crore and loss of ₹ 1.58 crore / ₹ 4.59 crore for the year ended March 31, 2022 and the year ended March 31, 2021 respectively, in the Company's Statement of Profit and Loss.

In respect of the Company's foreign currency forward contract (sell), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of (₹ 47.89 crore) / ₹ 77.07 crore and (loss) /gain of (₹ 51.48 core) / ₹ 59.70 crore for the year ended March 31, 2022 and the year ended March 31, 2021 respectively, in the Company's Statement of Profit and Loss.

The Company has designated following forward contracts as cash flow hedges which are outstanding as under:

Outstanding contracts	Foreign currency (FC in Crore)		Nominal amounts (₹ in Crore)		Change in fair value assets /(liabilities) (₹ in Crore)	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Sell USD/INR						
Less than 3 months	0.60	0.40	45.47	30.30	0.73	0.73
More than 6 Months	1.10	-	83.37	-	0.93	-
Buy USD/INR						
Less than 3 months	0.80	-	60.63	-	(0.35)	-
Sell EUR/INR						
Less than 3 months	0.40	1.19	33.64	108.97	3.19	5.66
More than 6 Months	1.00	1.49	84.10	139.21	(0.29)	5.31
				Total	**4.21**	**11.70**

The line-items in the balance sheet that include the above instruments is "Cash-flow hedge reserve".

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

₹ in Crore

Year	Risk Hedged	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
March 31, 2022	Foreign exchange risk	5.62	0.03	13.11	Revenue
March 31, 2021	Foreign exchange risk	34.51	-	18.28	Revenue

In respect of the Company's foreign currency forward contract (Buy), a 5% appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of ₹ 3.45 crore / (₹ 2.74 crore) for the year ended March 31, 2022 in the Company's Statement of Other Comprehensive Income.

In respect of the Company's foreign currency forward contract (sell), a 5 % appreciation/depreciation of the foreign currency underlying such contracts would have resulted in an approximate (loss) / gain of (₹ 8.40 crore) / ₹ 17.53 crore and (loss) /gain of (₹ 1.71 crore) / ₹ 24.96 crore for the year ended March 31, 2022 and for the year ended March 31, 2021, in the Company's Statement of Other Comprehensive Income.

53.8 Commodity price risk

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

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Outstanding commodity contracts :

₹ in Crore

Cash flow hedges (Buy Commodity Contracts)		Foreign currency (USD in Crore)				Nominal Amount (₹ in Crore)				Fair value assets / (liabilities) (₹ in Crore)			
		Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead	Aluminium	Copper	Zinc	Lead
As at March 31, 2022	**Less than 3 months**	**0.39**	**1.22**	**-**	**0.07**	**29.07**	**90.58**	**-**	**5.20**	**0.64**	**4.74**	**-**	**0.24**
	3 to 6 months	**0.05**	**0.17**	**-**	**0.05**	**3.70**	**12.95**	**-**	**3.44**	**0.21**	**1.14**	**-**	**0.26**
As at March 31, 2021	**Less than 3 months**	0.31	0.59	0.18	0.10	22.83	43.89	13.40	7.35	1.23	(0.31)	0.68	(0.16)
	3 to 6 months	-	-	0.01	0.01	-	-	0.74	0.68	-	-	0.31	(0.05)

In respect of the Company's commodity derivative contracts, a 10% appreciation/depreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of ₹ 14.97 crore / (₹ 0.50 crore) and an approximate gain/(loss) of ₹ 10.62 crore / (₹ 7.16 crore) in the Statement of Other Comprehensive Income for the year ended March 31, 2022 and for the year ended March 31, 2021 respectively.

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

₹ in Crore

Year	Risk hedged	Change in the value of the hedging instrument recognised in other comprehensive income/(loss)	Hedge ineffectiveness recognised in statement of profit and loss	Amount reclassified from cash flow hedging reserve to statement of profit and loss	Line item affected in statement of profit and loss because of the reclassification
March 31, 2022	Commodity price risk	37.06	0.38	31.15	Cost of materials consumed
March 31, 2021	Commodity price risk	110.07	*	74.33	Cost of materials consumed

** less than rounding off norms adopted by the company.*

53.9 Credit risk management

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

Credit period varies as per the contractual terms with the customers.

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

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

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Refer Note 10, 11,15 and 20 for ECL provisioning and its movement on financial assets carried at amortised cost.

Concentration risk: As at the year ending March 31, 2022, only one customer is exceeding 10% of the Company's total trade receivables, which were two as at March 31, 2021.

In addition the Company is exposed to credit risk in relation to financial guarantees given by the Company on behalf of its subsidiaries and jointly controlled operations (net of Company's share). The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2022 is ₹ 925.64 crore (as at March 31, 2021; ₹ 225.95 crore). These financial guarantees have been issued to the banks / customers on behalf of the subsidiaries and jointly controlled operations under the agreements entered into by the subsidiaries/ jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Company considers the likelihood of any claim under the guarantee is remote.

Cash and cash equivalents:

As at the year end, the Company held cash and cash equivalents of ₹ 156.50 crore (March 31, 2021 ₹ 133.06 crore). The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

Derivatives:

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

Other financial assets:

Other financial assets are neither past due nor impaired.

53.10 Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates.

The Company's exposures to interest rates changes at the end of the reporting period are as follows.

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Variable rate instruments (including interest bearing acceptances)	2,890.70	2,347.68
Fixed rate instruments	1,710.69	946.85
Total	**4,601.39**	**3,294.53**

53.11 Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's :

Profit for the year ended March 31, 2022 would decrease/increase by ₹ 14.45 Crore (for the year ended March 31, 2021: decrease/ increase by ₹ 11.74 Crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

During the year, the Company's sensitivity in interest rate has increased due to increase in variable debt instruments compared to last year.

53.12 Liquidity risk management

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

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The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

₹ in Crore

Particulars	Less than 1 year	1-3 Years	3-5 Years	Total	Carrying Amount
As at March 31, 2022					
Interest bearing liabilities	4,405.77	150.00	45.62	4,601.39	4,601.39
Lease liabilities	14.81	23.36	11.72	49.89	44.29
Trade payables	4,091.97	-	-	4,091.97	4,091.97
Other financial liabilities	28.97	-	-	28.97	28.97
Total	**8,541.52**	**173.36**	**57.34**	**8,772.22**	**8,766.62**
As at March 31, 2021					
Interest bearing liabilities	2,974.64	297.96	21.94	3,294.54	3,294.54
Lease liabilities	4.37	8.91	0.29	13.57	13.57
Trade payables	4,317.56	-	-	4,317.56	4,317.56
Other financial liabilities	19.84	-	-	19.84	19.84
Total	**7,316.41**	**306.87**	**22.23**	**7,645.51**	**7,645.51**

The Company has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 8,274.64 crore as at March 31, 2022 (₹ 8,387.62 crore as at March 31, 2021).

53.13 Fair value measurements

This note provides information about how the Company determines fair values of various financial assets and financial liabilities. Fair value of the Company's financial assets and financial liabilities are measured on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

Financial assets / financial liabilities	Fair values as at		Fair value hierarchy	Valuation technique(s) and key input(s)
	March 31, 2022	March 31, 2021		
1) Foreign currency forward contracts not designated in hedge accounting relationships	Asset- ₹ 13.04	Asset- ₹ 1.20	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
2) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Sales using foreign currency forward contracts)	Asset - ₹ 4.21	Asset - ₹ 11.70	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate.
3) Derivative instruments (Derivative instruments in designated hedge accounting relationships (Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts)	Asset - ₹ 7.23	Asset - ₹ 1.70	Level 2	Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate.

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NOTE 54 - RESEARCH AND DEVELOPMENT EXPENSES

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Revenue expenses charged to Statement of Profit and Loss (including depreciation on Property, plant and equipment)	31.20	23.93
Expenditure capitalised during the year	-	-

NOTE 55 - EMPLOYEE BENEFIT PLANS

Brief description of the plans

1 **Defined contribution plans**

(A) **Superannuation**

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Company makes yearly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

(B) **Provident Fund**

The Company makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore and Vadodara. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

2 **Defined Benefit Plans**

(A) **Gratuity**

(i) **Company & it's Jointly Controlled Operations**

The Company & it's jointly controlled operations in India (i.e. CCECC-KEC JV & Longjian-KEC JV) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(ii) **Jointly Controlled operation in Saudi (Al Sharif JV)**

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits payable are as under:

For Service Less Than 5 years	1/2 * Service * Applicable salary
For Service More Than 5 years	First Five Years: 1/2 * Service * Applicable Salary Beyond 5 Years: Service * Applicable Salary

In respect of the plan in India [the Company and it's jointly controlled operations in India (i.e. CCECC-KEC JV & Longjian-KEC JV)] and jointly controlled operation in Saudi, the most recent actuarial valuation of the present value of the defined benefit obligation were carried out as at March 31, 2022 by an actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

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(B) Provident Fund

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

These plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest rate risk	A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.
Salary risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Details of defined contribution plan

The Company has recognised following amounts in the statement of profit and loss:

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Superannuation Fund	0.91	1.01
Provident Fund	3.36	4.00
Employees' Pension Scheme	8.55	8.20
Employees' State Insurance Corporation	0.14	0.21
Admin charges - PF, ESIC	0.68	0.51

Details of defined benefit plans

(A) Gratuity

₹ in Crore

		Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
I		**Components of defined benefit cost**		
	1	Current service cost	6.89	7.05
	2	Interest cost on benefit obligation (Net)	(0.42)	0.22
	A	Total expenses included in Statement of Profit and Loss (P&L)	6.47	7.27
	3	Actuarial changes arising from changes in demographic assumptions	-	-
	4	Actuarial changes arising from changes in financial assumptions	(2.05)	1.39
	5	Actuarial changes arising from changes in experience adjustments	(1.70)	(3.41)
	6	Return on Plan Assets (excluding interest income)	(0.26)	(0.45)
	B	Total recognized in Other Comprehensive Income (OCI)	(4.01)	(2.47)
	C	Total defined benefit cost recognized in P&L and OCI	2.46	4.80
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(4.29)	(4.99)
	2	Actual Contributions	2.23	8.23
III		**Net asset/(liability) recognized in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligations	(58.27)	(56.43)
	2	Fair Value of Plan Assets	49.80	48.15
	3	Exchange fluctuation on account of conversion of Jointly Controlled Operation	(1.45)	(1.12)
	4	Net asset / (liability) recognized in the Balance Sheet	(9.92)	(9.40)
IV		**Change in Present Value of Defined Benefit Obligation during the year**		
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	56.43	53.32
	2	Current Service Cost	6.89	7.05
	3	Interest Cost	2.99	3.07
	4	Benefits paid	(4.29)	(4.99)
	5	Actuarial changes arising from changes in demographic assumptions	-	-
	6	Actuarial changes arising from changes in financial assumptions	(2.05)	1.39
	7	Actuarial changes arising from changes in experience adjustments	(1.70)	(3.41)
	8	Present Value of Defined Benefit Obligations as at the end of the year	58.27	56.43
V		**Change in Fair Value of Plan Assets during the year**		
	1	Plan Assets as at the beginning of the year	48.15	41.63
	2	Interest Income	3.45	2.85
	3	Actual Company Contributions	2.23	8.23
	4	Benefits paid	(4.29)	(4.99)
	5	Expected return on Plan Assets (excluding interest income)	0.26	0.43
	6	Plan Assets as at the end of the year	49.80	48.15

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₹ in Crore

				As at March 31, 2022	As at March 31, 2021
VI-A		**Actuarial Assumptions (Considered for the Company)**			
	1	Discount Rate		6.90%	6.40%
	2	Expected Return on plan assets		6.90%	6.40%
	3	Salary escalation Rate		8.00%	8.00%
	4	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	5	Disability		**5% of Mortality Rate**	
	6	Withdrawal (Rate of Employee Turnover)	Upto 30 years	17.00%	17.00%
			31-44 years	12.00%	12.00%
			45 years and above	11.00%	11.00%
VI-B		**Actuarial Assumptions (Considered for Jointlu Controlled Operation in Saudi)**		**As at March 31, 2022**	**As at March 31, 2021**
	1	Discount Rate		2.75%	1.60%
	2	Salary escalation Rate		7.00%	7.00%
	3	Mortality Table		**Implicit in Withdrawal**	
	4	Disability		**Implicit in Withdrawal**	
	5	Withdrawal (Rate of Employee Turnover)	Managers (M0 to M6)	10.00%	10.00%
			Others	15.00%	15.00%
VI-C		**Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV)**		**As at March 31, 2022**	**As at March 31, 2021**
	1	Discount Rate		7.30%	6.60%
	2	Salary escalation Rate		8.00%	6.00%
	3	Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	4	Disability		**5% of Mortality Rate**	
	5	Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.00%	7.00%
			31-44 years	7.00%	7.00%
			45 years and above	7.00%	7.00%

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₹ in Crore

			As at March 31, 2022	As at March 31, 2021
VI-D	**Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV)**			
	1 Discount Rate		7.50%	7.30%
	2 Salary escalation Rate		8.00%	6.00%
	3 Mortality Table		**Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult**	
	4 Disability		**5% of Mortality Rate**	
	5 Withdrawal (Rate of Employee Turnover)	Upto 30 years	7.00%	7.00%
		31-44 years	7.00%	7.00%
		45 years and above	7.00%	7.00%

VII **The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.**

VIII **The major categories of Plan Assets of the Company as a percentage of the total plan assets.**

Particulars	As at March 31, 2022	As at March 31, 2021
Equity	4.59%	4.19%
Debt	42.40%	44.92%
Money Market Investments	53.00%	50.89%

IX **Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2023 ₹ 6.57 crore**

X **Weighed Average duration of the Plan**

Considered for the Company	6 years	6 years
Considered for Jointly Controlled Operation in Saudi	7 years	7 years
Considered for Jointly Controlled Operation - CCECC-KEC JV	11 years	10 years
Considered for Jointly Controlled Operation - Longjian-KEC JV	12 years	11 years

₹ in Crore

Maturity profile of defined benefit obligation	As at March 31, 2022	As at March 31, 2021
1 Year 1	7.51	7.03
2 Year 2	12.79	11.62
3 Year 3	8.93	7.62
4 Year 4	8.37	8.05
5 Year 5	8.59	8.26
6 Next 5 years	44.42	41.49

₹ in Crore

Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation)	As at March 31, 2022	As at March 31, 2021
A. Discount rate		
Discount rate - 50 basis points	61.36	59.22
Discount rate + 50 basis points	58.16	55.97
B. Salary increase rate		
Salary rate - 50 basis points	58.34	56.13
Salary rate + 50 basis points	61.16	58.98
Demographic assumptions sensitivity analysis		
C. Withdrawal Rate		
Withdrawal Rate - 100 basis points	60.22	58.08
Withdrawal Rate + 100 basis points	59.26	57.01

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Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

XI **The following table shows a breakdown of the defined benefit obligation and plan assets by company:**

₹ in Crore

Particulars	As at March 31, 2022					As at March 31, 2021				
	Gratuity				Total	Gratuity				Total
	Company	Al Sharif JV	CCECC-KEC JV	Longjian-KEC JV		Company	Al Sharif JV	CCECC-KEC JV	Longjian-KEC JV	
(A) Present value of obligation	49.84	9.24	0.32	0.32	59.72	47.75	9.39	0.20	0.20	57.54
(B) Fair value of plan assets	49.80	-	-	-	49.80	48.15	-	-	-	48.15
(C) Total liability = (A) - (B)	**0.04**	**9.24**	**0.32**	**0.32**	**9.92**	**(0.40)**	**9.39**	**0.20**	**0.20**	**9.39**

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Crore

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021
Company's contribution to the provident fund	8.65	7.54

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

Particulars	As at March 31, 2022	As at March 31, 2021
a. Approach used	Deterministic	Deterministic
b. Discount Rate	6.90%	6.40%
c. Attrition Rate		
Upto 30 years	17.00%	17.00%
31 - 44 years	12.00%	12.00%
45 years and above	11.00%	11.00%
d. Weighted Average Yield	7.17%	8.06%
e. Weighted Average YTM	7.17%	8.06%
f. Reinvestment Period on Maturity	6 years	6 years
g. Mortality Rate	Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate	

3 Short term employee benefits (Compensated Absences)

The short term employee benefits cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 36.84 crore (as at March 31, 2021 ₹ 34.71 crore) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.

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NOTE 56 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

(A) Name and nature of relationship of the parties where control exists

Subsidiaries	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at March 31, 2022	As at March 31, 2021
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ – LLC, Ras UL Khaimah	UAE	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC Power India Private Limited	India	100	100
SAE Towers Holdings, LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brasil Torres de Transmissão Ltda	Brazil	100	100
SAE Prestadora de Services Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Engenharia E Construcao Ltda	Brazil	100	100
KEC Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC Towers LLC	UAE	100	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100
KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructre Private Limited) (w.e.f. October 13, 2021)	India	100	-
KEC EPC LLC (w.e.f. October 6, 2021)	UAE	100	-

(B) Details of related parties with whom transactions have taken place

Associate	Country of Incorporation	% age of ownership interest either directly or through subsidiaries	
		As at March 31, 2022	As at March 31, 2021
RP Goenka Group of Companies Employees Welfare Association	India	49	49

Subsidiaries

KEC Power India Private Limited
KEC Global FZ-LLC, Ras UL Khaimah
RPG Transmission Nigeria Limited
SAE Towers Mexico S de RL de CV, Mexico
SAE Towers Brasil Torres de Transmissão Ltda
KEC Towers LLC
KEC International (Malaysia) SDN BHD
KEC Investment Holdings, Mauritius
KEC Global, Mauritius
KEC Spur Infrastructure Private Limited
(formerly known as Spur Infrastructre Pvt. Ltd.) (w.e.f. October 13, 2021)
KEC EPC LLC (w.e.f. October 6, 2021)

Notes

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Key Management Personnel (KMP)

Mr. H. V. Goenka - Chairman
Mr. Vimal Kejriwal - Managing Director and CEO
Mr. Rajeev Aggarwal - Chief Financial Officer
Mr. Amit Kumar Gupta - Company Secretary
Mr. A. T. Vaswani - Non-Executive Director
Mr. D. G. Piramal - Non-Executive Director
Mr. G. L. Mirchandani - Non-Executive Director
Ms. Nirupama Rao - Non-Executive Director
Mr. R. D. Chandak - Non-Executive Director
Mr. S. M. Trehan - Non-Executive Director
Mr. Vinayak Chatterjee - Non-Executive Director (w.e.f. December 6, 2021)
Mr. Vikram Gandhi - Non-Executive Director
Mr. M. S. Unnikrishnan - Non-Executive Director

List of other related parties

Post - employment benefit plan

KEC International Ltd. Employees' Group Gratuity Scheme
KEC International Limited - Provident Fund
KEC International Ltd. Superannuation Scheme

Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited
B. N. Elias & Co. LLP
Palacino Properties LLP
RPG Life Sciences Limited
RPG Enterprises Limited
Raychem RPG Private Limited
Ceat Speciality Tyres Limited
Harrisons Malayalam Limited
Spencers and Company Limited
Zensar Technologies Limited
Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)
Summit Securities Ltd (holds 10.93 percent Equity Shares of the Company)

Notes

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(B) Transactions with the Related Parties

₹ in Crore

Transactions	As at March 31, 2022						As at March 31, 2021					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sale of Products		**52.72**		**1.00**		**53.72**		**62.70**		**1.52**		**64.22**
SAE Towers Brasil Torres de Transmissão Ltda		0.45				0.45						
KEC International (Malaysia) SDN. BHD.		9.42				9.42		55.51				55.51
KEC Towers LLC		42.85				42.85		7.19				7.19
CEAT Limited										0.74		0.74
CEAT Speciality Tyres Limited										0.62		0.62
Raychem RPG Private limited				1.00		1.00				0.16		0.16
Sale under Turnkey Contracts										**6.33**		**6.33**
CEAT Limited										6.33		6.33
Services rendered		**0.23**		**0.06**		**0.29**		**4.31**		**0.38**		**4.69**
SAE Towers Mexico S de RL de CV, Mexico								2.96				2.96
KEC Towers LLC		0.23				0.23						
KEC International (Malaysia) SDN. BHD.								1.35				1.35
CEAT Limited				0.06		0.06				0.12		0.12
RPG Life Sciences Limited										0.03		0.03
Swallow Associates LLP										0.02		0.02
Summit Securities Ltd.										0.05		0.05
RPG Enterprises Limited										0.16		0.16
Services received		**5.25**		**35.70**		**40.95**		**2.74**		**22.74**		**25.48**
KEC Spur Infrastructure Private Limited		5.25				5.25						
Raychem RPG Private Limited				0.02		0.02						
SAE Towers Mexico S de RL de CV, Mexico								2.74				2.74
CEAT Limited				5.90		5.90				5.95		5.95
RPG Enterprises Limited				29.77		29.77				16.77		16.77
Harrisons Malayalam Limited				0.01		0.01				0.02		0.02
Rent Income				**0.28**		**0.28**						
CEAT Limited				0.01		0.01						
RPG Life Sciences Limited				0.06		0.06						
Swallow Associates LLP				0.01		0.01						
Summit Securities Limited				0.05		0.05						
RPG Enterprises Limited				0.15		0.15						
Dividend Income		**1.51**				**1.51**						
KEC Global, Mauritius		1.51				1.51						

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₹ in Crore

Transactions	As at March 31, 2022						As at March 31, 2021					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Guarantees charges recovered		**6.56**				**6.56**		**4.26**				**4.26**
KEC International (Malaysia) SDN. BHD.		4.38				4.38		4.14				4.14
KEC Towers LLC		0.80				0.80		0.12				0.12
KEC EPC LLC		*				*						
SAE Towers Brasil Torres de Transmissão Ltda		1.38				1.38						
Purchase of goods		**352.35**		**16.14**		**368.49**		**79.23**		**10.30**		**89.53**
Raychem RPG Private limited				16.14		16.14				10.30		10.30
KEC Towers LLC		318.65				318.65		79.23				79.23
SAE Towers Mexico S de RL de CV, Mexico		2.03				2.03						
SAE Towers Brasil Torres de Transmissão Ltda		31.67				31.67						
Interest income		**0.97**				**0.97**		**3.80**				**3.80**
KEC Global FZ-LLC, Ras UL Khaimah		0.01				0.01		0.01				0.01
KEC Towers LLC		0.37				0.37		2.19				2.19
KEC Global, Mauritius		0.07				0.07		0.33				0.33
KEC Investment Holdings, Mauritius		-				-		1.18				1.18
KEC Spur Infrastructure Private Limited		0.22				0.22						
KEC International (Malaysia) SDN. BHD.		0.30				0.30		0.09				0.09
Rent & maintenance charges paid				**4.42**		**4.42**				**4.41**		**4.41**
Palacino Properties LLP				0.28		0.28				0.24		0.24
Spencer and Company Limited				4.14		4.14				4.14		4.14
Raychem RPG Private Limited										0.03		0.03
Compensation to Key Management Personnel												
Mr. Vimal Kejriwal - Managing Director & CEO			**8.17**			**8.17**			**7.19**			**7.19**
short-term employee benefits (including Bonus and value of perquisites)			7.80			7.80			6.86			6.86
post-employment benefits # $			0.37			0.37			0.33			0.33
Mr. Rajeev Aggarwal - Chief Financial Officer			**3.86**			**3.86**			**3.58**			**3.58**
short-term employee benefits (including Bonus and value of perquisites)			3.76			3.76			3.49			3.49
post-employment benefits # $			0.10			0.10			0.09			0.09
Mr. Amit Kumar Gupta - Company Secretary			**0.72**			**0.72**			**0.67**			**0.67**
short-term employee benefits (including Bonus and value of perquisites)			0.70			0.70			0.65			0.65
post-employment benefits # $			0.02			0.02			0.02			0.02

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

₹ in Crore

Transactions	As at March 31, 2022						As at March 31, 2021					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Sitting fees & Commission paid to Non-Executive Directors			**7.80**			**7.80**			**10.00**			**10.00**
Mr. H. V. Goenka			6.16			6.16			8.47			8.47
Mr. A. T. Vaswani			0.24			0.24			0.23			0.23
Mr. D. G. Piramal			0.18			0.18			0.17			0.17
Mr. G. L. Mirchandani			0.17			0.17			0.17			0.17
Ms. Nirupama Rao			0.17			0.17			0.17			0.17
Mr. R. D. Chandak			0.24			0.24			0.24			0.24
Mr. S. M. Trehan			0.24			0.24			0.24			0.24
Mr. Vinayak Chatterjee			0.06			0.06						
Mr. Vikram Gandhi			0.16			0.16			0.14			0.14
Mr. M. S. Unnikrishnan			0.18			0.18			0.17			0.17
Sale of Fixed Assets		**0.37**				**0.37**						
KEC Spur Infrastructure Private Limited		0.37				0.37						
Payments made/expenses incurred on behalf of related party	-	**3.75**		**0.27**		**4.02**		**6.27**				**6.27**
KEC Power India Private Limited		0.01				0.01		0.01				0.01
KEC Towers LLC		0.05				0.05		6.26				6.26
KEC Spur Infrastructure Private Limited		0.21				0.21						
RPG Life Sciences Limited				0.01		0.01						
RPG Enterprises Limited				★		★						
Summit Securities Limited				0.01		0.01						
Zensar Technologies Limited				★		★						
SAE Towers Mexico S de RL de CV, Mexico		3.48				3.48						
CEAT Limited				0.24		0.24						
Raychem RPG Private Limited				0.01		0.01						
Payments made/expenses incurred by related party	-	**0.01**		**0.23**		**0.24**		**1.86**				**1.86**
CEAT Limited				0.23		0.23						
KEC Spur Infrastructure Private Limited		0.01				0.01						
KEC Towers LLC								1.86				1.86
Advance / Loan Given		**26.91**				**26.91**		**40.99**				**40.99**
KEC International (Malaysia) SDN. BHD.		14.91				14.91						
KEC Towers LLC								40.99				40.99
KEC Spur Infrastructure Private Limited		12.00				12.00						

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

₹ in Crore

Transactions	As at March 31, 2022						As at March 31, 2021					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Advance / Loan Recovered		**26.28**				**26.28**		**0.85**				**0.85**
KEC Global, Mauritius		10.41				10.41						
KEC International (Malaysia) SDN. BHD.		3.09				3.09						
KEC Investment Holdings, Mauritius		3.92				3.92						
KEC Spur Infrastructure Private Limited		8.86				8.86						
KEC Towers LLC								0.85				0.85
Advance received towards project execution										**4.81**		**4.81**
CEAT Limited										4.81		4.81
Conversion of Loan into equity								**154.81**				**154.81**
KEC Investment Holdings, Mauritius								35.12				35.12
KEC Towers LLC								119.69				119.69
Contribution made					**11.01**	**11.01**					**15.49**	**15.49**
KEC International Limited Employee's Gratuity Fund					1.45	1.45					6.95	6.95
KEC International Limited Provident Fund					8.65	8.65					7.54	7.54
KEC International Limited Superannuation Fund					0.91	0.91					1.00	1.00
Investment made		**199.81**				**199.81**		**36.57**				**36.57**
KEC Towers LLC		10.04				10.04						
KEC Investment Holdings, Mauritius		189.77				189.77		36.57				36.57
Guarantees given on behalf of the related party		**833.59**				**833.59**		**617.31**				**617.31**
SAE Towers Brazil Torres de Transmissão Ltda		668.35				668.35		27.06				27.06
KEC Towers LLC		113.68				113.68		176.59				176.59
KEC EPC LLC		51.56				51.56						
KEC International (Malaysia) SDN. BHD.								413.66				413.66

★ less than rounding off norms adopted by the Company

 # excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

$ Including PF and other benefits.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

(C) Balances outstanding as at the year end

₹ in Crore

Balances	As at March 31, 2022						As at March 31, 2021					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Amount receivable/ (payable)		**(86.84)**	**(7.10)**	**16.54**	**(0.04)**	**(77.44)**		**(15.20)**	**(9.38)**	**7.12**	**0.40**	**(17.06)**
KEC Investment Holdings, Mauritius								3.83				3.83
KEC Global, Mauritius								10.24				10.24
SAE Towers Mexico S de RL de CV, Mexico		(17.25)				(17.25)		(18.02)				(18.02)
SAE Towers Brazil Torres de Transmissão Ltda		10.94				10.94						
KEC Towers LLC		(90.60)				(90.60)		(20.19)				(20.19)
KEC International (Malaysia) SDN. BHD.		12.37				12.37		8.71				8.71
KEC Global FZ-LLC, Ras UL Khaimah		0.44				0.44		0.41				0.41
RPG Transmission Nigeria Limited		(0.17)				(0.17)		(0.18)				(0.18)
KEC Spur Infrastructure Private Limited		(2.56)				(2.56)						
KEC EPC LLC		★				★						
RPG Life Sciences Limited						-				0.01		0.01
Raychem RPG Private Limited				(0.73)		(0.73)				(1.49)		(1.49)
Palacino Properties LLP				0.09		0.09				0.09		0.09
B. N. Elias & Co. LLP				0.01		0.01				0.01		0.01
CEAT Limited				4.73		4.73				(4.03)		(4.03)
Spencer and Company Limited				2.70		2.70				2.70		2.70
Harrisons Malayalam Limited				9.85		9.85				9.85		9.85
RPG Enterprises Limited				(0.10)		(0.10)				(0.02)		(0.02)
KEC International Ltd. Employees' Group Gratuity Scheme					(0.04)	(0.04)					0.40	0.40
Mr. H. V. Goenka			(6.10)			(6.10)			(8.42)			(8.42)
Mr. A. T. Vaswani			(0.12)			(0.12)			(0.12)			(0.12)
Mr. D. G. Piramal			(0.12)			(0.12)			(0.12)			(0.12)
Mr. G. L. Mirchandani			(0.12)			(0.12)			(0.12)			(0.12)
Ms. Nirupama Rao			(0.12)			(0.12)			(0.12)			(0.12)
Mr. R. D. Chandak			(0.12)			(0.12)			(0.12)			(0.12)
Mr. S. M. Trehan			(0.12)			(0.12)			(0.12)			(0.12)
Mr. Vinayak Chatterjee			(0.04)			(0.04)						
Mr. Vikram Gandhi			(0.12)			(0.12)			(0.12)			(0.12)
Mr. M. S. Unnikrishnan			(0.12)			(0.12)			(0.12)			(0.12)

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

₹ in Crore

Balances	As at March 31, 2022						As at March 31, 2021					
	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total	Associates	Subsidiaries	Key Management Personnel	Entities where control / significant influence by KMPs and their relatives exist	Post - employment benefit plan	Total
Investment (including investment in preference shares)	★	**964.45**				**964.45**		**806.90**				**806.90**
RPG Transmission Nigeria Limited		0.18				0.18		0.35				0.35
KEC Global FZ-LLC, Ras UL Khaimah		★				★		1.19				1.19
KEC Investment Holdings, Mauritius@		769.75				769.75		677.32				677.32
KEC Global, Mauritius		2.33				2.33		2.33				2.33
KEC Power India Private Limited		0.37				0.37		0.86				0.86
KEC Towers LLC		130.31				130.31		120.27				120.27
KEC International (Malaysia) SDN. BHD.		4.58				4.58		4.58				4.58
KEC Spur Infrastructure Private Limited		56.93				56.93						
RP Goenka Group of Companies Employees Welfare Association	★				★	★						★
Guarantees given on behalf of the related party:		**1,966.55**				**1,966.55**		**1,099.64**				**1,099.64**
KEC EPC LLC		51.56				51.56						
SAE Towers Mexico S de RL de CV		81.09				81.09		78.22				78.22
SAE Towers Brazil Torres de Transmissão Ltda.		702.22				702.22		27.06				27.06
KEC Towers LLC		296.56				296.56		176.59				176.59
KEC International (Malaysia) SDN. BHD.		835.12				835.12		817.77				817.77

★ less than rounding off norms adopted by the Company

@ Includes fair value of financial gurantees issued to subsidiaries and step down subsidiaries.

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 57 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities#

Claims against the Company not acknowledged as debt:

₹ in Crore

Sr. No	Particulars	Relating to various years comprise in the period	As at March 31, 2022	As at March 31, 2021
1	Sales Tax / Value Added Tax* (Tax/Penalty/Interest)	1994-2018	32.18	
		1994-2018		21.93
2	Excise Duty * (Tax/Penalty/Interest)	2003-2018	16.55	
		1994-2014		29.77
3	Service Tax * (Tax/Penalty/ Interest)	2008-2016	4.05	
		2003-2016		2.75
4	Entry Tax* (Tax/Penalty/Interest)	2009-2012	0.50	
		2001-2014		6.78
5	Goods & Services Tax (Tax/Penalty/Interest)	2018-2021	0.14	
		2018-2021		0.14
6	(i) Contingent liability of Income Tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company.	A.Y. 2005-2006	-	1.88
	(ii) Income Tax matters mainly on account of Tax levied on guarantees given for Associated Enterprises	A.Y 2014-15 A.Y 2015-16 A.Y 2016-17 A.Y 2017-18	51.00	
		A.Y 2013-14 A.Y 2014-15 A.Y 2015-16 A.Y 2016-17		52.87
	(iii) Income Tax matters at overseas unit/s**	2002-2019	11.94	
		2002-2019		11.92
	(iv) Income Tax matters of a jointly controlled operations (Company's share)	2013-2017	4.39	
		2013-2017		4.39
7	Customs Duty^	1995-1996	0.60	
		1995-1996		0.60
8	Civil Suits^^		9.46	
				19.14

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

*** These claims mainly relate to the issues of tax applicability on certain income/adjustments at overseas locations.*

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

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

 # excluding financial guarantees referred to in Note 53.9.

Footnote for Note 57 (i) above:

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

(ii) Commitments

₹ in Crore

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	23.99	26.52
2	Derivative related commitments	Refer Notes 53.7 and 53.8	

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 58 – DISCLOSURE PURSUANT TO IND AS 1 – “PRESENTATION OF FINANCIAL STATEMENTS”

The details of amounts which are expected by the Company to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

₹ in Crore

Particulars	As at March 31, 2022	As at March 31, 2021
Trade Receivables	1,160.82	1,412.52
Contract Assets	391.11	516.72
Contract Liabilities	353.38	284.51

NOTE 59 – The Company is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the business as a whole. The CODM reviews the Company's performance on the analysis of profit before tax at an overall entity level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 “Segment Reporting”. As the Company also prepares the consolidated financial statements (CFS), other relevant segment information is disclosed in the CFS.

NOTE 60 – EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ in Crore

Sr. No	Particulars	As at March 31, 2022	As at March 31, 2021
(a)	Gross amount required to be spent by the Company during the year	13.73	11.81
(b)	Amount approved by Board to be spent during the year	13.73	11.81
(c)	Amount spent during the year (in cash) on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) on purposes other than (i) above*	10.59	7.54

**Includes ₹ 10.03 crore (Previous year ₹ 6.40 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ 0.56 crore (Previous year ₹ 1.14 crore) towards direct CSR spent by the Company.*

A. Details of ongoing CSR Projects under Section 135(6) of the Act

₹ in Crore

Balance as at April 01, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
4.27*	-	12.69	9.56	4.28**	3.13*	-

Balance as at April 01, 2020		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2021	
With the Company	In separate CSR Unspent Account		From the Company's bank account	From Separate CSR Unspent Account	With the Company	In separate CSR Unspent Account
-	-	9.60	5.33	-	4.27*	-

** ₹ 3.13 crore as at March 31, 2022 (Previous year ₹ 4.27 crore) were transferred to separate “CSR Unspent Account” before their respective due dates pursuant to the provisions of the Companies Act, 2013.*

*** Includes interest of ₹ 0.01 crore earned on unspent CSR amount*

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

B. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

₹ in Crore

Balance unspent as at April 01, 2021	Amount deposited in Specified Fund of Schedule VII of the Act within 6 months	Amount required to be spent during the year	Amount spent during the year	Balance unspent as at March 31, 2022
-	-	1.03	1.03	-
Balance unspent as at April 01, 2020	**Amount deposited in Specified Fund of Schedule VII of the Act within 6 months**	**Amount required to be spent during the year**	**Amount spent during the year**	**Balance unspent as at March 31, 2021**
-	-	2.21	2.21	-

NOTE 61 – Figures in respect of the Company's overseas branches in Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burkina Faso, Burundi, Congo, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Indonesia, Ivory Coast, Jordan, Kenya, Kuwait, Kazakhstan, Laos, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda, and Zambia have been incorporated on the basis of financial statements (the Branch Returns) audited by the auditors of the respective branches.

NOTE 62 – The Board of Directors of the Company at its meeting held on May 03, 2022 have recommended a Dividend of ₹ 4/- per equity share of ₹ 2/- each for the year ended March 31, 2022, subject to approval of the shareholders.

NOTE 63 – During the quarter ended September 30, 2021, the Company has recorded a charge of ₹ 43.64 crore, net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

NOTE 64 – The Company has issued unsecured Commercial Papers from time to time. These Commercial Papers are having a Credit Rating of CRISIL A1+ and IND A1+ and are Listed on BSE Limited. During the year ended March 31, 2022, the Company has repaid interest and principal of all Commercial Papers on their respective due dates.

NOTE 65 – Based on the assessment performed by the Company and considering the strong order book and available liquidity, the Company believes that the impact of Covid-19 is not material. Accordingly, the pandemic is not likely to have a significant impact on the Company's future operations, its profitability and recoverability of the carrying value of its assets, as at March 31, 2022 and on its control environment. The Company will continue to closely monitor material changes to future economic conditions, if any, as and when they arise.

NOTE 66 – The Company is executing few projects in Afghanistan, which are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. The Company does not expect any material financial impact due to this event as the projects are funded by international funding agencies (Asian Development Bank, USAID and World Bank). The Company has a net exposure of ₹ 233 crore after netting off advances, liabilities (including contract liabilities) and insurance cover as of March 31, 2022. The Company is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 67 – RATIOS

Sr. No.	Particulars*	Year ended		% Variance	Reason for variance
		March 31, 2022	March 31, 2021		
(a)	Current Ratio	1.14	1.16	2%	
(b)	Debt Equity Ratio	0.63	0.50	26%	Increase in debts as at March 31, 2022.
(c)	Debt Service Coverage Ratio	2.91	1.19	145%	Higher debt repayment in year ended March 31, 2021.
(d)	Return on equity ratio (%)	11.78	20.32	42%	Decrease in profit in year ended March 31, 2022.
(e)	Inventory Turnover Ratio (No. of Days)	39	39	-	
(f)	Trade Receivable Turnover Ratio (No. of Days)	153	164	7%	
(g)	Trade Payable Turnover Ratio (No. of Days)	229	221	4%	
(h)	Net Capital Turnover Ratio	8.27	7.64	8%	
(i)	Net Profit Margin (%)	3.46	5.45	37%	Decrease in profit in year ended March 31, 2022.
(j)	Return on Capital Employed (%)	16.27	21.54	24%	
(k)	Return on Investment	7.16	8.90	20%	

** For Numerator & Denominator, please refer below table:*

Sr. No.	Particulars	Numerator	Denominator
(a)	Current Ratio	Current Assets	Current Liabilities
(b)	Debt Equity Ratio	Non-current borrowings + Current borrowings + Interest accrued but not due on borrowings	Total Equity
(c)	Debt Service Coverage Ratio	Profit after taxes + Depreciation and amortizations + Interest + Loss on sale of Fixed assets	Finance Cost + Repayment of Debt & Lease liability
(d)	Return on equity ratio (%)	Profit for the period	Average Shareholder's Equity
(e)	Inventory Turnover Ratio (No. of Days)	Average Inventory	Cost of material consumed + Changes in inventories of finished goods, work-in-progress + Erection and construction material consumed + Stores consumed
(f)	Trade Receivable Turnover Ratio (No. of Days)	Average Account Receivable	Total Revenue from Operations
(g)	Trade Payable Turnover Ratio (No. of Days)	Average Trade Payables	Cost of material consumed + Changes in inventories of finished goods, work-in-progress + Erection and sub-contracting expenses
(h)	Net Capital Turnover Ratio	Total Revenue from Operations	Working Capital
(i)	Net Profit Margin (%)	Profit for the period	Total Revenue from Operations
(j)	Return on Capital Employed (%)	Earning before interest and taxes	Tangible Net Worth + Total Debt + Deferred Tax Liability
(k)	Return on Investment	Earning before interest and taxes	Average Total Assets

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 68 – The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, Company can adequately source the funding required at the mentioned branches and jointly controlled operations.

NOTE 69 – (i) During the year, the Company has received ₹ 0.50 crores towards government grant from Government of Rajasthan for setting up of Oxygen plant under Special package for Medical oxygen. The Company has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.01 crore under other income (Refer Note No. 39).The balance amount of grant is shown as "Deferred Grant" in non-current liability ₹ 0.47 crores (Refer Note 29) and other current liability of ₹ 0.02 crore (Refer Note 35). The company doesn't have any unfulfilled conditions and other contingencies attaching to same.

(ii) The Company had imported capital assets worth ₹ 1.76 crore during the previous year under EPCG license against which revenue of ₹ 0.15 crores (Refer Note 39) was deferred since conditions and other contingencies attached to the same were not fulfilled in the previous year. During the current year the said income is recognised since all conditions related to the license are fulfilled.

NOTE 70 – DETAILS OF BENAMI PROPERTY HELD:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

NOTE 71 – WILFUL DEFAULTER:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

NOTE 72 – RELATIONSHIP WITH STRUCK OFF COMPANIES:

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

NOTE 73 – DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

NOTE 74 – COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

NOTE 75 – UNDISCLOSED INCOME:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

NOTE 76 – VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET:

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

Notes

forming part of the financial statements as at and for the year ended March 31, 2022

NOTE 77 – REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:

There are no charges or satisfaction which are yet to be registered with the Registrar of Companies beyond the statutory period except the charges pertaining to erstwhile Jay Railways Projects Private Limited (merged with the Company) in favour of Dena Bank (now Bank of Baroda) amounting to ₹ 6.25 crore and that of erstwhile National Information Technologies Limited (merged with the Company) in favour of State Bank of India, amounting to ₹ 0.07 crore. Both these charges have remained unsatisfied in the record of the Registrar of Companies on account of delay in receipt of no dues certificates from respective banks, though there are no outstanding to these banks on account of the above mentioned amounts.

NOTE 78 – UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

NOTE 79 – The Company has implemented the decision given in the Supreme Court Judgement in case of "Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952 w.e.f. April 01, 2019. Basis the assessment of the management, which is supported by legal advice, the aforesaid matter is not likely to have significant impact in respect of earlier periods.

NOTE 80 – The Company has approved its financial statements in its board meeting dated May 03, 2022.

Signatures to Notes 1 to 80 which form an integral part of financial statements.

In terms of our report of even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016

SARAH GEORGE
Partner
Membership Number: 045255

Place: Mumbai
Date: May 03, 2022

For and on behalf of the Board of Directors

H. V. GOENKA
Chairman
DIN: 00026726

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN: 00026981

AMIT KUMAR GUPTA
Company Secretary

A. T. VASWANI
Director
DIN: 00057953

Place: Mumbai
Date: May 03, 2022

hello **happiness**

KEC International Limited
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, India
Tel: +91-22-6667 0200, www.kecrpg.com

An RPG Company

Integrated Annual Report 2021-22

Empowering Sustainable Growth

KEC
An RPG Company

KEC INTERNATIONAL LIMITED

CIN: L45200MH2005PLC152061
Registered Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030
Website: www.kecrpg.com, Email: investorpoint@kecrpg.com
Tel No.: 022-66670200, Fax No.: 022-66670287

Notice

Notice is hereby given that the Seventeenth Annual General Meeting ("AGM") of KEC International Limited will be held on Thursday, June 30, 2022 at 2:00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM"), to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, together with the Reports of the Board of Directors and the Auditors thereon; and

b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, together with the Report of the Auditors thereon.

2. To declare a Dividend on Equity Shares at the rate of ₹ 4/- (Rupees Four Only) per Equity Share for the financial year ended March 31, 2022.

3. To appoint a Director in place of Mr. Harsh V. Goenka (DIN: 00026726), who retires by rotation in terms of Section 152 (6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

4. Re-appointment of M/s. Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED** that pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, other applicable Rules, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Price Waterhouse Chartered Accountants LLP, (Firm Registration No. 012754N/N500016) be and are hereby re-appointed as the Statutory Auditors of the Company for a second term of five years, to hold office from the conclusion of Seventeenth Annual General Meeting till the conclusion of Twenty-Second Annual General Meeting of the Company on such remuneration plus re-imbursement of actual out of pocket expenses, as may be incurred by them in connection with the audit of accounts of the Company, as may be mutually agreed between the Audit Committee/ Board of Directors of the Company and the said Auditors.

RESOLVED FURTHER that the Audit Committee/Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

SPECIAL BUSINESS:

5. Ratification of Remuneration to Cost Auditor

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 700,000/- (Rupees Seven Lakh Only) plus taxes as applicable and re-imbursement of out of pocket expenses incurred in connection with the audit, payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), who have been appointed by the Board of Directors as the Cost Auditors to conduct audit of cost records of the Company for the financial year ending March 31, 2023, be and is hereby ratified.

RESOLVED FURTHER that the Board of Directors of the Company (including any Committee thereof) or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. Appointment of Mr. Vinayak Chatterjee (DIN: 00008933) as Non-Executive Non-Independent Director of the Company

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED** that pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013, ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014, and any other applicable Rules made thereunder, 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) and the Articles of Association of the Company, Mr. Vinayak Chatterjee (DIN: 00008933), who was appointed by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee, as an Additional Director (Non-Executive Non-Independent) of the Company with effect from December 06, 2021 and who holds office upto the date of this Annual General Meeting and who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director, liable to retire by rotation.

RESOLVED FURTHER that the Board of Directors of the Company or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

7. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"RESOLVED that in accordance with the provisions of Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the approval of the Members be and is hereby accorded for payment of commission of ₹ 6,09,64,635/- (Rupees Six Crore Nine Lakh Sixty-Four Thousand Six Hundred and Thirty-Five Only) to Mr. Harsh V. Goenka, Non-Executive Chairman, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company, within the overall limit of five percent of the net profits of the Company for the financial year 2021-22, as approved by the Members in the Annual General Meeting held on July 23, 2019.

RESOLVED FURTHER that the Board of Directors of the Company (including Nomination and Remuneration Committee thereof) or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By Order of the Board of Directors

Amit Kumar Gupta
Company Secretary
(M. No. ACS-15754)

Date: May 03, 2022
Place: Mumbai

Registered Office:
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai – 400 030

Notes:

a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") which sets out details relating to Special Business to be transacted at the Seventeenth Annual General Meeting ("AGM"), is annexed hereto.

b) The Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 19/2021 dated December 08, 2021 and Circular No. 21/2021 dated December 14, 2021 (collectively referred to as "MCA Circulars") has permitted Companies to conduct Annual General Meeting through Video Conferencing ("VC") and Other Audio Visual Means ("OAVM") without the physical presence of Members at a Common Venue. The deemed venue of the AGM shall be the Registered Office of the Company. In terms of MCA Circulars and the provisions of the Act, the AGM of the Members is to be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the AGM through VC/OAVM is annexed herewith and also available at the Company's website www.kecrpg.com.

c) As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint Authorised Representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-Voting.

d) SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 03, 2021 and clarification issued vide Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/687 dated December 14, 2021 has mandated all listed Companies to record/update the KYC details i.e. PAN, Nomination and Bank Account details of the first holder for the shares held in physical mode. The Company has sent a letter to all the Members holding shares in physical mode whose details are yet to be updated seeking the aforesaid information. Detailed information in this regard is available at the Company's website https://www.kecrpg.com/transfer-of-shares-in-demat-form-only.

Members holding shares in physical form are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited ("RTA") before April 01, 2023, post which the said folios shall be frozen. In case, the folios continue to remain frozen, till December 31, 2025, the same shall be referred to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act, 2002.

e) SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that the service requests received for Issuance of Duplicate Share Certificate, Release of Shares from Unclaimed Suspense Account of the Company, Renewal/ Exchange of Share Certificate, Endorsement, Sub-division/ Splitting of Share Certificate, Consolidation of Folios/ Share Certificates, Transmission and Transposition shall be processed by issuing shares in dematerialised form only and Physical Share Certificates shall not be issued by the Company to the Share Holder/Claimant. Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website under the weblink: https://www.kecrpg.com/transfer-of-shares-in-demat-form-only.

Members holding equity shares of the Company in physical mode are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical mode have been disallowed by SEBI.

f) **Record Date:** The Company has fixed Thursday, June 16, 2022, as the Record Date for determining the entitlement of Members for payment of Dividend for the financial year ended on March 31, 2022, if declared at the AGM.

g) **Dividend:**

The dividend, as recommended by the Board, if declared at the AGM, will be paid, subject to deduction of tax at source, as applicable on or before Saturday, July 30, 2022.

For Members holding shares in Demat mode:

i) The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Beneficial Owners as at the end of business day on Thursday, June 16, 2022 as per the list to be furnished by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").

ii) Members may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Share Transfer Agents cannot act on any request received directly from the Members holding shares in dematerialised mode for any change of bank particulars or bank mandates. Hence, such changes in bank details, ECS mandate, address or e-mail id are to be furnished by the Members to their Depository Participant only.

For Members holding shares in Physical mode:

i) The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Members on the end of business day on Thursday, June 16, 2022.

ii) With a view to avoid any fraudulent encashment of dividend, the Member(s) holding shares in physical mode are requested to submit, if not already submitted, particulars of their Bank Accounts (Bank Account number, the name of the Bank and the Branch) in 'Form ISR – 1' along with copy of the cancelled cheque leaf with the first named shareholder's name imprinted on the face of the cheque leaf, where they would like to deposit the dividend warrants for encashment. These details should be furnished by the first/sole shareholder, directly to the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited ('RTA') (Unit: KEC International Limited), C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel: 022-49186270, Fax: 022-49186060, by quoting the folio number.

iii) The Members, who are yet to encash the dividend declared by the Company for any of the financial years from 2014-15 till date, are advised to make their claims to the RTA of the Company. The last date upto which the Members are entitled to claim the dividend pertaining to FY 2014-15 is August 30, 2022. Pursuant to the provisions of Section 124(5) and 125 of the Act, the Company has transferred the unpaid or unclaimed dividends up to the FY 2013-14, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

iv) Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all such shares in respect of which dividend(s) had not been claimed by the shareholders for 7 (Seven) consecutive years or more have been transferred to IEPF Account set up by the Central Government.

The shares once transferred to IEPF Account including dividends and other benefits accruing thereon can be claimed from IEPF Authority after following the procedure prescribed under the said Rules and no claim shall lie against the Company. For the purpose of claiming transferred shares and dividend, a separate application can be made to the IEPF Authority in e-Form IEPF-5, as prescribed under the said Rules, which is available at IEPF website i.e. www.iepf.gov.in.

h) **Deduction of Tax on Dividend**

i) Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 01, 2020 and therefore the Company is required to deduct tax at source/withhold tax from dividend to be paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the provisions in the Income Tax Act, 1961 and amendments thereof. The shareholders are requested to update their PAN with the Company/RTA (in case of shares held in physical mode) and with the Depository Participant(s) (in case of shares held in demat mode).

ii) A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source to Link Intime India Private Limited, the Company's RTA at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html or by e-mail to kecdivtax@linkintime.co.in by Thursday, June 16, 2022. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate as applicable.

iii) Non-resident shareholders (including Foreign Institutional Investors -FIIs/Foreign Portfolio Investors -FPIs) can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same at https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html or sending the same by e-mail to kecdivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the shareholders by Thursday, June 16, 2022.

iv) The formats of declarations, are available on the Company's website at https://www.kecrpg.com/dividend.

i) In terms of Section 152 of the Act, Mr. Harsh V. Goenka is liable to retire by rotation at this AGM and being eligible, offers himself for re-appointment.

j) Details of the Director(s) pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings in respect of the Director(s) seeking re-appointment of Directorship at this AGM are appended to this Notice.

k) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an e-mail to agm@kecrpg.com.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:

l) In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Integrated Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Integrated Annual Report 2021-22 will also be available on the Company's website www.kecrpg.com under 'Investors' tab, websites of the Stock Exchanges i.e. BSE Limited and the National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and also available on the website of NSDL i.e. www.evoting.nsdl.com.

m) **REGISTRATION OF E-MAIL ID:**

i) **FOR SHAREHOLDERS HOLDING PHYSICAL SHARES:**

The Members of the Company holding Equity Shares of the Company in physical mode and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Private Limited, by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html or by visiting their website www.linkintime.co.in at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

ii) **FOR TEMPORARY REGISTRATION OF E-MAIL ID BY DEMAT SHAREHOLDERS:**

The Members of the Company holding Equity Shares of the Company in Demat form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited by clicking the link: https://web.linkintime.co.in/EmailReg/Email_Register.html or by visiting their website https://www.linkintime.co.in at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID/Client ID, PAN, mobile number and e-mail id. In case of any query, a Member may send an e-mail to RTA at rnt.helpdesk@linkintime.co.in.

On submission of the shareholders details an OTP will be received by the shareholder which needs to be entered in the link for verification.

iii) **FOR PERMANENT REGISTRATION FOR DEMAT SHAREHOLDERS:**

It is clarified that for permanent registration of e-mail address, the Members are requested to register their e-mail address, in respect of demat holdings with the respective Depository Participant (DP) by following the procedure prescribed by the DP.

PARTICIPATION AT THE AGM AND VOTING

A) The details of the process and manner for participating in Annual General Meeting through VC/OAVM are explained herein below:

i) Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against Company name. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice to avoid last minute rush.

ii) The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window for joining the Meeting shall be kept open throughout the proceedings of the AGM.

iii) Members are encouraged to join the Meeting through Laptops/IPADs connected through broadband for better experience. Please note that Participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

iv) For the smooth conduct of the proceedings of the AGM being conducted through VC/OAVM, Members who would like to express their views/ask questions during the AGM may send their queries in advance and register themselves as a speaker by sending their request from their registered e-mail id mentioning their name, DPID and Client ID/Folio Number, PAN, mobile number at agm@kecrpg.com between 9.00 a.m. (IST) on Thursday, June 23, 2022 and 5.00 p.m. (IST) on Saturday, June 25, 2022. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time at the AGM.

v) The Members who do not wish to speak during the AGM but have queries on financial statements or any matter to be placed at the AGM may send the same latest by Saturday, June 25, 2022 mentioning their name, DPID and Client ID/Folio Number, PAN, mobile number at agm@kecrpg.com. These queries will be replied suitably either at the AGM or by e-mail.

vi) Institutional/Corporate Members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution, whereby their authorized representative has been appointed to attend & vote at the AGM on their behalf pursuant to Section 113 of the Act, to the Scrutinizer's e-mail id: cs@parikhassociates.com with a copy marked to evoting@nsdl.co.in. They can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.

vii) Members who need assistance before or during the AGM with use of technology, can contact Ms. Pallavi Mhatre, Manager, NSDL or Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in or at toll free no.: 1800 1020 990/1800 22 44 30.

viii) Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

B) Remote e-Voting and Voting at AGM

i) Pursuant to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 in relation to e-Voting facility provided by Listed Entities, the Company is pleased to provide to the Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting facility. Members are provided with a facility of casting their votes electronically, through the e-Voting system provided by NSDL.

ii) The remote e-Voting period commences on Monday, June 27, 2022 (09:00 a.m. IST) and ends on Wednesday, June 29, 2022 (05:00 p.m. IST). During this period, Members holding shares either in physical mode or in dematerialised mode, as on the cut-off date may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iii) The Members, who have cast their vote by remote e-Voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again at the AGM.

iv) The voting right of the Member(s) shall be in proportion to their share in the paid up equity share capital of the Company as on Thursday, June 23, 2022 ("cut-off date"). Members are eligible to cast vote electronically only if they are holding equity shares as on that date.

Any person, who acquires the share(s) of the Company and becomes a Member of the Company after the dispatch of this Notice of AGM and holds the share(s) as on the cut-off date, can also cast their vote through remote e-Voting facility on the website of NSDL e-Voting i.e. www.evoting.nsdl.com.

Any person holding share(s) in physical mode and non-individual shareholders, who acquires share(s) of the Company and becomes a Member of the Company after the notice is sent through e-mail and holding share(s) as of the cut-off date i.e. Thursday, June 23, 2022, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30. In case of Individual Shareholders holding securities in demat mode who acquires share(s) of the Company and becomes a Member of the Company after sending of the Notice and holding share(s) as of the cut-off date i.e. Thursday, June 23, 2022, may follow steps mentioned in the Notice of the AGM under **"Access to NSDL e-Voting system"**.

v) The Company has appointed Mr. P. N. Parikh (Membership No. FCS-327) and failing him Ms. Jigyasa Ved (Membership No. FCS-6488) of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, to act as Scrutiniser to scrutinize the voting at the AGM and remote e-Voting process in a fair and transparent manner.

vi) The Results will be declared within two working days from the conclusion of AGM. The results declared along with the Scrutiniser's Report shall be uploaded on the website of the Company i.e. www.kecrpg.com and on the website of NSDL e-Voting i.e. www.evoting.nsdl.com and the same shall also be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.

vii) The details of the process and manner for remote e-Voting and joining the Annual General Meeting are explained herein below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining AGM for Individual shareholders holding securities in demat mode

In terms of SEBI Circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. Existing **IDeAS** user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a personal computer or on a mobile. On the e-Services home page, click on the **"Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section which will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on **'Access to e-Voting'** under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to **e-Voting** website of **NSDL** for casting your vote during the remote e-Voting period or joining AGM & voting during the AGM. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com Select '**Register Online for IDeAS Portal'** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member/Creditor' section. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on Company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining AGM & voting during the AGM. 4. Shareholders can also download the NSDL Mobile App 'NSDL Speede' facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, can login through their User ID and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi/Login to My Easi option under Quick Login. 2. After successful login of Easi/Easiest the user will also be able to see the e- Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail id as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders holding securities in demat mode login through their DPs	You can also login using the login credentials of your demat account through your DP registered with NSDL/CDSL for e-Voting facility. Once you log in, you will be able to see e-Voting option. On Clicking on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider - NSDL** and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: *Members who are unable to retrieve User ID/Password are advised to use Forgot User ID and Forgot Password option available at respective websites.*

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542/43

B. Login Method for e-Voting and joining the AGM for Shareholders other than Individual Shareholders holding securities in demat mode and Shareholders holding securities in physical mode:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders/Member/Creditor’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can login at https://eservices.nsdl.com with your existing IDeAS login. Once you login to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual Shareholders are given below:
   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      i. If your e-mail id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail id. You will be required to trace the e-mail sent to you from NSDL from your mailbox. You can open the e-mail and open the attachment i.e. a PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digit of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.
      ii. If your e-mail id is not registered, please follow steps mentioned in **'Process for those shareholders whose e-mail ids are not registered'.**
6. If you are unable to retrieve or have not received the 'Initial password' or you have forgotten your password:
   a) If you are holding shares in your demat account with NSDL or CDSL: Click on **"Forgot User Details/Password?"** option available on www.evoting.nsdl.com.
   b) If you are holding shares in physical mode: **Physical User Reset Password?** option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.
10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on www.evoting.nsdl.com to reset the password.

Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in Active status.
2. Select "EVEN" of KEC International Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the voting page opens.
4. Cast your vote by selecting appropriate options i.e. Assent or Dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the "print" option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

In case of any queries, with respect to remote e-Voting or e-Voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990/1800 22 44 30 or can contact Ms. Pallavi Mhatre, Manager, NSDL or Ms. Sarita Mote, Assistant Manager, NSDL at evoting@nsdl.co.in.

Process for those Shareholders whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please register your e-mail id by following the process mentioned in point (m) - registration of e-mail id.
2. In case shares are held in demat mode, please contact your Depository Participant (DP). If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1(A), i.e. Login method for e-Voting and joining AGM for Individual Shareholders holding securities in demat mode.
3. Alternatively Shareholders/Members may send a request to evoting@nsdl.co.in for procuring user id and password for e-Voting by providing above mentioned documents.
4. Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are required to update their mobile number and e-mail id correctly in their demat account in order to access e-Voting facility.

e-Voting at the AGM:

i) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-Voting.

ii) Only those Members, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

iii) The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons mentioned for remote e-Voting.

Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 7 of the accompanying Notice:

Item No. 4 – Re-appointment of M/s. Price Waterhouse Chartered Accountants LLP as the Statutory Auditors of the Company

This explanatory statement is provided though strictly not required as per Section 102 of the Companies Act, 2013.

Pursuant to the provisions of Section 139 of the Companies Act, 2013 ("the Act") read with applicable Rules framed thereunder, the Members of the Company at the Twelfth Annual General Meeting held on July 26, 2017, had appointed M/s. Price Waterhouse Chartered Accountants LLP ("PwC") as the Statutory Auditors of the Company for the first term of five years to hold office from the Twelfth Annual General Meeting till the conclusion of the ensuing Seventeenth Annual General Meeting.

Pursuant to Section 139(2) of the Act, the Company can appoint an audit firm for two terms of five consecutive years. In view of the same, the Board of Directors based on the recommendation of the Audit Committee proposes the re-appointment of M/s. Price Waterhouse Chartered Accountants LLP, (Firm Registration No. 012754N/N500016) ("PwC") as the Statutory Auditors of the Company to the Members for their approval. If approved by the Members, the re-appointment of PwC as the Statutory Auditors will be for a period of five consecutive years commencing from the conclusion of Seventeenth Annual General Meeting till the conclusion of the Twenty-Second Annual General Meeting of the Company.

PwC has confirmed that their re-appointment, if made, would be within the limits specified under Section 141(3)(g) of the Act and that they are not disqualified to be re-appointed as Statutory Auditors in terms of the provisions of Sections 139(1), 141(2) and 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time.

The proposed remuneration to be paid to PwC, for the financial year 2022-23 is ₹ 1.92 Crore plus out of pocket expenses and applicable taxes. For the subsequent years, the Audit Committee/Board of Directors will decide the remuneration in mutual agreement with the Statutory Auditors.

Brief profile of PwC is as given below:

PwC having a Firm Registration No. 012754N/N500016, is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. PwC was established in the year 1991 and was converted into a limited liability partnership in the year 2014. The registered office of PwC is at Sucheta Bhawan, 11A Vishnu Digambar Marg, New Delhi - 110 002 and it has ten branch offices in various cities in India. PwC is primarily engaged in providing auditing and other assurance services to its clients and is a member firm of Price Waterhouse & Affiliates, a network of firms registered with the Institute of Chartered Accountants of India having Network Registration No. NRN/E/14. Price Waterhouse & Affiliates is a network of eleven separate, distinct and independent Indian chartered accountant firms, each of which is registered with the Institute of Chartered Accountants of India. PwC has more than 80 Assurance Partners as at April 01, 2022. PwC has a valid peer review certificate and audits various companies listed on stock exchanges in India.

The Board recommends the Ordinary Resolution, as set out at Item No. 4 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way, concerned or interested (financially or otherwise), in the proposed Ordinary resolution set out at Item No. 4 of the Notice.

Item No. 5 – Ratification of Remuneration to Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“Rules”), the Company is required to appoint a cost auditor to audit the cost records of the Company. On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 03, 2022 have approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants as the Cost Auditor of the Company for the financial year ending on March 31, 2023 at a remuneration of ₹ 700,000/- (Rupees Seven Lakh Only) plus taxes and re-imbursement of actual out of pocket expenses incurred, if any, in connection with the cost audit. In terms of the provisions of the Act and Rules, the remuneration of the Cost Auditors is required to be ratified by the Members of the Company.

The Board recommends the Ordinary Resolution, as set out at Item No. 5 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution set out at Item No. 5 of the Notice.

Item No. 6 – Appointment of Mr. Vinayak Chatterjee (DIN: 00008933) as Non-Executive Non-Independent Director of the Company

The Board of Directors of the Company (“the Board”) on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Vinayak Chatterjee as an Additional (Non-Executive Non-Independent) Director of the Company, with effect from December 06, 2021. In accordance with the provisions of Section 161 of the Companies Act, 2013 (“the Act”), Mr. Chatterjee holds office upto the date of the ensuing Annual General Meeting of the Company. The Company has received Notice from a Member under Section 160 of the Act proposing his candidature for appointment as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

Mr. Vinayak Chatterjee has given his consent to act as a Director and a confirmation that he is not disqualified from being appointed as a Director in terms of the provisions of Section 164 of the Act nor have been debarred from holding the office of director by virtue of any order from SEBI or any such authority.

Brief Resume of Mr. Vinayak Chatterjee and other information are provided separately in this Notice.

The Board recommends the Ordinary Resolution, as set out at Item No. 6 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Vinayak Chatterjee and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution set out at Item No. 6 of the Notice.

Item No. 7 - Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

Pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time (“the Act”) and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Members at Annual General Meeting of the Company held on July 23, 2019 had approved the payment of Commission not exceeding 5 percent of the net profits of the Company to the Non-Executive Directors of the Company in addition to the sitting fees for attending the meetings of the Board of Directors/ Committee(s) and re-imbursement of expenses in relation thereto.

Keeping in view the valuable contribution, responsibilities and the time devoted by the Non-Executive Directors, the Nomination and Remuneration Committee (“NRC”) and the Board of Directors at their meetings held on May 02, 2022 and May 03, 2022, respectively, has recommended and approved the payment of Commission to Non-Executive Directors of the Company equivalent to 1 percent of the net profits of the Company in the financial year 2021-22, computed in accordance with the provisions of Section 198 of the Act. The NRC recommended and Board has approved payment of Commission of ₹ 6,09,64,635/- (Rupees Six Crore Nine Lakh Sixty-Four Thousand Six Hundred and Thirty-Five Only) to Mr. Harsh V. Goenka, Non-Executive Chairman for the financial year 2021-22.

Mr. Harsh V. Goenka is a promoter of the Company having extensive experience of more than four decades in the EPC Sector and has been instrumental in helping guide the Company towards both short term growth as well as long term sustainability. As the Chairman of the Board, Mr. Goenka provides vision and thought leadership which has helped the Company achieve high standards of corporate governance, innovation, brand visibility and overall growth. His role in building a talent pool by leveraging his wide network of relationships has always been beneficial to the Company. Mr. Goenka provides guidance to the Company's senior management on a vast set of matters which has been instrumental in diversifying the Company's business into various new verticals over a period of time. The Board deems it appropriate to recognize his contribution and deems it fair to remunerate him with the above said amount of commission.

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, necessitates Members' approval by way of Special Resolution for paying remuneration to one Non-Executive Director in excess of 50 percent of the total remuneration payable to all Non-Executive Directors. The above commission as proposed to be paid to Mr. Harsh V. Goenka, exceeds 50 percent of the total annual remuneration payable to all Non-Executive Directors. Thus, consent of the Members of the Company is being sought by way of Special Resolution.

The Board recommends the Special Resolution, as set out at Item No. 7 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Harsh V. Goenka and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 7 of the Notice.

By Order of the Board of Directors

Amit Kumar Gupta
Company Secretary
(M. No. ACS-15754)

Date: May 03, 2022
Place: Mumbai

Registered Office:
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai – 400 030

Details of the Directors seeking appointment/re-appointment in the Seventeenth Annual General Meeting to be held on Thursday, June 30, 2022 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Clause 1.2.5 of Secretarial Standard on General Meetings are as follows:

Name of the Director	Mr. Harsh V. Goenka	Mr. Vinayak Chatterjee
Date of Birth & Age	December 10, 1957 64 Years	August 30, 1959 62 Years
Date of first Appointment on the Board	January 12, 2006	December 06, 2021
Qualification	Graduate in Economics, University of Calcutta and MBA from IMD (Switzerland)	Bachelor of Economics (Honours), St. Stephen's College and MBA, IIM Ahmedabad
Expertise in specific functional area	Mr. Harsh V. Goenka is Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments such as tyres, infrastructure, information technology and other diversified segments having an annual turnover of about USD 4 billion. Born in 1957, Mr. Goenka is a graduate in Economics and MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is now on the Foundation Board of IMD, Lausanne. Mr. Goenka, a past President of the Indian Merchants' Chamber, is also a member of the Executive Committee of FICCI and a Trustee on the Board of the Breach Candy Hospital Trust. Mr. Goenka has been the Chairman of the Board of the Company since 2006.	Mr. Vinayak Chatterjee co-founded Feedback Infra Private Limited in 1990 and served as its Chairman from 1990 to 2021. Since stepping down from active management, he now devotes his time and energy to Infrastructure Policy, Advocacy and Capacity Building; and for this purpose has recently co-founded The Infravision Foundation, where he is a Managing Trustee. Currently, he is the Chairman of the Confederation of Indian Industry's (CII's) 'National Council on Infrastructure'. He is on the Board of several listed companies and is a member of the Advisory Board of JCB India. He also serves as the Chairman of the Board of Governors of the Indian Institute of Technology, Dharwad.
Directorships in other companies (excluding foreign companies)	1. CEAT Limited 2. Zensar Technologies Limited 3. RPG Life Sciences Limited 4. Bajaj Electricals Limited 5. RPG Enterprises Limited 6. Raychem RPG Private Limited 7. Spencer International Hotels Limited	1. Indraprastha Medical Corporation Limited 2. ACC Limited 3. Apollo Hospitals Enterprise Limited 4. Larsen and Toubro Infotech Limited
Memberships of Committees in other companies (excluding foreign companies)	1. CEAT Limited: • Finance and Banking Committee - Member 2. Bajaj Electricals Limited • Independent Directors Committee - Member	1. Indraprastha Medical Corporation Limited: • Nomination & Remuneration Committee - Member • Corporate Social Responsibility Committee - Member 2. ACC Limited: • Audit Committee - Member • Nomination & Remuneration Committee - Member • Sustainability Committee - Member 3. Apollo Hospitals Enterprise Limited: • Audit Committee - Member • Nomination & Remuneration Committee - Chairman • Risk Management Committee -Member • Investment Committee - Chairman 4. Larsen and Toubro Infotech Limited: • Risk Management Committee - Member
Resignation from listed entities in the past three years	NIL	KEC International Limited (Resigned as Independent Director w.e.f. August 12, 2019)
No. of shares held in the Company, including shareholding as a beneficial owner	7,45,90,501*	NIL
Relationship with other Directors and Key Managerial Personnel	NIL	NIL

**50,42,917 shares held directly and 6,95,47,584 shares held as beneficial owner*

***Note:** For other details such as number of meetings of the Board attended during the year, remuneration drawn, expertise, etc. please refer to the Corporate Governance Report section of the Annual Report.*