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

July 31, 2024

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

**Symbol: KEC**

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

**Scrip Code: 532714**

**Sub.: Notice of Nineteenth Annual General Meeting and Integrated Annual Report for FY 2023-24**

**Ref.: Disclosure under Regulations 34(1) and 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

This is further to our letter dated July 29, 2024, conveying that the **Nineteenth Annual General Meeting** ("AGM") of the Members of the Company will be held on **Thursday, August 22, 2024, at 3:00 pm (IST)** through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM").

Pursuant to Regulation 34(1) and 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company for the financial year 2023-24 along with the Notice of the AGM, which is being sent through electronic mode to the Members of the Company whose e-mail address are registered with the Company/Depositories/Registrar and Share Transfer Agent, in compliance with the applicable circulars issued by SEBI and the Ministry of Corporate Affairs in this regard from time to time.

The Integrated Annual Report for the financial year 2023-24 and Notice of the AGM are also available on the website of the Company at https://www.kecrpg.com/agm under "AGM 2024" tab.

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

You are requested to take the same on records.

Thanking you,

Yours faithfully,

**For KEC International Limited**

Suraj
Prakash
Eksambekar

Digitally signed by Suraj Prakash Eksambekar
DN: c=IN, o=Personal, title=6448,
pseudonym=f20ae75b5f2744c687bb56ac6c19e0c0,
2.5.4.20=fc233348b26d6ecd2f5a2788d7c0c463ac4bae590a232be085a86d8b00867e55,
postalCode=411038, st=Maharashtra,
serialNumber=c2ced9cd165fb98f3b2b287e364a993851fdbbedda982ce8affa3c5f33f97b4d, cn=Suraj Prakash Eksambekar
Date: 2024.07.31 18:20:44 +05'30'

**Suraj Eksambekar**
**Company Secretary & Compliance Officer**

Encl.: As above.

# Building Sustainable Infrastructure

Integrated Annual Report
2023 - 2024

# About RPG

RPG Group is a global diversified business group with operations in the areas of Infrastructure, Tyres, Information Technology, Pharmaceuticals, Energy, Plantations, and Venture Capital. Founded by the legendary industrialist Dr RP Goenka, the Group's lineage dates to the early 19th century. Today, RPG 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. One of India's fastest-growing business groups, 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 our passion and our guiding principle. It reflects our core values and who we are: unlocking potential, enriching lives, exceeding expectations, and building a joyful work environment.

"Hello Happiness" underlines RPG Group's unwavering commitment to creating a positive ripple effect. Our people, products, services, and initiatives all contribute to a better world for our customers and investors through sustainable growth. We foster a work environment that prioritises employee development, satisfaction, and well-being.

"Hello Happiness" is our firm belief in the transformative effect of workplace happiness, which can enhance performance, creativity, collaboration, and resilience. It is action-oriented to finding and achieving our purpose in life, both organisational and personal. It is a proud proclamation that we are an organisation where happy people keep the interests of all our stakeholders ahead of themselves, becoming a force for positive change.

# Building Sustainable Infrastructure

**The year marks a pivotal moment in our journey as we proudly unveil our purpose statement: "We transform lives by building sustainable world class infrastructure." The purpose is our north star; it is the guiding principle that shapes our strategy, drives our actions, and inspires our vision for the future.**

Keeping our purpose at the centre, the theme "Building Sustainable Infrastructure" highlights our commitment to building sustainable infrastructure sustainably. For the past seven decades, we have provided sustainable infrastructure solutions and services across various sectors, including power transmission and distribution, railways, civil, urban infrastructure, renewable energy, cables, and oil & gas pipelines. Our effort towards building a better world is reflected not only in the portfolio of our green businesses but also in our processes, engineering & design philosophy, procurement policies, construction practices, and culture of execution excellence, customer-centricity and spreading happiness amongst all our stakeholders. Our commitment to quality, innovation, and efficiency sets higher standards, creating seamless connections within and between systems, networks, and communities. Through our CSR initiatives, we actively drive positive change in the communities we serve. Our investments in engineering, global supply chains, and cutting-edge technologies ensure efficiency in project delivery while minimising our environmental impact.

We are passionate about transforming lives of people and communities by building world-class infrastructure across the globe. With decades of experience, we are confident of navigating challenges, embracing opportunities, and building a brighter future for KEC International and all those we serve.

## Index



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

**KEC on Social Media:**

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

# About the Report

**At KEC International, transparent reporting of our performance, strategy, and value creation process is a top priority. We see this as a critical responsibility to our stakeholders. By embracing leading global frameworks, guidelines, and practices, we uphold high business standards, fostering sustainable growth and value for our organisation, stakeholders, society, and the environment.**

SPECIALISED CARBON BLACK PLANT, TAMIL NADU, INDIA

## Approach to Reporting

This is the Company's fifth 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 capital. Refer to page numbers 44 to 76 of 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 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, 2023 to March 31, 2024.

## 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

**Welcome to KEC International Limited, a global leader in infrastructure solutions with a robust USD 2.4 Billion revenue. Our expertise in Engineering, Procurement, and Construction (EPC) spans a wide array of sectors including Power Transmission & Distribution, Civil, Railways, Urban Infrastructure, Renewables, Oil & Gas Pipelines, and Cables. Based in Mumbai, India, and supported by the esteemed RPG Group, we are dedicated to driving progress through transformative projects and delivering excellence.**

At KEC, innovation and sustainability drive our endeavours. We are at the forefront of engineering innovation, leveraging cutting-edge technologies to create positive impact and deliver exceptional value to our stakeholders. With expertise across the entire EPC value chain, we ensure seamless project execution from conception to completion. Our track record of success across diverse global projects is testament to our robust engineering, procurement, execution, and project management capabilities. Additionally, our widespread manufacturing presence across India, Dubai, Brazil, and Mexico reinforces our commitment to maintaining a resilient and agile supply chain, serving clients across six continents and over 110 countries.

With over seven decades of experience, our dedication to EPC excellence remains unparalleled. Grounded in a customer-centric approach, we prioritise world-class quality and uphold a steadfast 'safety-first' culture. Integrity guides our actions, and our corporate responsibility is rooted in respect for our people, the environment, and our stakeholders. Empowered by a culture of excellence, we are committed to setting new industry benchmarks and creating enduring value for future generations.

## OUR PURPOSE

**WE TRANSFORM LIVES BY BUILDING SUSTAINABLE WORLD CLASS INFRASTRUCTURE**

## OUR CULTURE PILLARS

excite

- Execution Excellence
- Happiness
- Customer Centricity
- Inclusive - Diverse and Global Mindset
- Technology and Engineering Mindset
- Empowerment & Trust





## OUR STRENGTHS

- Well-diversified across businesses and geographies
- Strong project management and execution capabilities
- Preferred contractor for ahead of schedule delivery of projects
- Capabilities to execute projects in difficult terrains and conditions
- Unparalleled manufacturing, engineering and design capabilities
- Backward integration of operations – Transmission & Distribution, Railways, and Renewables
- Well-integrated global supply chain
- Experienced professionals from over 40 diverse nationalities

## VISION STATEMENT

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

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

**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

## FY 2023-24 OPERATIONAL OVERVIEW

**7,644**
Employees

**40+**
Nationalities

**₹ 17,840 Crore**
Market Cap (as on March 31, 2024)

**₹ 19,914 Crore**
Revenue

**₹ 29,644 Crore**
Order Book (as on March 31, 2024)

**2,516 km**
Transmission Lines Executed

**173**
Substation Bays Built

# Diversified Global Footprint

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

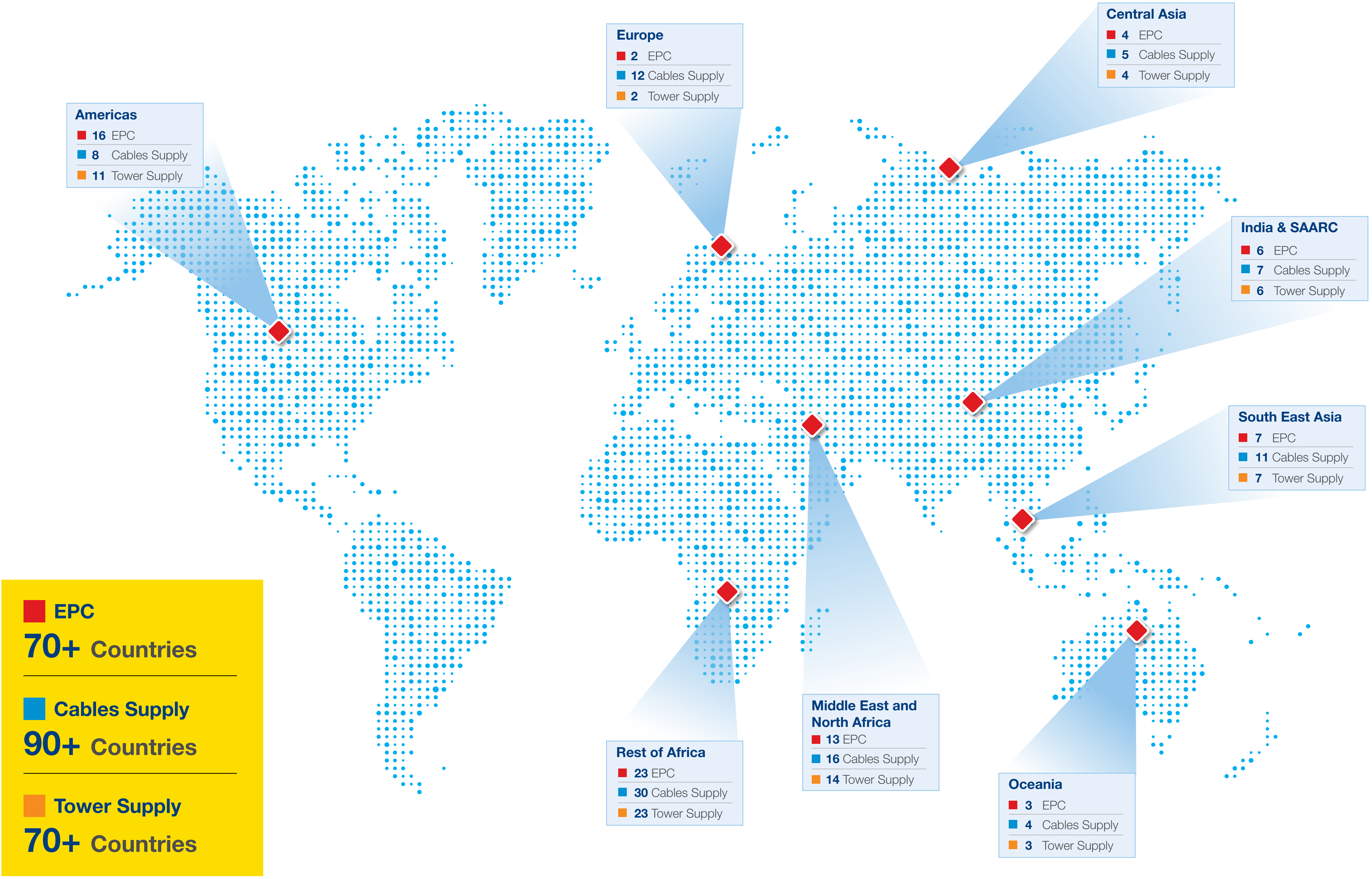
**30+ Countries**
Executed/executing EPC projects in FY24

**₹ 18,102 Crore**
Order Intake

**4,32,200 MTPA**
Global manufacturing capacity (Includes Towers, Poles, Hardware, Structures for Railways & Solar)

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

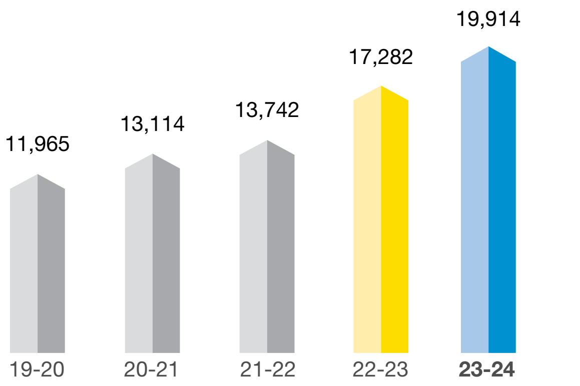
**3,29,000+**
Lives impacted through CSR



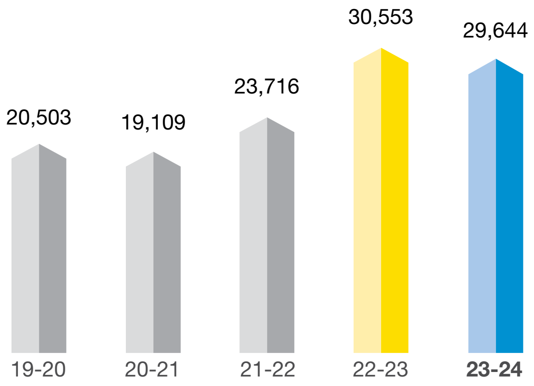

*Map not to scale. For illustrative purposes only.*

# Financial Performance

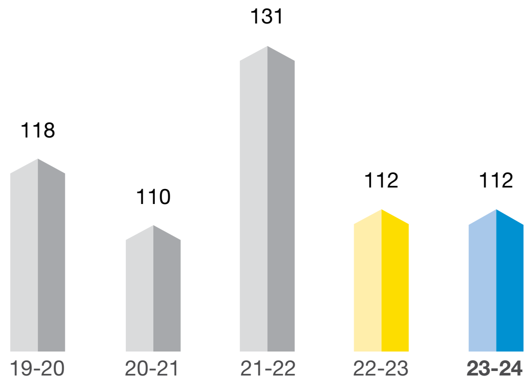
## Revenue (₹ in Crore)



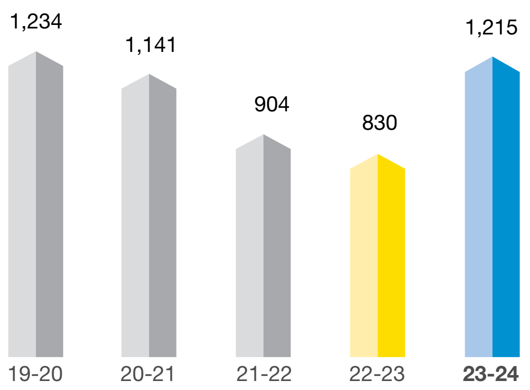

## Order Book (₹ in Crore)



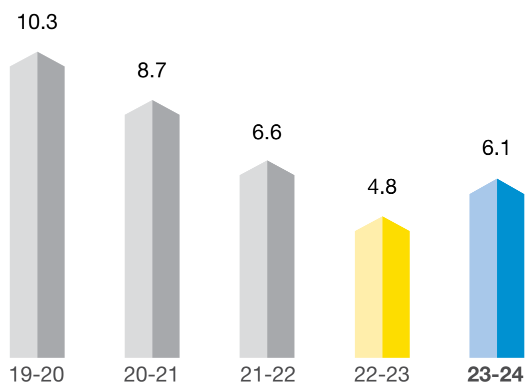

## Net Working Capital (In Days)



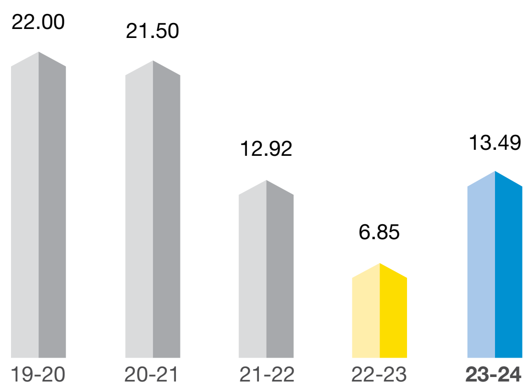

## EBITDA (₹ in Crore)



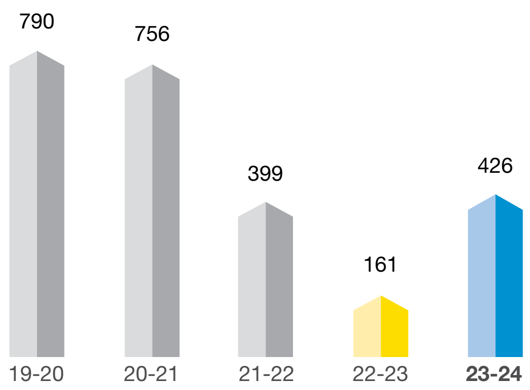

## EBITDA Margin (%)



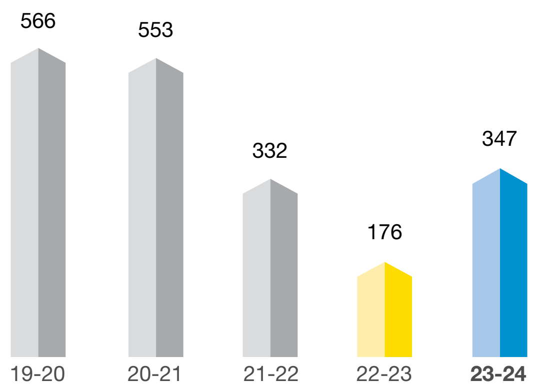

## EPS (Face value ₹ 2 each)



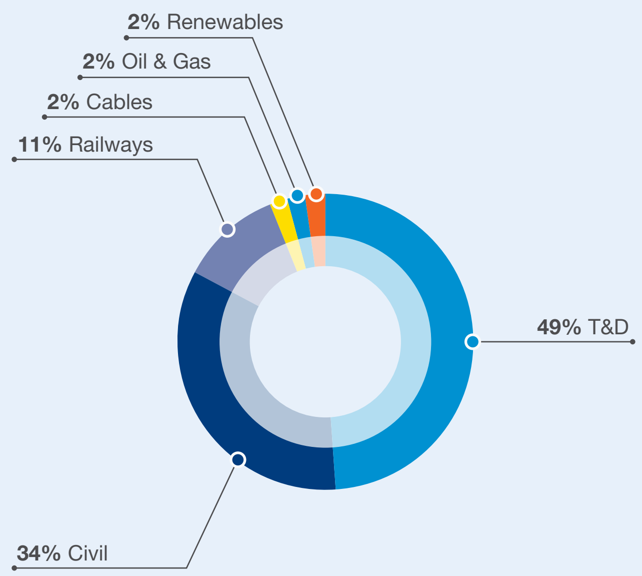

## PBT (₹ in Crore)



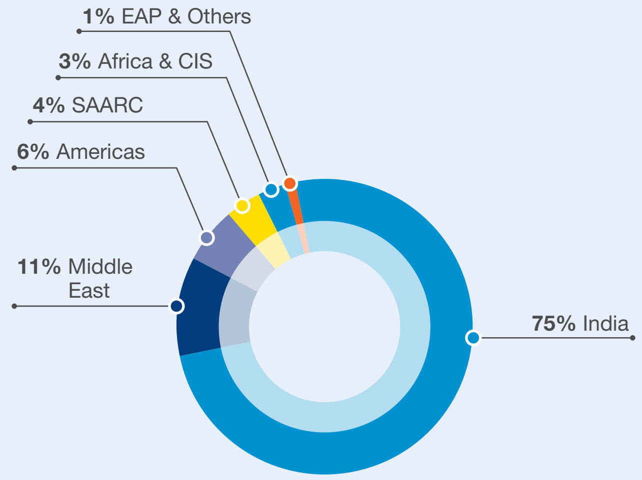

## PAT (₹ in Crore)




## Business-wise Order Book – March 31, 2024




## Geography-wise Order Book – March 31, 2024




*Notes*

1. *SAARC – South Asian Association for Regional Cooperation Countries; EAP – East Asia Pacific; CIS - Commonwealth of Independent States*
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

### Transmission & Distribution

Lattice Towers & Poles
Structures - Substations, Railways & Solar
Hardware - Transmission Lines

#### 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

## Banker

**India:**
Bank of India
State Bank of India
Export-Import Bank of India
ICICI Bank Limited
Bank of Baroda
IDBI Bank Limited
Punjab National Bank
Axis Bank Limited
Indian Bank
Canara Bank
Union Bank of India
Central Bank of India
RBL Bank Limited
Standard Chartered Bank
IDFC First Bank Limited
First Abu Dhabi Bank
Yes Bank Limited
Deutsche Bank AG
Kotak Mahindra Bank Limited
The Hongkong and Shanghai Banking Corporation Limited
Societe Generale
Emirates NBD Bank
CTBC Bank Co. Ltd.
Sumitomo Mitsui Banking Corporation
IndusInd Bank Limited
Mashreq Bank psc
The Federal Bank Limited
CSB Bank Limited
Bank of Bahrain and Kuwait
PT Bank Maybank Indonesia TBK

**Middle East:**
Abu Dhabi Commercial Bank, UAE
Arab Banking Corporation (B.S.C.), Bahrain
Bank of Baroda, UAE
Emirates Development Bank, Dubai
First Abu Dhabi Bank, UAE, Oman
JP Morgan Chase NA, Riyadh, KSA
National Bank of Bahrain, UAE
National Bank of Oman
Standard Chartered Bank, Dubai
Yes Bank Limited

**Brazil:**
Banco Caixa Economica Federal
Banco do Brasil S.A.
Banco HSBC Brasil S.A.
Banco Itau BBA S/A
Banco Santander S.A.
Export-Import Bank of India

**Mexico:**
Banco HSBC Mexico, SA
Banco BBVA Mexico, SA
Banco Santander Mexico, SA

**USA:**
Wells Fargo
JP Morgan Chase

## Board of Directors

**Harsh V. Goenka**
Chairman

**Vimal Kejriwal**
Managing Director & CEO

**Arvind Singh**
Independent Director

**D. G. Piramal***
Independent Director

**M. S. Unnikrishnan**
Independent Director

**Neera Saggi**
Independent Director

**Nirupama Rao**
Independent Director

**Shirish Sankhe**
Independent Director

**S. M. Trehan***
Independent Director

**Vikram Gandhi**
Independent Director

**Vimal Bhandari**
Independent Director

**Vinayak Chatterjee**
Non-Independent
Non-Executive Director

*Tenure as Independent Director concluded on July 27, 2024

## Management Team

**Vimal Kejriwal**
Managing Director & CEO

**Rajeev Aggarwal**
Chief Financial Officer

**Ganesh Srinivasan**
President – T&D

**Neeraj Nanda**
President – Emerging Businesses

**Anand Kulkarni**
Executive Director – Business Operations

**Kaushal Kodesia**
Executive Director – Railways

**Manjit Singh Sethi**
Executive Director – Cables

**Nagesh Veeturi**
Executive Director – Civil

**Rajinder Gupta**
Chief Executive – T&D (India & Sri Lanka)

**Milind Apte**
Chief Human Resources Officer

**Rakesh Kumar Gaur**
CEO – SAE Towers & Executive Director – T&D (Africa & CIS)

**Mayank Agrawal**
Chief Executive – Oil & Gas Pipelines

**Suraj Eksambekar**
Company Secretary

## Statutory Auditors

Price Waterhouse
Chartered Accountants LLP

## Registrar and Share Transfer Agents

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

Ph: +91 8108116767
Fax: +91 22 49186060

UGANDA'S TALLEST TOWER ERECTION ACROSS WHITE NILE RIVER

# Board of Directors

**Harsh V. Goenka,**
**Chairman**

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

Mr. Harsh V. Goenka is the 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 4.8 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 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. Mr. Goenka has been the Chairman of the Board of the Company since 2006.

**Vimal Kejriwal,**
**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, Managing Director and Chief Executive Officer of KEC International Limited, brings over four decades of rich experience in the Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers and Investment Banking. He has been instrumental in driving the Company's diversified growth across Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Oil & Gas, Renewables and Cables.

Mr. Kejriwal's professional journey is defined by his commitment to strategic expansion and operational excellence. Under his leadership, KEC has achieved remarkable growth, executed strategic acquisitions, enhanced manufacturing capabilities and expanded its presence across multiple geographies. He has navigated KEC through complex challenges, strengthening its competitive edge as a global EPC company.

In addition to his role at KEC, Mr. Kejriwal serves on the Boards of KEC's subsidiaries and Raychem RPG Private Limited, an RPG Group company. He is an Executive council member of Indian Electrical and Electronics Manufacturers Association (IEEMA) and Construction Federation of India (CFI) and serves actively on various committees in other trade associations.

**Arvind Singh,**
**Independent Director**

*M.A (Economics) from the Delhi School of Economics, University of Delhi*

Mr. Arvind Singh has over 35 years of experience as an officer in the Indian Administrative Service (IAS). His assignments included senior roles in the Government of India and the Government of Maharashtra, primarily dealing with policy formulation and execution at the national, state and district levels.

The main areas of expertise developed by him are in the sectors of Infrastructure (Power/Energy & Airports), Finance, Tourism and Agriculture.

Mr. Singh has *inter alia* served as Secretary, Tourism, Government of India where he spearheaded the formulation of policies and strategies to revive India's Tourism sector after it was severely affected by the Covid pandemic. He has also served as the Chairman, Airports Authority of India (AAI) prior to which he was the Additional Chief Secretary/ Principal Secretary, Energy, Government of Maharashtra as well as Chairman & MD, Maharashtra State Power Generation Company Limited. He has represented India's Ministry of Finance in Japan in the capacity of Minister (Economic & Commercial), Embassy of India, Tokyo. Mr. Singh was also Chairman & MD, Maharashtra State Electricity Transmission Company Limited and Director/Deputy Secretary, Government of India.

Mr. Singh has attended mid career training courses at Harvard University, Duke University, The Graduate Institute, Geneva and LBSNAA, Mussoorie.

**M.S. Unnikrishnan,**
**Independent Director**

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

Mr. M.S. Unnikrishnan is the CEO of IITB-Monash Research Academy. He has previously held the position of MD & CEO of Thermax Ltd. He is the Chairperson of Research Council of Central Mechanical Engineering Research Institute, Durgapur. He serves as a director of IIT Palakkad Technology Innovation Hub Foundation and is on the board of several other listed and unlisted Companies. He is also a member of the Apex Council for the selection and mentoring of the Prime Minister's Research Fellowship for Doctoral Research.

**Nirupama Rao,**
**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 as Independent Director. Ms. Rao is the author of "The Fractured Himalaya, India Tibet China 1949 to 1962" published by Penguin India in October 2021.

**Shirish Sankhe,**
**Independent Director**

*PhD in Chemical Engineering from Purdue University; Graduate of the Wharton Management Program of University of Pennsylvania; BS in Chemical Engineering from Mumbai University (UDCT)*

Dr. Shirish Sankhe has been associated with McKinsey & Company for over 26 years where he worked on transformation and turnaround of several companies and helped them achieve significant and sustained performance improvements. In McKinsey, he led the Global Energy and Materials (GEM) practice in Asia as well as the restructuring/transformation practice in India.

Dr. Sankhe has also worked on the topics of net zero transition, economic growth and urbanisation in India. He worked with state and central governments on urbanisation policies and the development of new cities. He had been closely involved with the McKinsey Global Institute (MGI) on economic research for over 20 years.

After stepping out from McKinsey as a Senior Partner in December 2022, Dr. Sankhe has been driving ISEG Foundation (Institute for Sustainability, Employment and Growth), a non-profit multi-stakeholder section 8 company that will focus on job creation and net zero transition in India.

**Neera Saggi,**
**Independent Director**

*MBA in Business Administration and Management, International Centre of Public Enterprise, Ljubljana, Slovenia, Master of Arts (English Literature), Delhi University; Bachelor of Arts, Gauhati University*

Ms. Neera Saggi has over 40 years of extensive and varied experience, spanning public and private sectors. For 28 years as a member of the Indian Administrative Service (IAS), she has worked within the government with multiple stakeholders and in diverse sectors including infrastructure like Ports, SEZs, infrastructure projects, roads, power and real estate, besides having handled large NGOs, area administration export promotion health and rural development.

She has served as the President of the Bombay Chamber of Commerce and Industry (BCCI) for the year 2013-14, being the first woman to be elected in the 177-year history of this oldest Chamber in the Country and was its Vice President for the year 2012-13.

Ms. Saggi has a strong network across multiple sectors and with various stakeholders including government, private, NGOs, multilateral agencies, Consulates and Chambers of Business and Commerce.

**Vimal Bhandari,**
**Independent Director**

*Bachelor of Commerce, University of Mumbai; Chartered Accountant, ICAI*

Mr. Vimal Bhandari is an accomplished, dedicated and a focussed professional with experience of over 35 years in a range of businesses in the financial services industry. Presently, he is associated as the Executive Vice Chairman and CEO of Arka Fincap Limited (AFL), a Non-Banking Finance Company, engaged in providing debt capital to Indian corporates and real estate developers. AFL is a wholly-owned subsidiary of Kirloskar Oil Engines Limited. Mr. Bhandari serves as an Independent Director on boards of various companies in diverse business segments including Bharat Forge Limited, HDFC Trustee Company Limited, JK Tyre & Industries Limited and Escorts Kubota Limited.

For six years, till April 2017, he was the Managing Director and CEO of IndoStar Capital Finance Limited.

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

**Vikram Gandhi,**
**Independent Director**

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

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

**Vinayak Chatterjee,**
**Non-Independent 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 founded The Infravision Foundation, where he is a Managing Trustee.

Currently he is the Chairman of the Confederation Of Indian Industry's (CII) National Council on Infrastructure. He is on the Boards of LTIMindtree Limited, Indraprastha Medical Corporation Limited and Apollo HealthCo Ltd. He is a member of some Advisory Boards, including of JCB India . He is a well-known columnist and writes a monthly column in Business Standard newspaper titled INFRATALK.

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

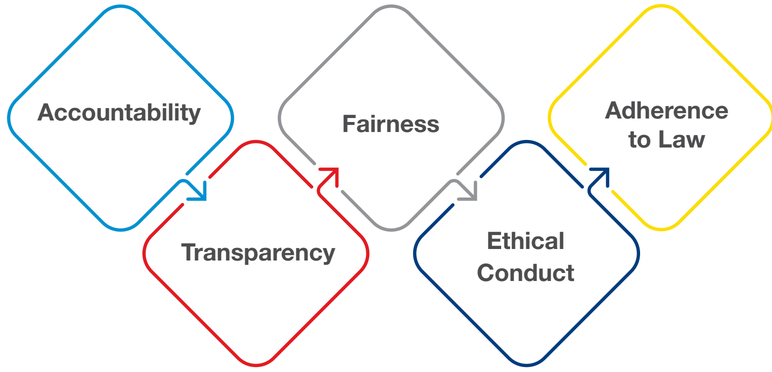




# Governance

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

## Principles of Governance at KEC




The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements but also several inherent core values like business ethics, transparency, customer-centricity and inclusiveness. The Company conducts its business responsibly and ethically, wherein integrity is a way of life that is non-negotiable, keeping in mind the long-term sustainable interest of the stakeholders'.

The RPG Code of Corporate Governance & Ethics ("Code") that outlines the principles of Corporate Governance is applicable throughout the Company. The Governance framework of your Company is driven by the above Code, which covers important aspects such as Investor Relations, Ethics, Conflict of Interest, Equal Opportunities, Regulatory Compliance, Whistle Blower Mechanism etc., and other policies like Anti-bribery and Anti-corruption Policy, Conflict of Interest Policy, Equal Opportunity Policy, etc.

The Company carries out its business with highest standard of business ethics and transparency, and with complete adherence to the Corporate Governance requirements set out by the regulators. It does not encourage any business activity which is illegal, unethical or results in unfair trade practices. The Company has a zero-tolerance approach to bribery and corruption and is committed to acting professionally and fairly in all its business dealings and relationships.

### Board of Directors

The Company's Board has an optimum combination of Executive, Non-Executive and Independent Directors being eminent industrialists/professionals. In determining the Board composition, diversity is considered from several aspects, including gender, age, educational background, professional experience, skills and knowledge, and tenure. The Board provides leadership, strategic guidance, objective and independent view to the Company's Management while discharging its responsibilities, thus ensuring the long-term interest of the stakeholders'.

### Board Committees

The Board Committees play a crucial role in the governance structure of the Company. The Committees have been constituted with specific terms of reference/scope to focus effectively on specific matters which concerns the Company and requires closer review. There is a seamless flow of information between the Board and its Committees, as the Committees report their recommendations to the Board, as may be necessary.

### 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 decisions of the Board/its Committees.

### Executive Committee (ExCom)

The ExCom comprises 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.

The Key Corporate Functions include Business Operations, Marketing & Business Development, Strategy & Transformation, Finance, Human Resource, Risk, Safety and Quality, Information Technology, Legal & Secretarial and Investor Relations, which are represented by the ExCom members. These play a key role in operating efficiency and achieving strategic priorities of the Company in a dynamic global environment.

OUR BUSINESSES

# Transmission & Distribution

380 kV TL, AR RASS TO QASSIM, SAUDI ARABIA

**We are among the leaders in power transmission and distribution EPC companies in India and international markets, known for delivering reliable and complex power transmission infrastructure projects globally, providing end-to-end solutions from design to commissioning. Our expertise covers Transmission Lines up to 1,200 kV, large size Substations – Air Insulated up to 1,150 kV, Gas Insulated up to 765 kV, Hybrid Substations up to 220 kV, and Underground Cabling up to 220 kV.**

**With a record order book of ~ ₹ 15,000 Crore, we are confident of delivering significant growth in the T&D business.**

The T&D business accounts for about 50% of our total revenue and order book. We are currently executing more than 150 projects in transmission lines, substations, and cabling works. Our in-depth knowledge of the local markets worldwide, combined with our advanced capabilities in surveying, design and engineering, manufacturing, execution and project management, along with our team of highly experienced professionals, allows us to consistently deliver outstanding performance year after year.

FY24 marked a period of exceptional growth for the business. We achieved highest-ever revenue of approximately ₹ 10,500 Crore, reflecting a year-on-year growth of 21%, and delivered substantial growth in order book, with strong order intake of ~₹ 11,000 Crore across India, Middle East, Americas, SAARC, Africa, East Asia Pacific and CIS. The overall tender pipeline in T&D continues to remain strong in both domestic and international markets, given the push for renewables and requirements for large transmission lines, substations and underground cabling. With a record order book of ~ ₹ 15,000 Crore, we are confident of delivering significant growth in the T&D business.

Our India T&D business delivered a substantial growth of 45% in revenues reaching approximately ₹ 3,450 Crore and secured record orders of over ₹ 5,900 Crore, reflecting a robust growth of around 40% compared to last year. We have considerably strengthened our order book with multiple orders for transmission lines and substations from government PSU, state utilities, private developers, and power producers. During the year, we have strengthened our position as contractor of choice for Tariff Based Competitive Bidding (TBCB) players and have also improved our competitiveness in substation business. We have strategically expanded into technology-intensive segments such as Digital Substations and HVDC Converters.





In the international T&D business, we delivered revenues of over ₹ 5,500 Crore, with a growth of about 12% over last year. The business has secured significant orders of over ₹ 4,100 Crore across various markets, especially in the Middle East with two large EPC contracts in Saudi Arabia. We have further strengthened pre-qualifications of KEC EPC LLC subsidiary to capitalise on opportunities in the UAE market and secured our largest order in Dubai.

The business secured significant orders of over ₹ 2,000 Crore for supply of products including new orders from Americas and breakthrough orders in Europe & Australia. In line with the growing requirements, we have enhanced our manufacturing capacity from 50,000 MT to 60,000 MT in Dubai (KEC Towers LLC) to cater to the increasing demand in the Middle East transmission market. In a significant development, KEC Towers LLC has been approved by client SEC for tower supplies in Saudi Arabia.

SAE Towers, our wholly-owned subsidiary in the Americas, offers complete end-to-end solutions for building transmission lines and substations across the region. It is one of the largest producers of steel lattice transmission towers in the Americas. It manufactures a wide range of products, including poles, hardware, substation structures, and optical ground wire (OPGW) products and fittings. SAE Towers delivered a turnaround performance with positive PBT and revenues of approximately ₹ 1,450 Crore, marking a growth of 9%.

As we navigate through dynamic market landscapes, the business remains focussed on enhancing execution processes and implementing automation, mechanisation, and digitalisation initiatives, enabling ahead-of-schedule project completions. We are working on building a world-class engineering organisation especially strengthening our design capabilities to achieve 'first time right' designs, instituting design-to-value processes to optimise project costs and reducing design cycle time by leveraging robotic process automation, artificial intelligence, and advanced analytics.

**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
- Integrated global supply chain and partnerships with OEMs across the globe
- Strategically located manufacturing facilities – three in India and one each in UAE, Brazil, and Mexico
- Ability to work in demanding climate and terrain
- Adoption of latest mechanisation and digitalisation technologies to improve productivity and quality
- Partnerships and alliances with global players across geographies

765KV GIS SUBSTATION NAVSARI, GUJARAT, INDIA

## FY 2023-24 HIGHLIGHTS

**India T&D Business**

- Achieved revenues of approximately ₹ 3,450 Crore with a remarkable growth of 45% over last year
- Secured record orders of over ₹ 5,900 Crore, an increase of around 40% over last year
- Widened customer base to include non-utility clients
- Expansion into technology intensive segments such as Digital substations & HVDC Converters
- Strengthened position as a leading provider of Engineering, Procurement and Construction services for Tariff Based Competitive Bidding (TBCB) market by securing multiple transmission line and substation orders

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

- Revenue grows by 12% to more than ₹ 5,500 Crore
- Achieved significant order intake of over ₹ 4,100 Crore. Secured substantial orders in Middle East including our largest order in Saudi
- Secured significant orders of over ₹ 2,000 Crore for supply of products including breakthrough orders in Europe & Australia
- Received approval for Dubai tower facility for Saudi supplies
- Enhanced tower manufacturing capacity in Dubai (KEC Towers LLC) from 50,000 MT to 60,000 MT, supporting growing market demands

**SAE Towers (Americas)**

- Delivered a turnaround performance with revenues of approximately ₹ 1,450 Crore, marking a growth of 9%. Achieved double-digit EBITDA Margins and positive PBT for full year
- Expanded hardware portfolio with fittings for OPGW, Cross-rope steel wire and Stock Bridge Damping system
- Successfully secured order intake from Hardware to ~₹ 200 Crore
- Capacity debottlenecking in both Brazil and Mexico to cater to the growing demand for Americas

OUR BUSINESSES

# Civil

CEMENT MANUFACTURING PLANT, TELANGANA, INDIA

**Our Civil business is delivering over 60 world-class infrastructure projects across diverse sectors, including buildings & factories, public spaces, water pipelines and water treatment plants, defence, data centres, and logistics & warehouses. The business is continuously diversifying its portfolio by venturing into new segments and is one of the key growth drivers of the Company.**

**At KEC International, we prioritise innovation and the adoption of cutting-edge technologies to enhance efficiency and quality in our projects.**

In the fiscal year 2023-24, our Civil business has delivered revenues of ₹ 4,370 Crore with a remarkable growth of 32% over last year. This exceptional performance showcases our unwavering dedication to deliver quality projects efficiently and effectively. The business has also won substantial orders of more than ₹ 4,200 Crore across multiple sectors from a diverse range of clients, underscoring our reputation as a reliable construction partner in the industry.

In the Buildings and Public Spaces segment, as the preferred construction partner for leading real estate developers across the nation, our portfolio has significantly expanded to now cover 70+ high-rise residential and commercial towers, airport terminals, government housing and institutional projects. This growth has strengthened our presence in key real estate markets such as Mumbai, Pune, Bengaluru, and Gurugram. For the first time, we have secured two new types of projects: a Composite Construction project from a prominent real estate developer and a multi-speciality hospital project in the healthcare sector. As we continue to diversify, we take pride in undertaking projects that define the modern urban and social landscape.

In the Industrial sector, we continue to receive repeat business from our existing partners, demonstrating the trust and reliability that the business has established with key players in the Cement, Metals & Minerals, Chemicals segments, and beyond. The business has diversified its portfolio by securing its first-ever order from a major global FMCG conglomerate. The business is focussed on moving up the value chain by executing EPC led complex industrial projects. We have also developed substantial expertise in installing heavy electro-mechanical equipment and systems. As a testament to our efforts, we secured significant packages from a private steel manufacturer for the construction of key process plant reaffirming our confidence in executing complex industrial turnkey projects.

In the Water segment, we take immense pride in our contribution to India's transformative Jal Jeevan Mission. As part of this mission, we are actively developing nine water transmission and distribution pipeline projects comprising 13,000+ km of water pipelines, 850+ reservoirs and 16 water treatment plants, all of which will touch lives of more than six Lakh households across various villages. During the year, we have achieved a significant milestone, with 1.25+ Lakh House Service Connections installed collectively in the rural villages of Odisha. Our efforts are focussed on enhancing the quality of life in these areas by providing reliable access to clean water supporting the long-term development and prosperity of rural regions.

COMMERCIAL TOWER (PRECAST CONSTRUCTION), HYDERABAD, INDIA

RESIDENTIAL TOWERS, BENGALURU, INDIA

Our Data Centre division continues its robust growth, demonstrated by the recent acquisition of another project from a renowned MNC. With this addition, our data centre portfolio now includes five projects under construction, increasing the total capacity from 60 MW to 100 MW.

At KEC International, we prioritise innovation and adoption of cutting-edge technologies to enhance efficiency and quality in our projects. By leveraging advanced digital tools such as Building Information Modeling (BIM), drones, photogrammetry, and the Internet of Things (IoT), we streamline project processes and improve outcomes.

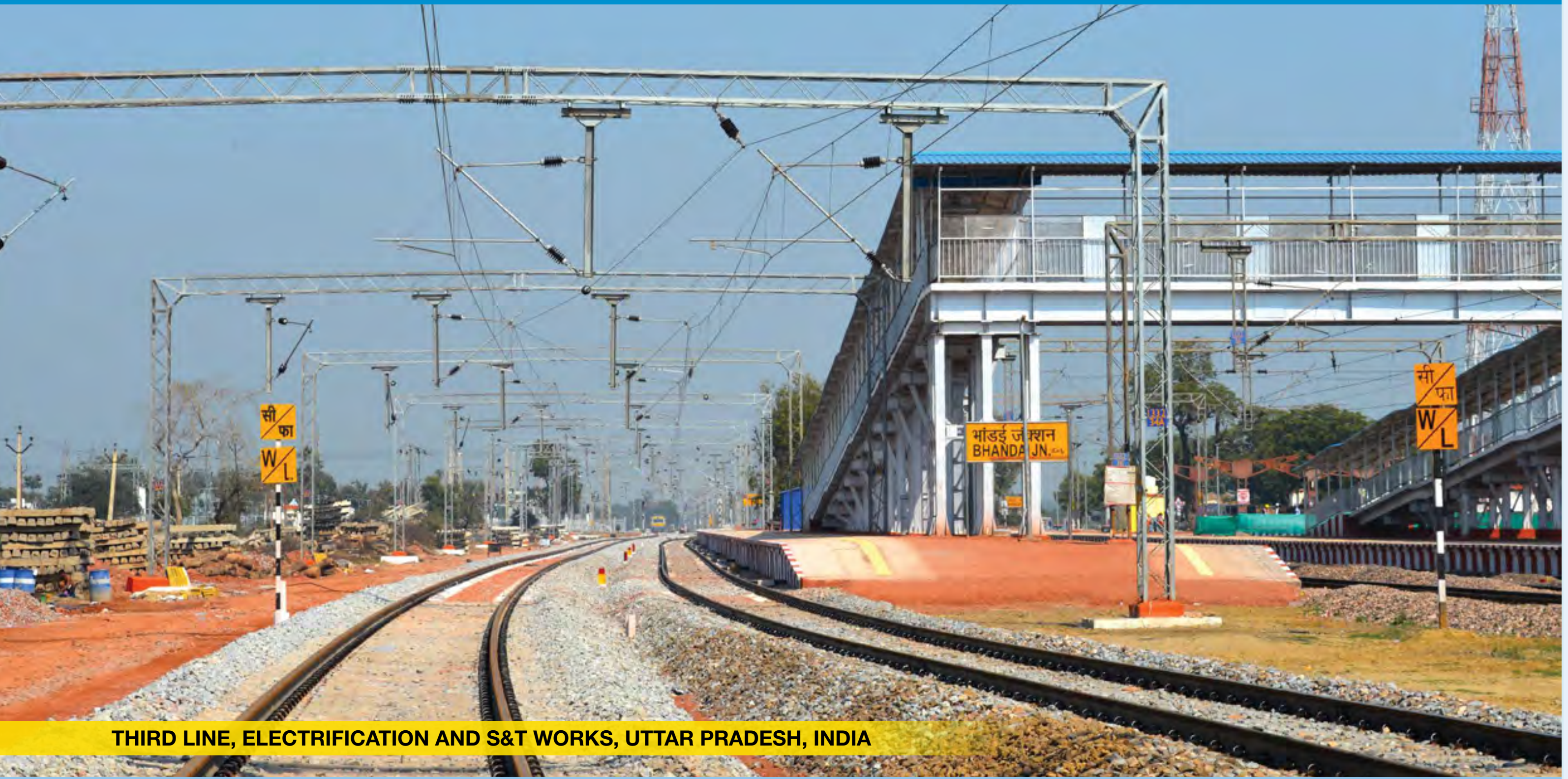
KEC International's Civil business is committed to diversifying across various sectors, positioning us as a versatile leader in the infrastructure space. With a legacy of excellence and a forward-looking vision, we are poised to achieve even greater milestones in the years to come.

### FY 2023-24 HIGHLIGHTS

- Achieved a robust 32% year-on-year growth in revenues, totalling ₹ 4,370 Crore
- Entry into new segments with orders in Composite Buildings, FMCG, and Multi-Speciality Hospital
- Moving up the value chain with more EPC/technology-intensive projects
- Construction of 70+ high-rise residential and commercial towers, airport terminals, government housing and institutional projects
- Executing water transmission and distribution pipeline projects comprising 13,000+ km of water pipelines, 850+ reservoirs and 16 water treatment plants in rural areas under Jal Jeevan Mission initiative
- Delivering 5 state-of-the-art data centres with total capacity of 100 MW
- Leveraged advanced digital technologies such as drones, photogrammetry, BIM, and IoT to optimise project processes and enhance outcomes, driving efficiency and quality

OUR BUSINESSES

# Railways



THIRD LINE, ELECTRIFICATION AND S&T WORKS, UTTAR PRADESH, INDIA

**With more than 5 decades of rich experience, KEC's Railway business provides end-to-end EPC services for railways track laying, over-head electrification (OHE), civil infrastructure as well as for technology-intensive segments such as signalling & telecommunications, including Automatic Block Signalling (ABS), tunnel ventilation and train collision avoidance systems (KAVACH).**

**During the year, the business has successfully completed electrification of 1,092 TKM of railway, with 19% share in total railway electrification for the year, contributing towards the Indian Railways' 100% Electrification mission.**

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. We are also one of the largest players in 2x25 KV OHE segment, necessary for government's speed upgradation programme for marquee trains such as Rajdhani, Duronto and Vande Bharat.

During the year, the business has successfully completed electrification of 1,092 TKM of railway, with 19% share in total railway electrification for the year, contributing towards the Indian Railways' 100% Electrification mission. We have also completed 116 TKM of track laying and commissioning.

Additionally, our first tunnel ventilation project for Dharam - Qazigund railway line in tough terrains of Jammu and Kashmir was commissioned into service to provide all season access to the region. Three Railway Over Bridges (ROBs), as part of the Nagpur – Amla project, were also successfully completed and handed over.

The business is implementing Train Collision Avoidance System (TCAS) on 750 kms of the railway and is well positioned to benefit from planned implementation on 44,000 kms of rail lines across the country. Similarly, we are implementing Automatic Block Signalling (ABS) technology across 130 RKM of the railway and are well poised to contribute to further country wide roll out of the system. We continue to build our capabilities in line with the technology evolution of the railways business.





In a significant achievement, the business has successfully forayed into international market by securing a large signalling and telecommunication project in Bangladesh. Further, the business is actively pursuing opportunities in new markets of Middle East and Africa and forging partnerships in the region by leveraging the Company's international footprint.

The business is leveraging synergies with Cables and Transmission & Distribution businesses to improve its cost competitiveness as well as secure the supplies. We are manufacturing railway cables such as contact wires, feeder, jumper and dropper wires, catenary conductors, signalling power cables, railway OFC cables, and Quad cables, all approved by RDSO.

TRACKWORK & YARD, MUMBAI METRO, MAHARASHTRA, INDIA

TUNNEL VENTILATION WORK, KHARI-SUMBER TUNNEL, J&K, INDIA

Similarly, we continue to manufacture galvanised steel structures for Railways at our tower manufacturing units.

Our pursuit to achieve execution excellence is 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 technologies such as IoT-based vehicle telematics to reduce fuel costs, mobility solutions to optimise manpower and resource. Further, we are implementing centralised store monitoring solution to enhance operational efficiency and deploying centralised design management system to improve coordination needs between site and design teams. These initiatives are enabling us to significantly enhance efficiency, safety and quality, fast track project execution and deliver superior value to our clients.

Looking forward, we are optimistic about the growth prospects of the railway infrastructure sector, driven by increased government spending, technological advancements, and the pursuit of sustainable transportation solutions.

### FY 2023-24 HIGHLIGHTS

- Electrified 19% of India's railway network during the year, totalling to 1,092 TKM; commissioned railway track laying of 116 TKM
- Forayed into international market with Signalling & Telecommunication project In Bangladesh
- Enabled KAVACH on 63 RKM of NCR Railway zone track
- Commissioned the first tunnel ventilation job in Jammu-Baramulla Line
- Won the EPC World award for "Outstanding Contribution in the Railways sector" for the Hubli-Tinaighat Railway Electrification project
- Continued focus on technology integration and sustainability initiatives, driving innovation and efficiency in project execution

OUR BUSINESSES

# Urban Infrastructure

STATION AND CIVIL WORK, CHENNAI METRO, INDIA

**Our Urban infrastructure business focusses on EPC for viaducts, stations, depots, track works – ballasted and ballastless (BLT), and electrification & power supply systems for Metro Rail and Regional Rapid Transit Systems (RRTS) segments.**

**Recently, the company achieved noteworthy milestones, marked by the successful completion and delivery of significant projects for RRTS and Kochi Metro Rail Ltd.**

The Company has established a strong footprint in the Urban Infrastructure segment and is executing projects encompassing 55 Kms of viaduct, 43 metro stations in high density urban areas, 3 large depots and workshops. Additionally, the business is executing nearly 150 kms of metro track laying work, 100 kms of OHE electrification, power supply stations, SCADA works, etc. The Company is delivering more than 15 projects for 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, Gujarat Metro Rail Corporation, Mumbai Metropolitan Region Development Authority and Rail Vikas Nigam Limited.

Recently, the company achieved noteworthy milestones, marked by the successful completion and delivery of significant projects for RRTS and Kochi Metro Rail Ltd. It was a moment of immense pride for the team to participate in the inauguration ceremonies led by the Honourable Prime Minister of India. These events not only emphasised the company's pivotal role in the nation's infrastructural development but also highlighted its capability to execute projects of national importance with precision and efficiency. Another notable achievement was marked when the trial run of Bhopal Metro Rail was inaugurated by the then Chief Minister of Madhya Pradesh, who commenced the flag-off ceremony from the Subhash Nagar Depot, constructed by KEC.





In Delhi Metro, the projects are nearing completion with 14 kilometres of viaduct and 10 stations already in the final stage of handover to the client. The company is also nearing completion of Delhi's first Integrated Elevated Viaduct, a double-decker configuration with 1.4 Km. long metro viaduct at upper tier and 4-Lane Road on lower tier. Also in Chennai Metro projects, the company has made significant progress with several sections of viaduct and stations close to completion and handing over.

Furthermore, the company made substantial progress in BLT projects, with the completion of 37 TKM, including successful trial runs covering 17 TKM in the Ahmedabad BLT project. The company also successfully completed 25 KV OHE works at three locations and 33 KV Auxiliary work as part of the DMRC CE-30 project, ensuring the seamless electrification of metro operations. Significant milestones were also achieved in SCADA augmentation work at Mukundpur Depot for DMRC. Moreover, the successful culmination of 3x25 KV bay works at Mukundpur RSS highlights the company's capability to deliver critical infrastructure components within project timelines, contributing to the efficiency of metro operations.

As we continue to navigate the dynamic landscape of metro projects across the nation, we remain steadfast in our pursuit of excellence, innovation, and unwavering dedication to delivering world-class infrastructure solutions. These accomplishments reaffirm our position as a leader in the urban infrastructure domain.

DOUBLE DECKER VIADUCT (METRO & ROAD), DELHI METRO, INDIA

SAHIBABAD STATION, INDIA'S FIRST RRTS PROJECT

## FY 2023-24 HIGHLIGHTS

- Commercial operations started for 2nd package of Kochi Metro inaugurated by Honourable Prime Minister
- Inauguration of RRTS viaducts, stations and Duhai depot by Honourable Prime Minister
- Successful trial run of Bhopal Metro with completion of Subhash Nagar depot, constructed by KEC
- Successful trial runs covering 17 TKM of Ahmedabad BLT project
- Successful completion of the 4.5 TKM OHE works, 3x25 KV bay works and SCADA augmentation work at Mukundpur Depot for DMRC

OUR BUSINESSES

# Oil & Gas Pipelines

HDD WORK FOR IRON-ORE SLURRY PIPELINE, ODISHA, INDIA

**Our Oil & Gas business focusses on providing EPC services for cross-country Oil & Gas pipelines, sectionalising valve (SV) stations, intermediate pigging (IP) stations, receiving and despatch terminals, and composite station work projects. The business is also executing iron ore slurry pipelines and water distribution pipelines.**

**The business is focussed on augmenting its capabilities to cater to the evolving needs of the oil & gas industry by building people, process and technical competencies.**

The business is constructing more 1,300 kms of cross-country oil & gas pipelines and 75 SV and IP stations across various projects for all major upstream and downstream players in the oil & gas industry. The business is also laying 130 kms of iron ore slurry pipeline for one of the largest iron and steel player in the country.

During the year, the business has achieved revenues exceeding ₹ 625 Crore, delivering a healthy growth of about 30%. In a significant achievement, the business has bagged its first international project for laying a gas pipeline in Benin, Africa. The business has also strengthened its composite station work portfolio. In line with the diversification strategy, the business has started bidding for projects in the areas of storage tanks, mechanical and piping works for gas gathering and LNG stations and civil structural works in refineries.

The business is focussed on augmenting its capabilities to cater to the evolving needs of the oil & gas industry by building people, process and technical competencies. The business is accelerating completion of key pipeline as well as composite station projects to enhance pre-qualifications to cater to the larger share of the market. Further, the business is continually enhancing its equipment base to build capabilities and improve competitiveness in both domestic and international markets.

This decade, India is set to become the world's foremost contributor to oil demand growth and is anticipated to make significant investments in expanding its oil and gas infrastructure. Furthermore, leading international operators such as Saudi Aramco and ADNOC have declared considerable investments in new oil and gas projects. With this strong progression in both domestic and international arenas, the business is strategically positioned to meet global business demands.





STATION PIPING WORKS, SULTANPUR JHAJJAR PIPELINE PROJECT, INDIA

KANDLA GORAKHPUR PIPELINE PROJECT, GUJARAT, INDIA

## FY 2023-24 HIGHLIGHTS

- Delivered revenue of over ₹ 625 Crore, a growth of 30% over last year
- Secured first international order for gas pipelines in Benin, Africa
- Executing over 20 projects with pipeline of more than 1,300 Kms and 75 SV and IP stations
- Continued focus on diversification - Strengthened Composite Station Work portfolio, bidding for new areas such as storage tanks, mechanical and piping works at refineries, etc.

OUR BUSINESSES

# Cables


CABLES MANUFACTURING FACILITY AT MYSURU, KARNATAKA

**The Cables business, with an extensive experience of over 6 decades, specialises in manufacturing power cables, control & instrumentation cables, railway contact, catenary conductors, signalling & quad cables, telecom cables, & special cables for wide range of applications.**

**The business has delivered revenue of ~ ₹ 1,650 Crore and an order intake of over ₹ 1,900 Crore, with a growth of 12% over last year.**

Our cables, synonymous with superior quality and reliability, are offered under the brand name of Asian Cables across more than 90 countries. The business also offers turnkey cabling solution across India and international markets.

Asian Cables has been at the forefront of technological advancement and innovation, pioneering XLPE manufacturing in India and setting industry benchmarks. During the year, the business undertook a holistic transformation exercise, with a leading management consultant, with focus on product portfolio optimisation, engineering excellence, manufacturing debottlenecking, organisational restructuring, operational excellence and cost rationalisation across the value chain. The business has also set-up a PVC compound manufacturing. We are now manufacturing more than 25 grades of PVC for inhouse consumption, further enhancing our cost competitiveness and product quality.

The efforts have reaped significant dividends with the business achieving highest ever revenue, profitability and order intake during FY24. The business has delivered revenue of ~ ₹ 1,650 Crore and an order intake of over ₹ 1,900 Crore, with a growth of 12% over last year. This surge in orders is attributed to increased order wins across various market segments such as Industrial, Renewables, Oil & Gas, Metros, Metals, Cement, Railways, Data Centres, and Telecom. Most significantly, the business has delivered more than 80% growth in Profit before Tax (PBT) as compared to the previous year.

The business has maintained its momentum in new product development, leveraging its state-of-the-art manufacturing units in Vadodara and Mysuru, both in India. In line with





focus on developing new products that are niche and high margin cables, we have successfully developed and commercialised seven new products, ranging from Green cables, EV charging cables, LT aerial bunch cables, cathodic protection cables, among others. We are committed to expanding our product portfolio to meet the evolving demands of both domestic and export markets.

The business continues to be a strategic partner for Company's other businesses with a dual focus on improving the performance of Cables business as well as enhancing competitiveness of other businesses. We are setting up a new Aluminium conductor plant catering to the T&D sector, a strategic move aimed at enhancing our product portfolio and strengthening our position in the market.

Moreover, the business is strategically positioned to capitalise on underground EHV and HT cabling opportunities supported by growing demand for modern and smarter cities, as well as reliable power supply infrastructure, especially in areas prone to extreme weather conditions. Our dedication to innovation, operational excellence, and customer-centricity remains steadfast as we continue to drive growth and deliver world-class cable solutions globally.

CABLES MANUFACTURING FACILITY AT VADODARA, GUJARAT

OFC LINE AT MYSURU FACILITY, KARNATAKA

### FY 2023-24 HIGHLIGHTS

- Delivered highest ever order book, revenue, and profitability for the business
- Achieved more than 80% growth in Profit before Tax (PBT) as compared to the previous year
- Developed and commercialised seven new products ranging from Green cables, EV charging cables, LT aerial bunch cables, cathodic protection cables, etc.
- Developed special PVC grades for various applications such as Metro railways, Low temperature regions Oil & Gas etc.
- Revitalised dealer business, expanding into new territories and forging partnerships with new dealers
- Commenced the establishment of a new Aluminium Conductor Plant to broaden our product portfolio

## 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

### TELECOM CABLES
- Optic Fibre Cables
- ADSS Cables
- PIJF Cables
- 24/48F OFC

### 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
- Cu-Silver Contact wire
- ACSR/AAC Overhead conductors
- Cu-MG Flexible Dropper Wire

### 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
- Cathodic Protection Cables
- Concentric Cables
- Flat Submersible Cables
- LT AB Cables
- EV Charging Cables
- Green Cables
- RS-485 Cables
- UL Compliant Power Cables

OUR BUSINESSES

# Renewables

GROUND-MOUNTED SINGLE AXIS TRACKING PROJECT, TELANGANA

**Our Renewables business unit is focussing on offering EPC services for green energy generation and evacuation projects across large-scale ground-mounted solar power plants, wind-based power plants, green hydrogen generation as well as hybrid energy projects.**

**As India advances toward its ambitious renewable energy goals, KEC is at the forefront, leveraging its expertise and partnerships to significantly contribute to these transformative endeavours.**

KEC is one of the few companies with capabilities to execute large-scale projects of up to 600 MWp, including Single Axis Tracker technology.

The vertical has achieved revenues of ~₹ 450 Crore, marking an impressive growth of over 400% year-on-year. The Company's extensive experience in delivering large ground-mounted solar projects, transmission lines, substations, and underground cabling projects across various geographies combined with longstanding relationships with utilities, grants us unique expertise in providing comprehensive concept-to-commissioning integrated solutions for green energy generation and evacuation projects. Our in-house manufacturing capacity of 10,000 MTPA of module mounting structures and special solar cables, combined with a strong emphasis on accelerated project execution, enable us to deliver exceptional value to our esteemed clients. Our wind energy efforts are focussed on forging strategic partnerships with key stakeholders to seize new opportunities and strengthen our market position. With the expansion into the Renewable Energy sector, we are prioritising large-scale solar PV power plants, onshore wind EPC as well as hybrid green energy projects.

In the green hydrogen sector, we are actively bidding for projects while simultaneously focussing on building capabilities and relationships with OEMs and technology suppliers. We can provide end-to-end solution to clients leveraging our unique capabilities across the value chain starting from generation of green power, transmission and distribution, process plant for electrolysis, gas transport pipelines, and storage solutions.

As India advances toward its ambitious renewable energy goals, KEC is at the forefront, leveraging its expertise and partnerships to significantly contribute to these transformative endeavours. We are strategically bidding for opportunities, confident that our Renewables business unit will play a pivotal role in our future growth. Positioning as the preferred partner for EPC in this sector, we continue to explore opportunities in international markets such as Middle East, Africa, Latin America, and Southeast Asia.

**FY 2023-24 HIGHLIGHTS**

- Establishment of the Renewables Business division to capitalise on opportunities in the renewable energy sector, marking a strategic move towards future growth
- Commencement of groundwork for our largest 500 MW/600 MWp solar project in Karnataka, expanding our presence in the solar energy domain
- Focussing on capability building for the new segments – people, technical and execution
- Strengthened partnership with developers and OEMs in domestic and international markets

# Delivering Outperformance

## 01 400 KV IBRI-NEW RUSTAQ OVERHEAD TRANSMISSION LINE, OMAN

**Scope:**

Design, supply, and construction of a 400 kV overhead transmission line for connecting 400/132 kV New Rustaq grid station to the grid.

**Challenges:**

The contract for the construction of a 162 km line was awarded in February 2021 however the mobilisation could not be done until September 2021 owing to Covid restrictions. The Covid-induced lockdowns also impacted the supply chain, leading to extended delivery timelines for materials. The project faced significant challenges, including a prolonged survey period due to difficult terrain and the need for an additional 59 km of re-surveying as per site re-routing requirements. Approximately 70% of the project is situated in hilly terrain, necessitating the construction of finger roads to reach tower locations, in addition to access roads along the entire route. This significantly impeded the pace of material transportation, such as concrete and tower parts, to the sites. Furthermore, crane mobilisation for erection activities proved difficult. The project encountered multiple obstacles due to adverse weather conditions, including damaged access roads caused by heavy rainfall, making it difficult to reach certain sections. The project's progress has been affected by the requirement to await the shutdown of the existing line, causing delays in completing specific segments of both the 400 kV line and the 132 kV LILO.

**Outperformance:**

Our execution team conducted a comprehensive analysis, meticulously planned to overcome challenging terrain constraints. By strategically augmenting resources such as manpower, vehicles, and machinery, we aimed to enhance productivity and mitigate initial time losses. Demonstrating value engineering, we successfully optimised tower designs, reducing both weight and quantity, thereby lowering costs and accelerating timelines. Emphasising operational excellence and mechanisation, we seamlessly deployed gin poles for tower erection where cranes faced mobilisation challenges and utilised concrete pumps for efficient concrete transfer. Innovatively employing battery-operated torque wrenches enhanced productivity in tower tightening operations. Our proactive vendor management strategies effectively minimised delivery gaps. As a result of these efforts, foundation and tower erection are in the completion phase, with stringing operations progressing steadily.

**Project Status:**

Expected completion by Q2 FY25

## 02 AIR INSULATED SUBSTATIONS AT DAPAONG AND MANDOURI IN TOGO

### Scope:

Design, supply, installation, testing and commissioning of two greenfield 161/20 kV air insulated substations at Dapoang and Mandouri and 161 kV Single Circuit Overhead Transmission Line linking Mango – Dapaong – Mandouri – Togo/Benin border.

### Challenges:

The project site was situated 620 km away from the Capital Lomé, with limited resources and medical facilities. Additionally, Mandouri substation as well as large part of the Transmission line route was located over hard rock strata necessitating heavy excavators, pneumatic jack hammers and blasting operations.

Since June 2022, the Government of Togo declared "a state of security emergency in the Savanes region" which covered the country's northern provinces including the project zone. This resulted in the withdrawal of resources by service providers and reluctance from new agencies to work in the region.

### Outperformance:

The team mobilised resources from the neighbouring country Ghana, which also convinced local service providers to mobilise heavy equipment. The team tied up with local and regional hospitals as well as NGOs to setup emergency response procedures and sensitisation programmes. The team implemented innovative ideas like inhouse fabrication of Sandcrete bricks, boundary wall and drains, RCC Hume pipes, precast cover slabs for cable trenches and kerb stones for roads.

Support was sought from the Ministry of Energy, the ambassador of India in Togo, and the Client to engage the regional authorities and military commandants to set up site patrolling, site screening protocols before every day's work, and continued work despite terrorist attacks and land mine issues in and around the project site. The project team worked courageously to achieve the project completion milestones regardless of the security threats in the project zone along the Togo-Burkina Faso border by taking adequate security precautions and safety measures.

### Project Status:

Project commissioned in Q3 FY24





## 03 132 kV UNDERGROUND CABLING AND ASSOCIATED WORKS, UAE

### Scope:

Design, supply, and construction of a 132 kV underground cable works to connect two 132/11 kV substations.

### Challenges:

KEC secured its maiden standalone underground cabling project in April 2022, a 6.2 km contract for DEWA in Dubai. The project faced initial hurdles, including the need for multiple authority approvals and unexpected route changes. During design review, it was discovered that the proposed route was reserved for other service providers, compelling a comprehensive route reassessment and redesign. This delayed quantity clearance to vendors by 7 months, significantly impacting the schedule of the 22-month project. Additionally, dewatering became necessary for 1.6 km of the route, delaying trench excavation and subsequent activities like cable laying and backfilling. As the project progressed, we encountered unforeseen technical challenges related to cable during the installation phase, requiring prompt engineering solutions.

### Outperformance:

The execution team's proactive approach led to several strategic improvements. A comprehensive topographical analysis resulted in proposing an optimised route with better constructability and fewer service conflicts. This led to reduction of the total route length from 6.2 km to 5.6 km, significantly mitigating schedule impacts. Leveraging strong stakeholder management capabilities, the team effectively liaised with multiple utilities and worked closely with the client to facilitate timely acquisition of necessary NOCs for project activities. The team engaged in proactive vendor management, successfully resolving material-related challenges through strategic negotiations. Demonstrating remarkable agility, our team recalibrated the execution plan to accommodate the impact of dewatering activities on the project timeline, ensuring continued progress despite unforeseen challenges. Our commitment to operational excellence was further exemplified through the implementation of value engineering initiatives, driving both time and cost efficiencies. DEWA recognised our performance with a certificate of appreciation, underscoring the valuable efforts exerted for successful completion of the project.

### Project Status:

Project completed in Q4 FY24

## 04 NEEMUCH-CHITTORGARH 400 kV D/C TRANSMISSION LINE

**Scope:**

400 kV Neemuch – Chittorgarh D/C Quad line secured through Tariff-based competitive bidding (TBCB) route.

### Challenges:

The project posed daunting challenges with rugged forested terrain and hard rock posing formidable obstacles from the outset. The original schedule of seven months had to be compressed to just 58 days due to POWERGRID's strict deadline of March 31, 2024. This accelerated timeline placed immense pressure on logistics and manpower deployment. Accessibility issues at 16 remote sites, situated atop steep hills, further complicated matters, requiring innovative solutions like specialised crawler machines for excavation. Delays in obtaining necessary clearances and permissions for critical operations such as stringing added to the complexity, necessitating agile adaptation strategies.

### Outperformance:

Despite these formidable challenges, our team demonstrated exceptional resilience and ingenuity, surpassing all expectations. By deploying a significantly augmented workforce of approximately 55 gangs comprising 1,500 personnel mobilised from various locations, we not only maintained pace but accelerated progress in critical phases of the project. The team completed the installation of 23 foundations, erected 41 structures, performed 36 kilometres of stringing, and 91 kilometres of OPGW work within a very tight timeframe of less than 2 months. Strategic decisions such as constructing access roads at higher costs proved instrumental in mitigating delays and optimising efficiency. Direct involvement of senior management and proactive oversight ensured swift decision-making and effective problem-solving on-site, underscoring our commitment to delivering excellence under demanding circumstances.

### Project Status:

Project commissioned on March 31, 2024





## 05 765 kV NARELA GIS SUBSTATION

**Scope:**

Engineering, Procurement and Construction of 765 kV GIS Substation at Narela & Construction of 2 Nos. of 765 kV line bays at Khetri for Khetri - Narela 765 kV D/c line for evacuation of power from solar energy zones in Rajasthan.

### Challenges:

Navigating the construction of the Narela substation in Delhi has been fraught with several hurdles. These include delays in land acquisition and handover, daytime restrictions on heavy vehicle movement hindering logistical operations, intermittent work stoppages enforced by air quality regulations from the Commission for Air Quality Management in the National Capital Region and adjoining areas.

### Outperformance:

Despite these formidable challenges, the project team has demonstrated exceptional resilience and innovation. Teams across multiple workfronts were mobilised together to pre-empt any timeline slippage. Mechanisation was undertaken to enhance productivity of construction activities. Innovative solutions such as precast firewall and cable trench technologies were implemented to enhance construction efficiency and quality. The project also excelled in environmental, social, and governance (ESG) initiatives, including the installation of 3 kWh solar panels to significantly reduce grid electricity consumption, integration of electric vehicles to minimise carbon footprint, and adoption of advanced digital safety protocols. Further, collaborative efforts with local authorities in water recycling and sustainable water management practices underscored the project's commitment to environmental stewardship. These efforts were recognised with prestigious awards like the CIDC Vishwakarma Award for Best Site for Construction Methodology and the Transformance Award for Best Water Saving ESG Initiatives.

### Project Status:

Expected completion in Q2 FY25

## 06 BALLASTLESS & BALLASTED TRACK WORKS AT PHASE II OF AHMEDABAD METRO

**Scope:**

Design, Supply, Installation, Testing, and Commissioning of Ballastless and Ballasted track (Elevated), spanning 61.8 TKM from Motera to Mahatma Mandir, GNLU to Gift City, and additional Depot lines for Gujarat Metro Rail Corporation (GMRC).

### Challenges:

With a strict project deadline of 24 months, there was a delay of over two months in the handover of the project from the customer. Even after access was provided by the customer, track installation was delayed due to design-related issues from the signalling team. Despite the delayed access, the client requested the handover of 38.4 TKM (62% of the entire project) within two months for the trial run of Phase II of the Ahmedabad Metro. Mobilising additional teams to meet the client's stretched targets was challenging due to the limited availability of skilled labour for precision track casting work. This shortage of labour was mainly due to multiple ongoing metro rail construction projects across India. The sophisticated fastening system used in the track installation required components like Elastomeric Pads and Tension Clamps. These are imported from abroad, specifically from Austria and Turkey, and were delayed due to various geopolitical issues.

### Outperformance:

To address the client's request, to deliver the priority stretch of 38.4 TKM, we increased our teams from the planned five to twelve, along with additional resources, including an extra Flash Butt Welding Plant, ensuring the timely completion of welding works. To overcome the labour shortage, we advised all our existing contractors to increase manpower using subcontractor support. To mitigate delays, we borrowed Elastomeric Pads from DMRC on a returnable basis, facilitating the completion of the work.

### Project Status:

Expected completion in Q3 FY25





## 07 PHASE II OF DHAMRA RAILWAY LINE DOUBLING

**Scope:**

EPC contract for Dhamra Railway Doubling - Phase 2, from Manthai River to Bhatatira, including track linking and OHE works for Dhamra Port Company Limited, Odisha.

### Challenges:

There was a substantial change in the foundation design during project execution due to local site conditions. The non-availability of suitable soils as raw materials and the shortage of experienced subcontractors for civil works, manpower, and machinery within the project's vicinity posed major difficulties. Local unrest led to frequent work halts, along with other issues like theft and right-of-way (ROW) problems. The unfavourable monsoon and cyclonic period for six months caused waterlogging across the site, leading to the non-availability of the workfront.

### Outperformance:

Despite these challenges, the team successfully mobilised an optimum number of subcontractors for formation works, ensuring efficient progress and adherence to project timelines. Quality standards were rigorously maintained, resulting in the early declaration of track fitness for operations by the Senior Section Engineer (Pway) Bhadrak in November 2023. Since then, there has been a continuous movement of electric locomotives with loaded wagons on the tracks successfully testing the project's operational readiness and reliability. Looking ahead, the project remains on track for completion, with ongoing efforts to mitigate challenges and maintain momentum towards achieving all project objectives.

### Project Status:

Expected completion in Q2 FY25

## 08 HIGH RISE RESIDENTIAL TOWERS IN BENGALURU

**Scope:**

Civil and finishing works, including tiling, painting, false ceiling, etc. for three towers (Each tower with 2 floors of basement, Ground floor and 23 – 25 floors of the buildings) and club house.

### Challenges:

This is a residential project located in a prime location in South Bengaluru. The project encountered major challenges due to huge space constraints within the project site. In addition, the locality is a densely populated residential zone. Heavy traffic on city roads posed a challenge for the movement of transit mixers and trailers carrying construction materials, which required stringent safe traffic rules to be complied with as well.

There was a restriction in work timings as surrounding residential societies did not allow concreting after 10 pm. This project was to commence just before the onset of monsoon and hence required repeated dewatering and sludge cleaning, which took additional time. Land availability for worker's colony was critical and available at a distance and therefore involved daily worker movement till project completion.

### Outperformance:

The project team successfully achieved all progress milestones as per contractual timelines, including the completion of 100 flats as per client milestones. Resources were mobilised as per project demand and a consistent workforce is maintained throughout the project lifecycle. Mobilisation of highly productive manpower from the Eastern part of India was also undertaken. Despite multiple challenges, including tight timelines – the project team clocked one million safe manhours with zero reportable incidents.

The team achieved a high-quality product with the highest customer satisfaction on the deliverables. Meticulous project management at the highest level and rolling wave planning techniques, integration, risk assessment/ management enabled the project team to overcome cost, resources, and time constraints to meet the agreed timelines. The project team worked round the clock with 410+ workforce completed 67 out of 72 floors across the three towers.

### Project Status:

Expected completion by Q3 FY25





## 09 PAINT MANUFACTURING PLANT, CHAMARAJANAGAR, MYSURU

**Scope:**

Civil, Structural & Architectural Works for Project Sparkle Paint Manufacturing Plant.

### Challenges:

This paint manufacturing plant was a greenfield project spread across 108 acres with 55 different structures, with stringent timelines. The site was surrounded by forest area and many locations encountered hard rock for which different breaking methods were to be used. This project location was also prone to abundant and long seasonal rainfall. Additionally, construction faced severe challenge due to unexpected crusher strike across Karnataka state, caused significant bottlenecks as we had a huge concrete scope of 90,000 cum.

### Outperformance:

The project team expedited the startup of the project and achieved installation of batching plant within 27 days from receipt of site clearance by developing and leveraging holistic startup checklist. Further, a strong resource strategy was implemented, enabling a consistent workforce of 800 workmen throughout the entire project duration. The project team mobilised peak manpower of more than 1,100 people and achieved peak monthly productivity of 10,000 cum of concrete. The team delivered a substantial amount of 8,000 cum of Surface fibre reinforced concrete (SFRC) flooring within a short span of 25 days. Over and above all, project attained significant milestone of 1 million safe manhours without any reportable incidents.

### Project Status:

Project physically completed in Q4 FY24

# 10 4.6 MTPA IRON ORE PLANT AT JODA MINES, ODISHA


**Scope:**

Civil, Structural, Piping, Water and Sanitation Works for 4.6 MPTA Iron Ore Processing Plant.

## Challenges:

The project had a challenging time schedule of 22 months for the scope of 30,000 cum concrete, 15,000 MT structural erection and 25 KM of piping work on hilly terrain and tough climatic conditions. The processing and handling structures of the project are located on benches along the sloping face of the iron ore hill, ranging from approx. EL 600 m to EL 400 m with interconnecting conveyors. Construction roads for the movement of heavy cranes, transit mixers, earthmoving equipment and trailers have hairpin bends and steep slopes. Safety fittings compliant with rules of Directorate General of Mines Safety (DGMS) need to be installed in all vehicles to minimise risk of accidents. Machinery too needs sufficient spares in inventory as well as <5 years age for minimum downtime. Batching Plant location was 12 kms away across municipality area and rail crossings required a fleet of 8 Transit Mixers for a CP 30 Batching Plant. The remote location of the project makes it a challenge for quick mobilisation and retention of manpower.

## Outperformance:

The project team worked with the client to minimise time taken for mobilisation through training on DGMS compliances, hired new machineries to reduce downtime, installed GPS Tracker for all major mobile equipment to reduce delays, implemented digital remote tracking of fuel consumption of P&M etc. Meticulous monitoring with Project Management tools and advance planning helped achieve monthly targets for Concreting and Structural Erection for consecutive 12 months. A special task force was deployed to take care of co-ordination challenges and to ensure progress of the project as per the agreed schedule. Despite multiple locations for structures, team has achieved 91% of project concreting in 77% of original scheduled project time. One of the largest single pours of 910 cum has been achieved within scheduled time earning client appreciation. We are being awarded repeat order from the client for their new upcoming project based on the performance of KEC in this project.

## Project Status:

Expected completion by Q2 FY25





# 11 RURAL PIPED WATER SUPPLY PROJECT, BARGARH DISTRICT, ODISHA

**Scope:**

Engineering, Procurement and Construction of water distribution pipelines, intake well, water treatment plant, elevated storage reservoirs (ESR) and water connections to over 50,000 households in Odisha under the Jal Jeevan Mission.

## Challenges:

The project involves the construction of intake well at Mahanandi River along with a water treatment plant, 53 elevated storage reservoirs, laying of 870 km of distribution pipelines, and installing over 50,000 house service connections in 116 villages benefiting over 3.5 Lakh villagers. Given the vast expanse of the project, statutory permissions and right-of-way management has been a major challenge. The pipelines pass through agricultural fields and cross national/state highways. Approvals and clearances needed to be sought from multiple government bodies as well as gram panchayats. The state of Odisha currently has multiple ongoing water projects resulting in a challenging environment in terms of sub-contractor and workmen availability. The biggest challenge of the project was geographic conditions, various structures & distribution networks which fell on the steep, inaccessible and challenging hilly terrain. The project required excavation work alongside existing domestic household connections affecting the water supply. Odisha also experiences severe heat waves during summer and heavy thunderstorms during monsoons leading to flooding.

## Outperformance:

The project team interacted with multiple government departments namely PWD (Public Works Department), R&B (Roads & Building Department), National & State Highways, Indian Railway, Irrigation Department, State Electric Department, State Water Resource Department, Forest department, Revenue Inspectors and Tahsildars to ensure we had all the requisite permissions. A dedicated local team was deployed to have effective communication with tribals and villagers for the collection of documents such as Aadhaar Card for authentication of household connections. A dedicated representative was appointed to liaise with government organisations and maintain up-to-date documentation for timely approvals. In the interest of providing uninterrupted water supply during the day, the team executed pipe laying works in highly populated areas at night when water usage is less, causing minimum inconvenience to households. Additionally, work schedules were revised in summers to avoid extreme heat during the day and facilitate work at night. KEC deployed multiple subcontractors at various locations so that execution progressed quickly. In addition, mechanisation was effectively leveraged to boost productivity. The project has encouraged the use of Solar lights at guest houses, store locations, and other places as a sustainable option to save energy consumption.

## Project Status:

Project physically completed in Q4 FY24

## 12 TUTICORIN AIRPORT TERMINAL BUILDING

**Scope:**

Design and construct a new terminal building, ATC Tower cum Technical Block, Fire Station, and associated works at Tuticorin Airport, with Maintenance, Operation, and AICMC for seven years.

### Major Challenges:

The project experienced initial challenges due to delay in issuing coordinate points for the Passenger Terminal Building, finalising datum level, finished floor levels for Passenger Terminal Building, Apron and Fire Station, change in battery limit – both on city side and air side, finalisation of architectural GFC drawings and material. Change in design of ATC cum Technical Block post approval of initial design also impacted the project timelines. Further complications arose from shortages of manpower due to the remote location and disruptions caused by rumours of attacks on workers. Amidst completing major civil work, the client directed reconfiguration of the Passenger Terminal Building necessitated extensive demolitions, redesigns, and additional work.

### Outperformance:

From the inception of the project, an interaction team was formed to monitor daily inter-departmental communications and promptly resolve emerging issues. Additionally, a dedicated task force closely monitored progress, identifying and addressing critical issues to keep the project on track. Ground execution began within three months of finalising crucial decisions. To mobilise and gain the confidence of the workers, our team swiftly established on-site accommodation and ensured security. We also set up a grocery shop on-site for easy access to daily necessities. Redesigns required by the client were completed within two months of instruction, alongside managing major demolition work. Currently, civil works for the Passenger Terminal Building, ATC - Technical Block, Fire Station building, Utility Block & Underground Tanks, and major hardscape components are complete. Mechanical, Electrical, Plumbing, finishing works, and external development like roads are ongoing.

### Project Status:

Project expected completion in Q2 FY25





## 13 ELEVATED METRO RAIL PROJECTS IN CHENNAI

**Scope:**

Construction of an 18-km stretch of elevated viaduct, 19 elevated stations, and associated works for Chennai Metro Rail Limited.

### Challenges:

This project presents a myriad of challenges stemming from its location amidst the bustling urban landscape, intersecting heavily congested roads in proximity to both residential and commercial zones. Complicating matters further, a substantial portion of the project traverses areas under the jurisdiction of the forest department.

The primary hurdle faced is the establishment of an unimpeded work front owing to extensive network of both mapped and unmapped utilities, ranging from above-ground structures to subterranean sewer and water lines, communication cables, etc. Encroachments along the entire alignment pose further challenges, exacerbated by the constrained width of the roads, necessitating construction in an exceptionally restrictive manner.

The discovery of previously unidentified Grade I and Grade II rock strata over a significant stretch has proven to be a substantial impediment to construction productivity, introducing unforeseen challenges. Additionally, the transportation logistics involved in moving precast elements from the casting yard which are approximately 30 km away, constitute an additional noteworthy challenge.

### Outperformance:

The project team not only addressed utility diversions and building demolitions promptly but also initiated the handing over of viaduct stretches and station rooms. Our adept team continue to play a crucial role in expediting permissions, managing traffic diversions, and resolving local intricacies.

Efficiently overcoming transportation challenges from the casting yard, we engaged with traffic authorities, adjusted infrastructure, and provided comprehensive training for axle drivers. Faced with unexpected Grade I and Grade II rock strata, our project team embraced innovative tools like tricone drilling bits thereby optimising productivity.

The completion of the elevated viaduct stretch from Porur to Poonamallee underscores our collective determination. We have initiated the handover process for station rooms, positioning us ahead of other contractors in ensuring the project's successful execution.

In an additional feat of engineering prowess, our project team successfully executed the erection of open web girders, specifically handling two splices weighing 110 MT and 112 MT. What sets this accomplishment apart is the utilisation of a single lifting method, a testament to our innovative and resourceful approach. Our meticulous planning and precise execution ensured that these substantial girders were seamlessly lifted and precisely positioned. Through strategic planning and collaborative problem-solving, we continue to overcome challenges and propel the project towards its completion.

### Project Status:

Expected completion in Q3 FY25

# 14 COMBINED STATION WORKS AT VADINAR, GUJARAT

**Scope:**

Combined Station Works of Mechanical, Civil, Electrical & Instrumentation Works and other facilities at Vadinar, Gujarat

## Challenges:

KEC Spur ventured into a new segment by securing this project which demanded a completely different approach and methodology for execution compared to pipeline projects.

The project is being implemented adjacent to an already functional IOCL facility for processing crude oil at Vadinar. This made movement of manpower, machinery and raw materials a challenging task. Apart from the erection of critical equipment, civil work and complex electrical and instrumentation systems, the project also includes the installation of complex above-ground and underground mechanical piping of 42 inches, spanning 12 kms within the facility which added to the project complexity.

Being close to an operational oil and gas facility, strict adherence to safety and quality norms was also required.

## Outperformance:

The project required an in-depth review and analysis of technical requirements and project timelines. Further, considering the strict timeline of 18 months, the team formulated an early startup plan to avoid any loss of time. Parallelly, a detailed project execution and procurement plan was developed to account for long lead items like pumps, EOT / HOT cranes, Sump tank, Valves, etc.

Given that the project was slated to be implemented adjacent to an operational IOCL facility, KEC Spur conducted a thorough study of the job site, site conditions, power, water, material and equipment availability, and all other relevant factors and constraints. This comprehensive assessment enabled the company to ensure smooth execution in line with project schedule and budget expectations.

Upon completion of this project, KEC Spur aims to further diversify into more complex oil and gas projects thereby positioning itself as a major EPC player in this sector.

## Project Status:

Expected completion by Q2 FY25





# 15 500 MW/600 MWp SOLAR PV PROJECT, PAVAGADA, KARNATAKA

**Scope:**

Lump Sum Turnkey Engineering, Procurement, and Construction (EPC) for the Solar Balance of System (BOS), including a 220 kV Substation, mandatory spares, and various services.

## Challenges:

The project site, spanning over 2,200 acres, featured a combination of tracker and bifacial modules with automated robotic cleaning using SVG technology, a first for KEC. The terrain posed significant challenges, including scattered land parcels, frequent changes in planned land due to local constraints, and severe Right-of-Way (ROW) issues. Limited site access and initial reluctance by the administration to cooperate with locals further disrupted progress. The highly undulated terrain with natural streams and mother rocks, along with the limited competency of local workers, compounded operational difficulties.

## Outperformance:

To navigate these complexities, the project team employed a collaborative approach, and a phase-wise execution strategy. The layout consisted of 40 blocks, each with 12.5 MW capacity, engineered to ensure progress despite fragmented land. On the mechanisation front, crawler-based DTH drilling machines were deployed to optimise drilling operations in the undulated terrain, and a customised fabricated trolley was arranged for efficient shifting of long-length torque tubes. Infrastructure, including access roads, was developed to facilitate the smooth movement of equipment and materials. The project team was augmented to address specific and operational challenges.

## Project Status:

Expected completion by Q4 FY25

# Our Green Portfolio

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

## Transmission & Distribution

- Energy transportation in an effective and efficient manner with minimal carbon footprint
- Building transmission lines and substations specifically designed to efficiently evacuate clean and reliable renewable energy
- World-class engineering solutions that optimise utilisation of resources

## Civil

- Laying cross-country water pipelines to provide clean water to Lakhs of households
- Building energy-efficient factories and residential complexes
- Constructing municipal waste to energy conversion plants, flue gas desulphurisation (FGD) units and other such structures that are environmentally conscious

## Railways

- More efficient than roads in terms of energy efficiency and land utilisation
- Preserving fossil fuels, curbing pollution and contributing to United Nation's Sustainable Development Goals (UNSDGs) through electrification of Indian Railways
- Enhancing safety of Indian Railways through implementation of world-class technologies

## Urban Infrastructure

- Reducing fuel consumption and pollution through effective urban commuting solutions
- Using environmentally friendly construction techniques, such as precast/prefab, that reduce carbon footprint

## Renewables

- Constructing large solar-based power generation plants, which have one of the lowest lifecycle emissions
- Reducing dependency on fossil fuels through advanced industrial solar solutions
- Building capabilities for green businesses such as Solar, Wind and Green Hydrogen

## Oil & Gas Pipelines

- Transporting gas, crude oil, and petroleum products in an energy-efficient and environment-friendly manner
- Supporting usage of gas-based clean energy
- Building iron ore slurry pipeline to reduce carbon footprint in transportation

## Cables

- Reducing transmission losses through energy-efficient cable designs
- Providing underground cabling solutions to improve land utilisation
- Enhancing safety and saving energy for end-users by manufacturing advanced and energy-efficient conductors
- Development of new products such as Green Cables, compliant with RoHS and REACH regulations

# Our Business Model

**Enduring value through sustainable outperformance**

## INPUT CAPITAL

### Financial Capital

| | |
|---|---|
| Total Equity (₹ Crore) | 4,096 |
| Capital Expenditure (₹ Crore) | 237 |
| Net Debt (₹ Crore) | 3,553 |

### Manufactured Capital

| | |
|---|---|
| No. of Manufacturing Units | 8 |
| Global manufacturing capacity (Tower, Poles, Hardware, Structures for Railways & Solar) (MT) | 4,32,200 |
| Cables manufacturing capacity (MT) | 69,430 |
| Project Sites | 308 |
| Safe Man Hours | 1,50,17,499 |

### Intellectual Capital

| | |
|---|---|
| Expenditure on R&D (₹ Crore) | 35 |
| New Products Developed (Cables) | 7 |
| Engineering / Design Team | 411 |
| Patents Applied | 2 |

### Human Capital

| | |
|---|---|
| No. of employees | 7,644 |
| Temporary / contractual employees | 36,603 |
| Employee Benefit expense (₹ Crore) | 1,441 |
| Average training (hours per employee per year) | 37.0 |
| EHS trainings (man hours per employee per year) | 32.1 |
| Diversity (Women employees and People With Disability) | 505 |

### Natural Capital

| | |
|---|---|
| Raw Material Consumed (₹ Crore) | 8,414 |
| Renewable Energy Generation (In kWh) | 1,08,67,658 |
| Energy Consumed (MWh) | 89,217 |
| Water Consumed (KL) | 2,36,598 |

### Social & Relationship Capital

| | |
|---|---|
| CSR Spend (₹ Crore) | 9.7 |
| Employee Volunteers for CSR | 1,130 |
| Environment-related spend (₹ Crore) | 14.4 |
| Vendor base | 34,467 |
| Customer base | 6,394 |

## OUR PURPOSE

**WE TRANSFORM LIVES BY BUILDING SUSTAINABLE WORLD CLASS INFRASTRUCTURE**

### Our Vision

**Unleash Talent**

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

**Outperform**

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

**Touch Lives**

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

**Be Happy**

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

### Business Portfolio

Engineering

Railways

Power Transmission & Distribution

Cables

Renewables

Procurement

Construction

Civil

Urban Infrastructure

Oil & Gas Pipelines

Manufacturing

### 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
- Currency fluctuations
- Execution challenges
- Cyber security
- Demand risk
- Succession planning risk
- Interest rate fluctuation risks
- Environment health and safety

## OUTPUT CAPITALS

### Financial Capital

| | |
|---|---|
| Revenue (₹ Crore) | 19,914 |
| Order book (₹ Crore) | 29,644 |
| PAT (₹ Crore) | 347 |
| Interest (% to Revenue) | 3.3% |

### Manufactured Capital

| | |
|---|---|
| Total Galvanised Steel Structures (Towers, Railway, Solar and Poles) (MT) | 2,68,352 |
| Cables manufactured (MT) | 47,584 |
| Transmission Lines executed (Kms) | 2,516 |
| Substation Bays built | 173 |
| India's Railway Tracks electrified (%) | 19 |
| Railway Tracks Commissioned (Kms) | 116 |

### Intellectual Capital

| | |
|---|---|
| Revenue from new/emerging businesses - Civil, Railways, Oil & Gas Pipelines, Renewables (₹ Crore) | 8,521 |
| Revenue from New Products (₹ Crore) | 93 |
| TL Design Cycle Time Reduction | 30% |

### Human Capital

| | |
|---|---|
| Revenue per employee (₹ Crore) | 2.6 |
| Happiness Quotient (%) | 83 |
| Staff with tenure more than 10 years | 1,700 |
| Lost Time Injury Frequency Rate (LTIFR) | 0.22 |
| Occupational Disease Frequency Rate | 0 |

### Natural Capital

| | |
|---|---|
| GHG Emission (Tonnes Carbon emission in total per annum) | 30,613 |
| Energy Saved (kWh) | 75,90,416 |
| Water Saved (In KL) | 25,087 |
| Water Reused (In KL) | 23,655 |

### Social & Relationship Capital

| | |
|---|---|
| Total number of CSR beneficiaries | 3,29,468 |
| Children educated | 5,506 |
| Teachers trained | 3,546 |
| Training for employability beneficiaries | 516 |
| Customer Satisfaction Rating (%) | 91 |

# Stakeholder Engagement and Materiality

## Our Approach towards Sustainability

We firmly believe that true sustainability for a business entails creating value that extends beyond traditional measures captured in financial statements. While tangible assets are crucial, we equally emphasise the significance of intangible value, encompassing the broader spectrum of stakeholders, including society and the environment.

At KEC, value creation is at the heart of our ethos, driving us to integrate Environmental, Social, and Governance (ESG) factors into every aspect of our operations. Embracing sustainable development not only aligns with our vision but also presents an opportunity to conduct business in a manner that is both innovative and responsible, ensuring long-term viability.

As responsible corporate stewards, we recognise Sustainability and ESG principles as fundamental pillars of our purpose, essential for fostering resilience and creating enduring value. Our Sustainability Policy serves as a roadmap, articulating our aspirations and targets as we strive to make a positive impact on our internal and external stakeholders.

Moreover, our recently launched purpose statement, 'We transform lives by building sustainable world class infrastructure', underscores our commitment to this approach, reaffirming our dedication to building a better, more sustainable future for all.

## 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 approval of the sustainability policy and ensure ESG practices are aligned and incorporated into the company's long-term vision towards sustainability.

At the board committee level, the Sustainability and Corporate Social Responsibility Committee, which comprises 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 the Senior Management team, is responsible for overseeing the progress on ESG and sustainability agenda and ensuring implementation and adherence to the sustainability roadmap.

At the Business level, the Steering Committee, which comprises 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.






## ESG Policies

At KEC, we recognise the need to align our governance with the changing business landscape and the needs of our diverse clientele. As a company, we are dedicated to continuously improving our governance processes and policies, maintaining high standards of corporate conduct. Through strong Environmental, Social, and Governance (ESG) policies, we promote sustainability and ethical practices.

**LIST OF POLICIES**

### Environment

- Environment, Health & Safety Policy
- Sustainable Procurement Policy
- Sustainability Policy

### Social

- CSR Policy
- Equal Opportunity Policy
- Human Resource Policy
- Human Rights Policy
- Quality Policy
- Policy on Prevention of Sexual Harassment at Work
- Leave Policy

### Governance

- RPG Code for Corporate Governance & Ethics
- Supplier Code of Conduct
- Code of Conduct for Boarding Members & Senior Management
- Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders
- Archival Policy
- Anit Bribery & Anti Corruption Policy
- Dividend Distribution Policy
- Nomination & Remuneration Policy
- Policy for Determining Material Subsidiaries
- Policy for Preservation of Documents
- Policy on Determination of Material Events
- Policy on Related Party Transactions
- Whistle Blower Policy
- Enterprise Risk Management Policy
- Conflict of Interest Policy
- Gift & Hospital Policy
- Cyber Security Policy

The policies are available on the KEC website **https://www.kecrpg.com/policies**

## Our Commitment to ESG

We had undertaken an exhaustive engagement to develop our strategic sustainability roadmap that enumerated our aspirations and action plan towards sustainable business transformation. This includes 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.

In the last few years, we have taken greater strides in deployment of several initiatives across ESG and Sustainability focus areas.

**Some of the key highlights for the year are given below:**

- Significant improvement across all nine Sustainability goals resulting in ESG Rating improvement
- Expanded deployment of ESG initiatives across 100+ project sites in addition to factories
- Investment in Solar Rooftop plants - Electricity consumption from Solar in factories has increased to 27% from 19% last year
- Invested in Energy-efficient products – Capex of ₹ 60 Crore for manufacturing of High Conductivity Aluminium conductor
- Achieved benchmark initiatives such as water positivity – Three plants and One project site have become water positive
- Enhanced Governance - Adopted 10+ new policies across the company in the last two years
- Developed an inhouse App for ESG data management encompassing all 8 factory sites and 300+ projects across 100+ parameters

**Outcome**

- Significant improvement in ESG Ratings by both S&P Global DJSI & Morningstar Sustainalytics
- Ranked 1 in India amongst the Engineering & Construction sector by both the Global agencies
- Globally we are in Top Quartile in our industry

## Stakeholder Engagement and Materiality

We focus on understanding our stakeholders' expectations, allowing us to continuously refine our approach to address the most pertinent priorities identified by both internal and external stakeholders. At the heart of this process lies Stakeholder Engagement—a vital component in our materiality assessment and value enhancement across various capitals.

Our commitment to stakeholder engagement is unwavering and continually evolving. We recognise that ongoing communication with stakeholders is not just essential; it's indispensable for staying in line with our industry dynamics and integrating necessary adjustments into our materiality assessment model.

To achieve this, we employ a multifaceted approach to stakeholder engagement, leveraging a variety of predetermined, structured, and tailored 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<br>• 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 programmes, employee rewards, recognition, development programmes<br>• Townhall meetings with leadership<br>• Happiness survey and corresponding focussed group discussions |
| Vendors | • Share mutual expectations and needs about quality, cost and timely delivery, growth plans<br>• Share best practices | • Periodic one-to-one interactions<br>• Periodic engagement meets |
| Customers | • Develop a sustained relationship<br>• Understand short and long-term expectations | • Regular one-to-one interactions with key customers<br>• Interactions at customer touchpoints<br>• Satisfaction surveys and/or feedback<br>• Trade fairs & exhibitions |
| Investors & Analysts | • Understand concerns and expectations<br>• Drive value creation | • Regular dissemination of financial & non-financial performance through published reports and media interactions<br>• Investor meets and calls<br>• Shareholders meetings<br>• Investor grievance channels |
| Local Community and NGOs & CSR Partners | • Develop and support local communities and economies | • Structured CSR initiatives<br>• 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 and NGOs & CSR Partners, and Vendors |
| Water-Positive Approach | Natural Capital | Employees, Local Community and NGOs & CSR Partners |
| Decarbonisation | Natural Capital | Employees, Local Community and NGOs & CSR Partners |
| Sustainable Procurement | Social and Relationship Capital | Vendors |
| Corporate Governance | Social and Relationship Capital, Financial Capital | All |

# Risks and Opportunities

In the dynamic and complex macro environment in which KEC operates, the company recognises the importance of continuous identification, assessment, and monitoring of risks that affect its operations. This proactive approach is essential for safeguarding the long-term success and sustainability of our organisation amidst the volatility inherent in our industry landscape.

To fortify the company against emerging uncertainties, KEC has instituted 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.

For more details on Risk Management, please refer 'Management Discussion & Analysis', page numbers 98 to 117 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 foreign currency fluctuations | Financial Capital |
| Cyber Security risk | Financial Capital, Intellectual Capital |
| Interest Rate Fluctuation Risk | Financial Capital; Manufactured Capital |
| Execution challenges | Manufactured Capital; Intellectual Capital; Financial Capital; Natural Capital; Social and Relationship Capital |
| Demand risk | Social and Relationship Capital; Manufactured Capital; Financial Capital |
| Environment, Health & Safety | Human Capital; Social and Relationship Capital; Financial Capital |
| Succession Planning risk | Human 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 journey serves as a guiding light, directing our focus towards areas that hold significance for our operations and resonate with our diverse stakeholder groups.

In FY21, 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.

We've made substantial progress across the majority of our targets, demonstrating our unwavering commitment to driving meaningful change. We are well-positioned to achieve these targets within the stipulated timelines, further solidifying our position as a leader in sustainable business practices. Our progress on this front has been well appreciated, which is reflected in the continuous improvement of our ESG Ratings by S&P Global DJSI and Morningstar Sustainalytics in the last two years. In a proud moment, we have been ranked first in our industry by both these agencies and have also made ourselves a part of the top quartile of our industry globally.

## HAPPINESS QUOTIENT

**Target:**
Increase Happiness Quotient to 85% by FY26

**Status:**
Happiness Quotient for FY24 has increased to 83% vis-à-vis 80% for FY21

## DIVERSITY & INCLUSION

**Target:**
Increase in diversity by 25% by FY26

**Status:**
Diversity has increased by 31% in FY24 vis-à-vis FY21

## OCCUPATIONAL HEALTH & SAFETY

**Target:**
Work towards the goal of achieving Zero accidents

**Status:**
Lost Time Injury Frequency Rate (LTIFR) has reduced to 0.22 in FY24 vis-à-vis 0.68 in FY21, a reduction of 68%

## CORPORATE SOCIAL RESPONSIBILITY

**Target:**
Reach 2 Lakh CSR beneficiaries by FY26

**Status:**
CSR beneficiaries for FY24 are 3.3 Lakh

## CIRCULARITY

**Target:**
Zero waste to landfill by FY26 for manufacturing plants

**Status:**
Waste to landfill has reduced by 53% in FY24 vis-à-vis FY21

## WATER POSITIVE APPROACH

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

**Status:**
Water consumption intensity has reduced by 20% in FY24 vis-à-vis FY21

## ENERGY CONSUMPTION

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

**Status:**
Energy consumption intensity has reduced by 28% in FY24 vis-à-vis FY21

## CARBON EMISSION

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

**Status:**
GHG emission intensity has reduced by 25% in FY24 vis-à-vis FY21

## SUSTAINABLE PROCUREMENT

**Target:**
100% of key suppliers to be assessed under ESG criteria by FY24

**Status:**
- Formulated a Sustainable Procurement Policy and shared with all suppliers
- Formulated Code of Conduct based on ESG criteria signed by all key vendors
- 100% of key suppliers assessed under ESG Criteria in FY24

BUSINESS CAPITALS

# Financial Capital

**In FY24, we achieved a robust revenue growth of 15%, reaching our highest-ever revenues of ₹ 19,914 Crore. This success was largely due to healthy execution in T&D, both in India and internationally, and in our Civil businesses, resulting in nearly doubling our profit after tax. Our focussed approach on diversification and de-risking, prudent capital allocation, building a robust order book, and commercial execution of projects is paying off well in the current environment.**

During the year, we have taken a selective approach to order intake to improve our margin profile and successfully secured new orders worth ₹ 18,102 Crore.

Despite ongoing geopolitical issues, such as the Russia-Ukraine war and the more recent Red Sea issue, we recorded substantial growth. Our EBITDA saw a significant Y-O-Y growth of 46%, with EBITDA margins expanding by 130 basis points to 6.1%, up from 4.8% last year.

We continue to demonstrate our strength in the T&D segment, consolidate our position in Civil, and expand our manufacturing operations, significantly de-risking the overall portfolio. Driven by robust execution across both domestic and international markets, our T&D business achieved a milestone revenue of approximately ₹ 10,500 Crore for the year, a remarkable 21% growth compared to FY23. Maintaining tower supply order book of over ₹ 2,000 Crore, our T&D manufacturing segment performed well, supplying towers to developed regions like Europe, Australia and the Americas. Additionally, our Civil segment reported substantial revenue growth, further strengthening our diversified portfolio.

Our Brazil operations saw a turnaround, with SAE reporting positive profits before tax. Considering the substantial improvement in performance, a strong order book, and ongoing confidence in our strategy, the Board of Directors has decided to recommend a dividend of 200%, which amounts to ₹ 4 per equity share with a face value of ₹ 2 each.

We are focussed on transforming our business operations and driving cost optimisation across the value chain to improve profitability. Over the past few years, we have undertaken a transformation journey to create a "World-Class Engineering" organisation, enhancing our engineering prowess across business segments and gaining a competitive advantage in the industry. This ambitious programme has strengthened our position as the preferred partner for infrastructure projects, reaffirming our commitment to excellence.

In terms of ESG and sustainability, we continue to make significant strides across the organisation. In addition to existing solar rooftops at our Jaipur and Dubai plants, during the year, we installed solar rooftops at our Brazil plant and Nagpur facility. With these additions, 27% of our total power requirements at our plants will be met through solar energy. We also have long-term agreements with external service providers who provide renewable energy at our Vadodara and Mysuru cable manufacturing plants.

We have consistently focussed on strengthening our balance sheet by optimising working capital and reducing debt. Our net debt, including acceptances, decreased to ₹ 5,090 Crore as of March 31, 2024, largely in line with March 2023 levels despite a revenue increase of over ₹ 2,500 Crore (15% YoY). Compared to the peak level of September 2023, borrowings have been reduced by ₹ 1,249 Crore.

We have also reduced our net working capital by 21 days compared to a peak level of 133 days as of September 30, 2023 to 112 days as of March 31, 2024.

Over the years, we have maintained our leverage ratios within comfortable levels. Our Net Debt-to-Equity ratio has decreased from 1.2 in 2016 to 0.9 at the end of FY24, reflecting an optimised capital structure that has consistently delivered optimal returns for our stakeholders. As of March 31, 2024, our market capitalisation stands at ₹ 17,840 Crore, a multifold increase compared to March 31, 2016. We are fully prepared to optimise debt levels through better management of working capital, efficient project execution, focussed efforts on receivable collections, and innovative solutions with our banking partners. We remain cautious in capital allocation to maximise returns for our stakeholders.

We have effectively managed the high volatility in commodity and currency prices over the past years through a prudent and effective hedging mechanism, guided by well-established policies. Cross-currency exposures are managed under a net hedging policy.

In terms of cybersecurity, our IT systems are protected with the latest antivirus software and network security measures, including firewalls, to prevent cyber-attacks. We have deployed next-generation Security Operations Centre services that not only detect but also automatically disable any network intrusions.

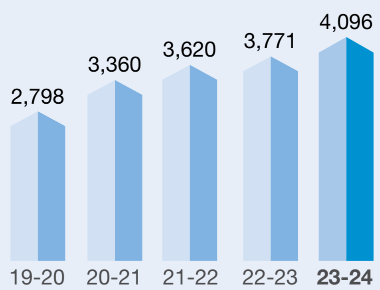
Our ongoing digitalisation efforts in banking transactions have led to more effective resource utilisation, reduced transaction times and costs, and minimised manual intervention. We are adopting the latest technologies and practices such as Blockchain for LC payments, Robotic Process Automation (RPA) tools in multiple finance and accounting processes, and Electronic Bank Guarantees to significantly improve turnaround and response times.

**Key initiatives undertaken during the year to optimise financial efficiency**

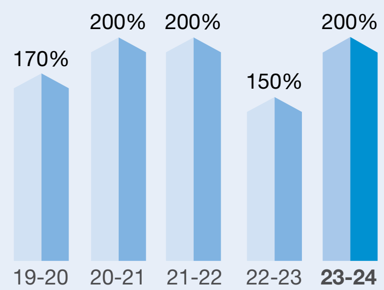
- Synergistic diversification of business portfolio
- Efficient mix of domestic and foreign currency borrowings
- Enhancing digitalisation efforts
- Automation of various processes through SAP and use of AI

| Stakeholders impacted | Material issues addressed | Key risks addressed |
|---|---|---|
| • Employees<br>• Investors & Analysts | • Financial Performance<br>• Corporate Governance | • Execution challenges<br>• Commodity price variations<br>• Foreign currency fluctuations<br>• Geopolitical risk<br>• Demand risk<br>• Cyber security<br>• Interest rate fluctuation risk<br>• Environment health and safety |

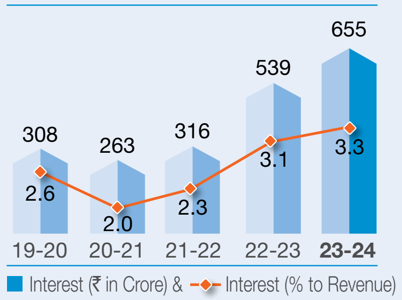
**Net Worth** (₹ in Crore)



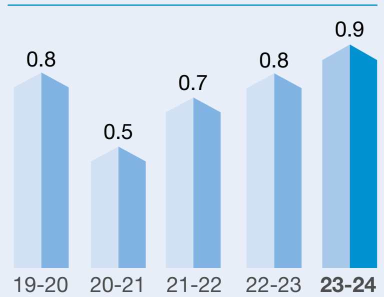

**Dividend History on face value of ₹ 2/- per equity share**




**Interest** (₹ in Crore) **& Interest** (% to Revenue)




**Net Debt to Equity**



BUSINESS CAPITALS

# Manufactured Capital

TOWER MANUFACTURING FACILITY, BRAZIL

**Our inventory of manufactured capital encompasses our geographically dispersed plants and testing stations, the machinery and equipment deployed across factories and construction sites, and the array of stores and facilities. It includes all tangible assets required for manufacturing products and providing EPC services.**

We are committed to strategic investments in processes and technology, aimed at bolstering our capabilities in manufacturing, testing, and supply chain operations. Concurrently, we prioritise investments in equipment for mechanisation and automation at project sites, aiming to enhance site productivity and expedite project completion. These endeavours have not only contributed to the enhancement of safety and reliability within our operations but have also fortified our position as leaders in cost-efficiency and quality within the industry. Our relentless pursuit of continuous process improvement and dedication to operational excellence are pivotal in sustaining our competitive edge.

## Manufacturing

Our strategically located manufacturing facilities, spread across key local markets, serve as a significant source of competitive advantage for us. Our vertically integrated operations, with manufacturing capabilities for transmission towers, monopoles, substation structures, hardware & fittings, cables, railway OHE structures scaffoldings, etc. help us maintain leadership in the industry. Our state-of-the-art facilities, comprising eight tower and cables manufacturing units, span across India, UAE, Brazil, and Mexico.

As one of the prominent global players in the Transmission and Distribution (T&D) sector, we operate six tower manufacturing facilities with a combined capacity of 3,72,200 metric tonnes per annum (MTPA). Given the increased demand in Middle East market, we have enhanced the Dubai plant capacity by another 10,000 MTPA. We also manufacture galvanised steel structures, with a capacity of 48,000 MTPA, to cater to our Railway and Renewable businesses enhancing control over the supply chain and improving competitiveness in the market. Furthermore, to meet the demands of our Civil business, we manufacture shutters, formworks, and scaffoldings.

Our comprehensive portfolio also includes two fully integrated cables manufacturing facilities located in Vadodara and Mysuru, India. These facilities produce a diverse range of cables, including power, control and instrumentation, railway, telecom, and specialty cables tailored to various applications. During the year, we have developed seven new cables to enrich our product portfolio and cater to emerging segments such as EV charging cables, data centres, marine, defence, and telecom. In line with our focus on improving margins, we have also set-up a PVC compound, which is helping us enhance competitiveness and product quality. Further, with increasing investments in transmission lines in India, we are establishing manufacturing capacity for Aluminium conductors, including ACSR, Al-59, AAAC, ACSS, etc.

As part of our commitment to reducing our carbon footprint, we are actively ramping up the utilisation of renewable energy sources within our operations. This includes the installation of rooftop solar power plants at our tower factories and the procurement of green power through open access for our cables manufacturing plants. By embracing renewable energy solutions, we are striving to minimise our environmental impact and promote sustainability across our operations.

Our Butibori, Jabalpur & Vadodara facilities are certified for the Water Positive Index and with various proactive initiatives we are continuously working on maximising water conservation.

Furthermore, we are dedicated to enhancing our manufacturing capabilities by leveraging cutting-edge equipment and advanced technologies. This includes the integration of best-in-class digital and automation tools, which not only streamline our processes but also contribute to greater efficiency and productivity. Through these investments, we are positioning ourselves for continued growth while upholding our commitment to environmental stewardship.

CABLES MANUFACTURING FACILITY, VADODARA, INDIA

**8** Number of Transmission Tower & Cables manufacturing facilities

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

**4,32,200 MTPA**
Global consolidated manufacturing capacity

**3,72,200 MTPA**
Transmission Towers, Poles and Hardware

**38,000 MTPA**
Railway structures

**12,000 MTPA**
Telecom Tower structures & Cuplock Scaffolding facility

**10,000 MTPA**
Solar structures

**Cables Manufacturing Capacity:**

| Power cables | Instrumentation cables |
|---|---|
| **~42,150 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 Conductor | Contact wire |
|---|---|
| **2,040 MTPA** | **3,240 MTPA** |

## Tower Testing

KEC stands out as one of the few companies worldwide boasting of four tower testing stations, strategically located in India and Brazil. These cutting-edge facilities offer comprehensive testing solutions for a wide range of transmission towers, including Lattice and Guyed Towers, Tubular Towers, and Monopoles, with capacities of up to 1,200 kV.

Our innovative initiative of virtual tower testing is enabling our global clientele to remotely verify design and quality parameters of towers through live video-streaming, facilitating seamless project progress. This digitalisation and innovation endeavour has garnered significant appreciation from our esteemed clients.

These state-of-the-art testing stations underscore our unwavering commitment to quality assurance and technological innovation, positioning us as industry leaders in the realm of transmission tower testing.

TOWER TESTING STATION AT BUTIBORI, NAGPUR, INDIA

1. **Butibori Testing Facility, India:**
   - Among the largest facilities worldwide, equipped to test towers up to 1,200 kV.
2. **Belo Horizonte Testing Station, Brazil:**
   - One of the largest tower testing stations in the Americas, offering extensive testing capabilities.

**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 robust and seamlessly integrated supply chain system is fortified by an extensive network of top-tier vendors and logistics service providers. We place immense value on fostering strategic partnerships with these vendors, who play a pivotal role in our supply chain operations.

Despite facing numerous challenges throughout the year, including Red Sea issue, fluctuations in commodity prices and Skill Manpower availability, we remained resilient. During this period of adversity, we collaborated closely with our strategic partners to enhance the agility of our supply chain, ensuring timely delivery at optimal costs while effectively managing risks stemming from market volatility.

Furthermore, in alignment with our growth objectives and purpose of developing sustainable infrastructure, we expanded our vendor base to diversify our sourcing channels and encouraged our key vendors to improve the sustainability index. To reinforce our commitment to sustainability, we conducted comprehensive audits and assessments of key vendors based on various Environmental, Social, and Governance (ESG) parameters. We undertook multiple sessions on ESG awareness for all vendors, with focus on MSME Vendors, emphasising sustainability practices. We are actively increasing procurement from vendors who prioritise environmental and social responsibility.

SUPPLY CHAIN MANAGEMENT IS INTEGRAL TO EPC SOLUTIONS - POWER TRANSFORMER BEING TRANSPORTED

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

| Focus Areas | Key actions and initiatives |
|---|---|
| Quality and Service Delivery | • Implementation of a robust Voice of Customer (VOC) programme leveraging digital platforms to monitor and promptly address customer concerns, thereby elevating overall customer satisfaction levels<br>• Fostered a culture of quality excellence throughout the organisation through a series of quality workshops, structured trainings, dedicated quality month celebrations, and the introduction of the Kaizen Championship initiative<br>• Sustained enhancement of organisational capabilities and credentials by obtaining certifications such as DASt, ITSM, IMS, NABL, ISMS, and CE-EN<br>• Implemented a continuous improvement programme utilising advanced quality methodologies such as DMAIC, PDCA, 8D, and Poka Yoke, facilitating ongoing refinement and optimisation of processes<br>• Launched the Quality Academy under the Quality Center of Excellence (CoE) programme, aimed at nurturing quality champions across the organisation to uphold and elevate the standards of quality across all products and services |
| Digitalisation | • Integrating new technologies, including Internet of Things (IoT), cloud computing and analytics, AI and machine learning throughout critical operations<br>• Implemented various digital intervention platforms for planning, scheduling, shop floor management and process controls mainly including AI-enabled Galva Process control, Digital Quality Inspection in manufacturing, enhancing efficiency levels through automation and real-time monitoring<br>• Implementing blockchain base solution for sourcing of material for our substation projects |

| Stakeholders impacted | Material issues addressed | Key risks addressed |
|---|---|---|
| Customers | Quality and Service delivery | • Execution challenges<br>• Demand Risks<br>• Interest rate fluctuation |

BUSINESS CAPITALS

# Intellectual Capital

BIM FOR TUTICORIN AIRPORT

**At the heart of our success lies our intellectual capital, which propels us to stay ahead of the curve, contribute to a company's bottom line and maintain industry leadership. Our strategy revolves around enhancing people capabilities, redefining business models, and streamlining processes through innovation-led digital transformation. By embracing cutting-edge technologies and continuous improvement, we consistently deliver exceptional customer experiences that set new benchmarks in the market.**

## Engineering and Design

Driving our engineering success is a cohesive team of over 400 experts located across India and the Americas. This specialised team brings together vast experience and expertise to deliver innovative engineering solutions for complex projects. We have empowered our team, with cutting-edge digital technologies, to design diverse range of structures, including transmission line towers, substations, solar systems, metro rail infrastructure, water supply networks, elevated storage reservoirs (ESRs), buildings, industrial facilities, data centres, overhead electrification systems, signalling technology, etc.

To stay ahead in the rapidly evolving engineering landscape, over the years we have expanded our civil and railway teams and developed new capabilities. Our expertise now extends to designing metro rail viaducts and stations, water supply networks for diverse geographies, residential and commercial buildings, industrial factories, and more.

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

### Our Strengths:

- Comprehensive knowledge bank of designs for Transmission Line towers, Poles, Substations
- Digital platforms and automation tools enhance accuracy in design detailing & profiling, generating submittals with precision
- Adoption of advanced survey methods – DEM, LIDAR, Drones, Photogrammetry to ensure precise data collection
- AI-powered tender estimation process reduces timeline and enhances accuracy
- Expertise in Building Information Modelling (BIM) for improved efficiency & optimised cycle time
- Proven processes ensuring environment-friendly designs; stringent design-to-delivery cycles

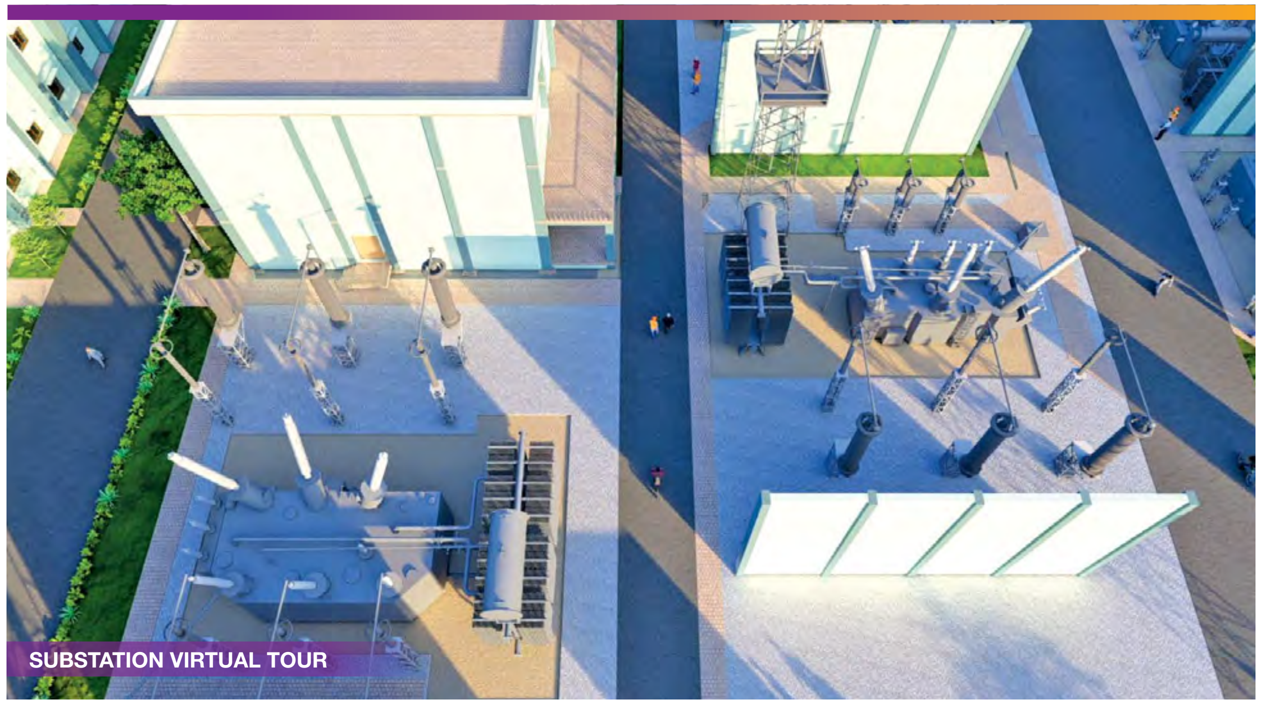





### Nuorbit – a World-Class Engineering initiative:

Our transformative journey through Nuorbit, a world-class engineering initiative, has significantly enhanced our capabilities and competitive edge in the industry. This comprehensive program includes Design-To-Value initiatives that optimise designs for maximum value delivery.

By reimagining processes and streamlining design cycles, Nuorbit has improved efficiency and quality, positioning us as the preferred partner for infrastructure projects.



SUBSTATION VIRTUAL TOUR

## Digital Transformation and Innovation through Excellence

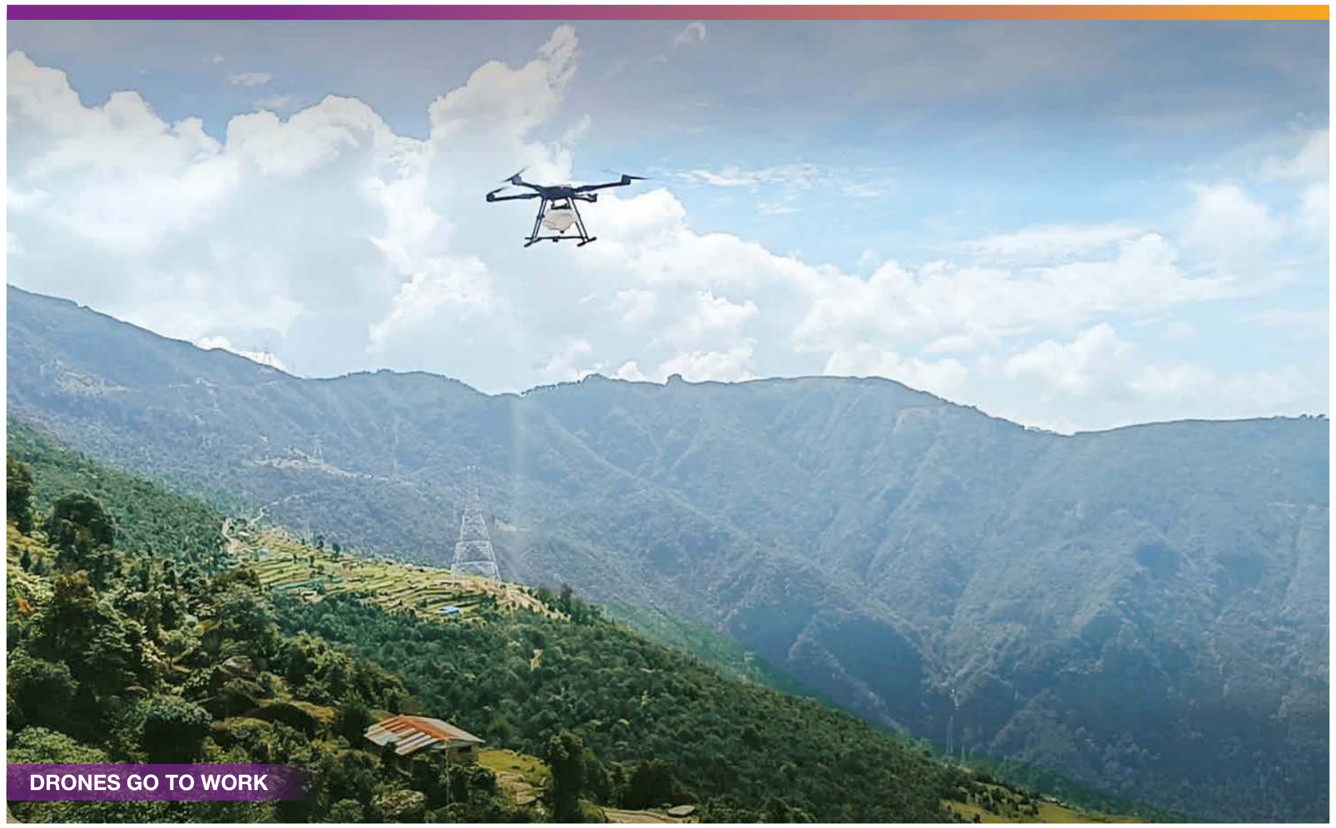
In an era where technological agility defines market leadership, our digital innovation strategy serves as a cornerstone for our competitive advantage. We continually redefine efficiency, cost management, and quality in engineering, procurement, and construction (EPC) services through proactive digital transformation.

In FY24, we have expanded our technological repertoire with state-of-the-art tools leveraging Generative AI, Hyper Automation, Deep Learning, Advanced Analytics, Robotic Process Automation, Industrial IoT, UAVs, Autonomous Systems, and Metaverse. These technologies are seamlessly integrated to enhance every phase of our operations.

Our dedicated innovation platform promotes a culture of continuous improvement, transforming pioneering ideas into scalable solutions across our comprehensive portfolios. Engaging diverse teams from engineering to finance, these innovations enhance productivity, accelerate project timelines, reduce costs, uphold quality and safety standards, and minimise resource wastage.

BIM FOR MLA COLONY, ODISHA

## Advanced Connected Construction Techniques


DRONES GO TO WORK

Our “Connected Construction” strategy integrates innovative digital solutions to streamline processes and operations across project sites. Initiatives like “Drone Go-To Work” enhance surveying and monitoring efficiency, particularly in challenging terrains, mechanising critical operations such as power conductor stringing and site inspections.

OpHunt, our hyper-automation platform, empowers our tendering team with actionable insights, drastically reducing manual efforts of hunting for the tenders. Similarly, Tender CoPilot – our generative AI-driven platform transforms our tendering process by quickly summarising crucial tender data, enhancing clarity on project scopes, technical synopsis, and commercial requirements.

Our proprietary low-code platform automates critical engineering calculations and design submissions, significantly reducing human error and enhancing design process efficiency. This automation not only speeds up the design process but also ensures precision and compliance with the highest industry standards.

### Pioneering Digital Initiatives

Our enterprise document management Platforms like DocuWave, centralise design documentation and integrate seamlessly across departments, enhancing operational coherence. “Wave”, our innovative supplier collaboration platform, improves the transparency and efficiency of the order-to-delivery cycle.

MyZone, our unified digital workspace, consolidates essential applications into a single, user-friendly mobile interface, improving on-the-go access and collaboration. Our Raksha platform, designed in-house, is pivotal in maintaining stringent adherence to health, safety, and environmental standards across all sites and offices.

The iQuality platform enhances our relentless focus on quality by providing real-time insights into construction procedures, processes and work products across project sites. Digital punch points and checklists help in faster customer clearances and enhance quality at each stage of execution.

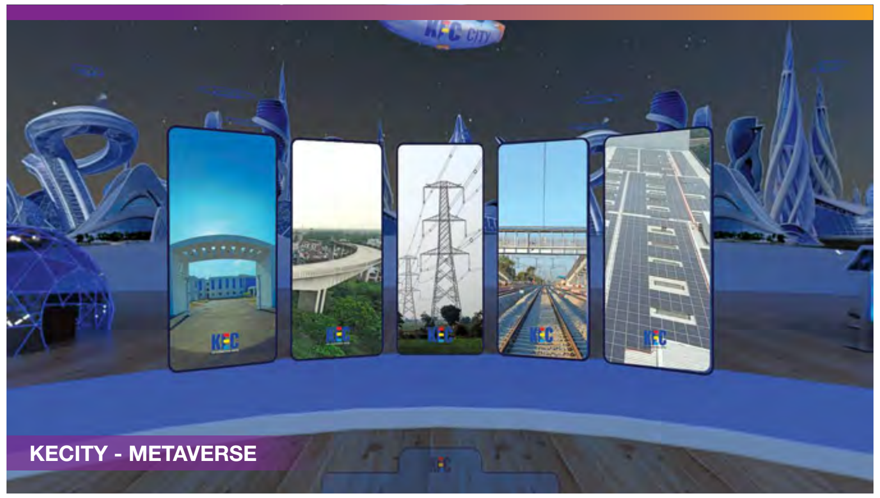
iTrack, our intelligent project monitoring platform, enhances the ability to plan, track, and control project progress proactively, facilitating informed decision-making throughout the project lifecycle. Leveraging 360-degree live streaming, we enable our corporate functions to gain real-time immersive experience of project execution work.






## KECity Metaverse

Our KECity Metaverse is a virtual environment that mirrors the physical construction world and features interactive virtual tours and immersive 3D walkthroughs, showcasing our capabilities and facilitating stakeholder engagement.


KECITY - METAVERSE

### Digital Shopfloor

On the digital shopfloor, we have transitioned to a paperless environment, leveraging computer vision technology to monitor production processes in real time. Our AI-enabled logistics optimisation platform efficiently manages despatch operations and optimises load capacities.

### Workforce productivity and upskilling

Our workforce productivity solutions, equipped with Generative AI and advanced facial recognition technology, monitor and enhance employee productivity and efficiency at project sites. These digital tools exemplify our innovative approach to leveraging technology to transform traditional construction methodologies into modern, efficient, and sustainable practices. We have also introduced multichannel immersive learning programmes for our employees to enhance their digital quotient and empower them to drive digital transformation in their respective work areas.

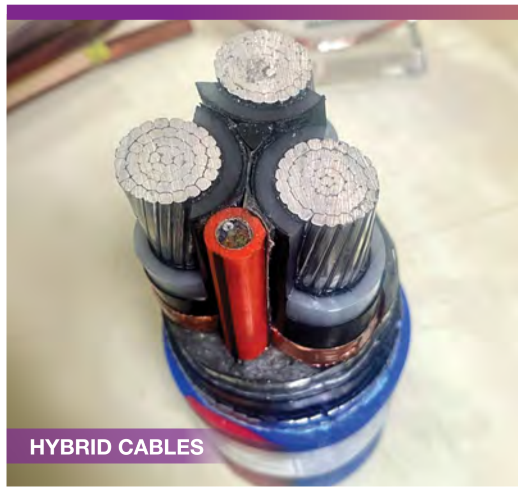
### Innovation at KEC

At KEC and the RPG Group, our commitment to cultivating a culture of creativity and operational excellence is demonstrated through the dynamic engagement of our workforce across various platforms. The RPG Innovation Festival, which celebrated its sixth year in 2024, has been a spectacular showcase of over 250 innovative ideas from various KEC project sites and departments, underscoring our steadfast dedication to fostering innovation.

“Inspiring Innovation” remains a cornerstone value of the RPG Group. At KEC, we are committed to disrupting traditional practices and perpetually enhancing our operations and procedures. To this end, we have formed a specialised task force devoted to discovering and implementing revolutionary ideas that improve our business sectors and functions. Our primary aim is to boost productivity, streamline efficiency, and increase agility, thereby driving enhanced profitability.

Furthermore, our premier innovation initiative, “RPG Click”, empowers our employees to offer transformative solutions and insights that address key business challenges given by leadership. Employees are encouraged to provide their ideas and solutions to these challenges and rewarded. These programmes have become crucial in propelling our innovation strategy forward in last few years. Our digital platform for Kaizen provides a channel to accelerate idea generation, streamline collaboration and tracking of improvement initiatives through AI-powered tools, analytics dashboards, and mobile accessibility. By fostering an open culture and providing real-time feedback loops, a digital Kaizen platform helps in driving innovation by amplifying employee engagement, encouraging data-driven decision-making, and driving measurable returns on investment.

| Stakeholders impacted | Material issues addressed | Key risks addressed |
|---|---|---|
| • Employees<br>• Vendors<br>• Customers | • Digitisation and Innovation | • Execution Challenges<br>• Cyber Security |


HYBRID CABLES


PRECAST ESR

BUSINESS CAPITALS

# Human Capital

NEW SOLAR PLANT AT SAE, BRAZIL

**Over the years, we have invested in our employees through progressive policies and a culture that prioritises diversity, well-being, and continuous learning, establishing human capital as the bedrock of KEC International's sustained success. Our people-centric ethos, embodied in our brand tagline 'Hello Happiness', resonates deeply with RPG Group's philosophy.**

In 2024, we achieved a significant milestone with the launch of our Purpose and redefined Culture Pillars. Our Purpose statement, "WE TRANSFORM LIVES BY BUILDING SUSTAINABLE WORLD CLASS INFRASTRUCTURE", serves as our guiding light, providing clarity and direction for all our endeavours.

At the heart of our organisational culture is a commitment to execution excellence, customer-centricity, empowerment & trust, diverse & global mindset, continuous learning, and holistic development across all levels. The Happiness Survey initiative gathers invaluable insights from employees, contributing to our increased happiness quotient, which rose from 81% to 83%.

KECares, our holistic wellness initiative, focusses on mental, physical, and financial well-being, reflecting our dedication to employee welfare. Aligned with RPG's vision of Unleash Talent, Touch Lives, OutPerform, and we uphold a culture of meritocracy, transparency, care, and respect. Our unwavering commitment to diversity and inclusivity ensures equal opportunities for all.

Safety remains a top priority, bolstered by advanced practices and technology-driven initiatives throughout our operations. Our robust training programmes, customised through digital platforms, classroom sessions, and experiential learning, are a few of the various initiatives to nurture talent and develop future leaders.

As a preferred employer in the construction and infrastructure sector, our diverse and talented workforce consistently surpasses expectations, delivering exceptional value to stakeholders. Recognition from esteemed platforms reaffirms our dedication to excellence.





| | 31-03-2024 | 31-03-2023 |
|---|---|---|
| No. of employees (Management) | 7,644 | 7,779 |
| Temporary/contractual employees | 36,603 | 41,057 |
| Diversity | 505 | 451 |
| Women employees | 445 | 362 |
| People with Disability | 60 | 89 |
| Happiness Quotient (%) | 83 | 81 |
| Staff with tenure more than 10 years | 1,700 | 1,788 |
| Number of nationalities represented | 43 | 37 |
| Percentage of millennials | 60% | 62% |
| Total Training hours | 2,21,712 | 1,65,341 |
| Classroom/Virtual Sessions | 42,055.5 | 29,116.5 |
| E-learning | 1,79,656.9 | 1,36,224.5 |
| Average Training hours (per employee, per year) | 37.03 | 28.25 |
| Managers | 36.6 | 28.58 |
| Officers / Associates | 37.7 | 27.93 |

## HAPPINESS QUOTIENT

- **Target:** Increase Happiness Quotient to 85% by FY26
- **Status:** Happiness Quotient for FY24 has increased to 83% vis-à-vis 80% for FY21

## HUMAN CAPITAL MANAGEMENT


KEC CULTURE PILLARS LAUNCH

- Launched a holistic wellness initiative, KECARES, for employees, focussing on physical, emotional, and financial well-being. Over 2,700 employees underwent medical checkups, with Health Melas held across multiple locations. Partnered with Ekincare to provide enhanced employee wellness services
- Launched the revamped R&R programme, Recognise and Celebrate Excellence (RACE), with Instant and Quarterly Awards for individuals and teams
- Unveiled the Purpose Statement "We transform lives by building sustainable world class infrastructure" and Culture Pillars encapsulated in the acronym EXCITE
- Implemented contemporary HR practices to nurture forward-thinking work environment, focussing on personal and professional development
- Successfully launched the 9th edition of the Digital Learning Championship and led virtual learning initiatives like Knowledge Café, Learning-On-The-Go, PMP Bootcamps, and D.E.A.L., enhancing competencies and offering interactive sessions by senior leaders and industry experts
- Introduced the Project Management Excellence certification program in collaboration with NICMAR to enhance project managers' proficiency
- Strengthened expertise in Manufacturing, Procurement, Sales, and Tendering through strategic partnerships with renowned institutions

## DIVERSITY & INCLUSION

Our Diversity & Inclusion Council is dedicated to fostering an inclusive workplace environment through employee-centric policies and programmes. These initiatives address gender sensitisation, unconscious bias, and promote diversity in recruitment practices by actively seeking candidates from various ethnic backgrounds for key roles and nurturing recent graduates to enrich our talent pool.

We believe in the power of diversity to drive innovation and success. Specialised programmes such as Women Mentoring and Womenocity provide valuable insights and support to our female employees, enhancing working conditions and fostering a culture of inclusivity. We are committed to empowering women re-entering the workforce after breaks and continue to focus on hiring transgender individuals and persons with disabilities, recognising their unique contributions and diverse perspectives.

Our Diversity & Inclusion initiatives are integral to our Equal Opportunity Policy, overseen by senior leaders who ensure compliance and monitor progress. During induction, every employee receives online training covering policies such as POSH, Bribery, Code of Conduct, facilities, benefits, and IT-related issues. Our user-friendly Electra App provides easy access to HR policies and procedures for all employees.

- **Target:** Increase in diversity by 25% by FY26.
- **Status:** Diversity has increased by 31% in FY24 vis-à-vis FY21.

### Occupational Health and Safety


TÜV NORD

CERTIFICATE

Management system as per ISO 9001 : 2015

KEC INTERNATIONAL LIMITED
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai, Mumbai - 400 030, Maharashtra, India
with the locations according to the annex

Design, Development, Engineering, Procurement and Construction of Electrical Transmission and Substation, Oil and Gas, Engineering Procurement Construction of Underground Cable, Railway, Solar, Civil Infrastructure Project, Water Projects and Smart Infra.


TÜV NORD

CERTIFICATE

Management system as per ISO 9001 : 2015

KEC INTERNATIONAL LIMITED
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai, Mumbai - 400 030, Maharashtra, India

KEC SPUR INFRASTRUCTURE PVT. LTD.
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, Maharashtra, India


TÜV NORD

ANNEX

KEC INTERNATIONAL LIMITED
RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai, Mumbai - 400 030, Maharashtra, India

- KEC has been re-certified under the single umbrella of the latest international standards of Integrated Management System (IMS) by M/s TUV Nord as per the requirements of ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 respectively. KEC Spur Infrastructure Pvt. Ltd. was also certified with the above standard. The said certificates are valid till September 2025 subject to successful yearly surveillance audit by the certification agency
- ISO 50001:2018 Energy Management Certification awarded to India transmission plants by M/s TUV Nord
- KEC EHS Management system has been reviewed and revised based on its operations, past incidents and near misses reported. EHS Minimum Mandatory Requirements (MMR) for each business unit have been revised and are implemented at all project sites as well as manufacturing plant locations
- Digitalisation of EHS processes, real-time reporting of incidents, near misses across all levels of the organisation as well as monitoring closure of audit action points through in-house digital platform "RAKSHA". It has features like e-Permit to work and last-minute risk assessment modules have been added. The platform provides end-to-end EHS management and helps the Company to achieve zero incident way of working





- EHS digital transformation initiatives include QR code Safety Induction Feedback, EHS Assessment scoresheet, EHS Management Information System, BRSR Application for ESG data management and Incident Reporting module
- 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 12% improvement in Lost Time Injury Frequency Rate over FY23. No occupational disease reported in FY24 from any of the KEC locations
- Enhanced focus on safety training for all levels of employees and contract workers by leveraging modern technologies such as virtual and augmented reality and achieved improvement of 1.61% in safety manhours training per person per year over FY23
- Throughout the financial year, various internal and external safety audits, including client audits and Integrated Management System (IMS) audits, at our sites and offices are conducted. These audits were performed in compliance with the requirements of ISO 14001 for Environmental Management Systems and ISO 45001 for Occupational Health and Safety Management Systems
- Special emphasis on design and implementation of social and environmental management plan as per the requirements of World Bank / other financial institutions especially at project sites
- Health and safety awareness sessions, community development programmes, gender-based violence awareness session, HIV awareness sessions for local community etc., including for our contract workforce, have been taken up during the year
- Safety performance is reviewed at quarterly board meetings and direction/guidance is provided. EHS Steering Committee for every business and Safety committee for each project site is well established and functioning for effectively monitoring safety performance
- Implementing Construction Environmental Social Management Plan (CESMP) which serves as a blueprint for responsible construction practices, fostering sustainability and societal well-being to mitigate negative impacts on the environment and promote positive outcomes for communities, thereby adhering to regulatory standards, emphasising sustainability and community welfare
- The Company was presented with several awards and recognitions during the year, International Safety awards (Distinction & Pass Category) from British Safety Council, CIDC Vishwakarma Awards, Greentech International EHS Awards 2023 for Construction Safety, National Safety Council Appreciation Certificate, and various appreciation by the clients

### OCCUPATIONAL HEALTH & SAFETY

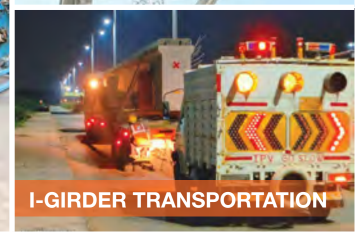
- **Target:** Work towards the goal of achieving Zero accidents
- **Status:** Lost Time Injury Frequency Rate (LTIFR) has reduced to 0.22 in FY24 vis-à-vis 0.68 in FY21, a reduction of 68%


VERTIGO TEST AT A PROJECT IN BENGALURU


THREE LAYER PROTECTION-DMRC


WORK AT HEIGHT RESCUE MOCK DRILL


360 DEGREE MACHINE GUARDING


I-GIRDER TRANSPORTATION

| Stakeholders impacted | Material issues addressed | Key risks addressed |
|---|---|---|
| • Employees | • Human Capital Management<br>• Diversity & Inclusion<br>• Occupational Health & Safety | • Succession Planning<br>• Environment Health and Safety |

BUSINESS CAPITALS

# Natural Capital


GREENATHON IN VADODARA

**As encapsulated in our purpose, "We transform lives by building sustainable world class infrastructure", KEC International is committed to sustainable operations, advancing the green economy, and reducing our ecological footprint. Preserving and enhancing natural capital is ingrained in our work, ensuring comprehensive environmental stewardship across our manufacturing facilities and project sites. We contribute to a healthier planet and a more sustainable future by prioritising environmental sustainability.**

In our factories, we focus on decarbonisation, energy conservation, circularity, and promoting a water-positive approach. Initiatives such as lean manufacturing, transitioning to sustainable energy sources, enhancing equipment efficiency, waste reduction, and water conservation are employed to minimise environmental impact and maximise resource efficiency. At project sites, we implement sustainable practices to mitigate impact on environment and promote ecosystem health, including reducing carbon emissions, conserving energy, embracing circular economy principles, and implementing water management strategies.

We prioritise environmental stewardship, community engagement, societal well-being, and robust governance practices. Our integrated environmental facility control reporting mechanism ensures accountability and transparency, aligning with our ESG goals. Environmental awareness campaigns highlight the importance of sustainable practices, preventing accidents, and monitoring environmental risks.

Our dedication to delivering sustainable project services and products has yielded significant results, as evidenced by substantial progress against our FY26 sustainability targets. This year, our efforts have been recognised with a notable improvement in our ESG rating, ranking first in our sector in India and in the top quartile globally, as assessed by S&P Global and Morningstar Sustainalytics. Additionally, we have received prestigious accolades such as the Platinum Certification by the CII-IGBC for our Tata Power 145 kV R/S substation in Dharavi, Mumbai, affirming our commitment to excellence and sustainable development.

These achievements highlight our continued leadership in sustainability and environmental stewardship. As we further embed ESG principles into our operations, we remain resolute in our mission to transform lives and build a sustainable future for generations to come.





| S. No. | Parameter | Unit | Value |
|---|---|---|---|
| 1 | Renewable Energy units consumed (All KEC + SAE) | MWh | 10,868 |
| 2 | Total Energy consumed (Power & Fuel) | MWh | 89,217 |
| 3 | Energy consumption intensity - Manufacturing plants | MWh/MT | 0.28 |
| 3.1 | Energy consumption intensity - Transmission line plants | MWh/MT | 0.25 |
| 3.2 | Energy consumption intensity - Cable plants | MWh/MT | 0.46 |
| 4 | Greenhouse Gas Emissions (GHG) | tCO2e | 30,613 |
| 4.1 | Scope 1 GHG | tCO2e | 13,822 |
| 4.2 | Scope 2 GHG | tCO2e | 16,790 |
| 5 | GHG intensity - Manufacturing plants | tCO2e/ MT | 0.10 |
| 5.1 | GHG intensity - Transmission line plants | tCO2e/ MT | 0.08 |
| 5.2 | GHG intensity - Cable plants | tCO2e/ MT | 0.18 |
| 6 | Water Consumed | KL | 2,36,598 |
| 7 | Water consumption intensity - Manufacturing plants | KL/MT | 0.75 |
| 7.1 | Water consumption intensity - Transmission line plants | KL/MT | 0.71 |
| 7.2 | Water consumption intensity - Cable plants | KL/MT | 0.99 |
| 7 | Percentage of Water Saved | % | 11% |
| 8* | Acid Neutralisation sludge diverted to landfill | MT | 891 |
| 9 | Specific Steel waste generated (per MT of production) | % | 5.00% |
| 10 | Specific Zinc waste generated (per MT of production) | % | 0.92% |

*Circularity – Sludge: Excludes the impact of the dulling process in sludge generation (total 518 MT sludge excluded). This process is a new client requirement and was established in FY24.

## Decarbonisation & Energy Conservation

Operating in a high energy intensity industry, we understand the critical need to reduce our energy consumption to achieve decarbonisation. To address the volatility in energy prices, we have invested significantly in reducing energy use and lowering carbon emissions. Our dedication to environmental sustainability and energy conservation has earned us prestigious awards, such as the Platinum and Gold Awards for Energy Conservation & Sustainability from the SEEM (Society of Energy Engineers & Managers) Award 2023 for our Jaipur, Butibori, and Jabalpur plants.

Our projects have also been recognised at events like the 5th ESG Summit & Awards and the Net Zero Summit and Awards 2024. We received accolades such as the CEMIG Renewable Energy Certificate and the "Good Practices in Sustainability" Award by CEMIG, affirming the sustainable energy consumption of SAE Towers, Brazil. Our ongoing efforts to reduce our environmental impact include strict internal controls to monitor energy use and greenhouse gas emissions across all our facilities and projects.

**Factory Initiatives:**

- Installed solar power plants in Jaipur, Butibori, Dubai, and Brazil, and procuring green energy through open access in Vadodara and Mysuru
- Fulfilling 27% of our total energy requirements through these renewable sources
- Investing in new induction furnaces, transitioning to LPG usage, enhancing induction heating efficiency, and optimising fuel atomisation

**Project Initiatives:**

- Implementing vehicle telematics and GPS-enabled fuel monitoring systems
- Utilising biofuels as an alternative to diesel
- Installing window glass solar modules and using solar-powered streetlights and panels on porta cabins

## Targets & Status:

### Carbon Emission:

- **Target:**
  Reduce GHG emissions intensity of manufacturing plants by 20% by FY26
- **Status:**
  GHG emission intensity reduced by 25% in FY24 compared to FY21

### Energy Consumption:

- **Target:**
  Reduce energy consumption intensity of manufacturing plants by 15% by FY26
- **Status:**
  Energy consumption intensity reduced by 28% in FY24 compared to FY21

## Circularity


MADE FURNITURE BY RE-CYCLING WOODEN PACKAGING MATERIAL IN TOGO


TREATMENT PLANT FOR SOFTENING THE RO DISCHARGE

KEC International's sustainability policy is committed to reducing environmental degradation and promoting the 3Rs (Reduce, Reuse, and Recycle) to minimise environmental impact. Circularity is deeply embedded in our operations by optimising material use from the design stage, minimising waste, and ensuring materials are repurposed or recycled after their useful life. By integrating circular economy principles, we aim to use materials efficiently, reduce waste generation, and plan for the reuse or recycling of materials, including steel, zinc, copper, and others, after their useful life.

To support this, KEC has established zero-based material consumption guidelines that minimise raw material usage and waste generation across our manufacturing plants and project sites. Once materials have served their initial purpose, we ensure they are repurposed or recycled rather than disposed of in landfills, keeping them within the supply chain and reducing overall waste. Additionally, we are involved in building waste-to-energy plants that convert waste into energy, helping manage waste and contributing to energy generation.

### Factory Initiatives:

- Automated design and engineering with digital intervention to reduce material consumption and waste
- Modernisation of plants & machinery with Industry 4.0 practices and lean manufacturing
- Installation of an MZR (Molten Zinc Recovery) Induction furnace to recover zinc from zinc ash
- Established zero-based material consumption guidelines
- Plants are disposing of ETP sludge to co-processors for use as fuel in cement clinkers

### Project Initiatives:

- Recycling wooden waste used in packaging to create furniture for donation to local schools
- Using rejected concrete in casting, crash barriers, and gardening brick walls
- Using green alternative materials like Ricron (reused plastic) for porta cabins
- Segregating waste at the source

### Targets & Status:

**Circularity:**

- **Target:**
  Achieve zero waste to landfill by FY26 for manufacturing plants.
- **Status:**
  Waste to landfill reduced by 53% in FY24 compared to FY21.

## Water Positive Approach


eki

CERTIFICATE

OF WATER NEUTRALITY

KEC International, Jabalpur Plant

This certifies that KEC International's Jabalpur Plant has achieved Water Neutrality status for FY 2023-24. This recognition highlights the company's dedication to sustainable water management, ensuring its water consumption is balanced with replenishment efforts.

This certification has been granted based on on-site assessment and following the criteria:

- **Water Consumption Measurement**
- **Water Replenishment Initiatives**
- **Sustainable Water Management Practices**

KEC International, Jabalpur Plant, has been awarded this status following an assurance conducted in line with the **AA1000AS v3** standard for the period of April 2023 to March 2024. The Jabalpur plant is replenishing **1.31** times the water it consumes. Detailed information can be found in the assurance report **#000-692/V3-HXAN**

Ramkrishna Patil,
President - Operations
EKI Energy Services Limited


eki

CERTIFICATE

OF WATER NEUTRALITY

KEC International, Vadodara Plant

This certifies that KEC International's Vadodara Plant has achieved Water Neutrality status for FY 2023-24. This recognition highlights the company's dedication to sustainable water management, ensuring its water consumption is balanced with replenishment efforts.

This certification has been granted based on on-site assessment and following the criteria:

- **Water Consumption Measurement**
- **Water Replenishment Initiatives**
- **Sustainable Water Management Practices**

KEC International, Vadodara Plant, has been awarded this status following an assurance conducted in line with the **AA1000AS v3** standard for the period of April 2023 to March 2024. The Vadodara plant is replenishing **1.71** times the water it consumes. Detailed information can be found in the assurance report **#000-692/V3-2310U**

Ramkrishna Patil,
President - Operations
EKI Energy Services Limited

In the water-intensive construction industry, KEC International has implemented proactive measures to manage its water footprint, aiming to reduce consumption and enhance water conservation. These efforts include comprehensive water mapping in our factories to target high-consumption areas and ensure efficient water use. All manufacturing plants operate on a zero discharge principle, recycling effluents and domestic wastewater through advanced treatment facilities.

Recognised for our effective water management, certifications like the Water Positive Plant for KEC Butibori, Jabalpur, and Vadodara Cables reflect our commitment. Achieving water credit-to-debit ratios of 1.60 at KEC Butibori, 1.71 at Vadodara Cables, and 1.31 at KEC Jabalpur demonstrates our efficient water use practices.





RAINWATER STRUCTURE INSTALLED IN VADODARA PLANT


USE OF CURING COMPOUND ON PORTAL BEAM

### Factory Initiatives:

- Upgrading effluent and water treatment plants for efficient water management
- Implemented 26 structures across plants to capture and reuse rainwater, replenishing groundwater
- Reducing evaporation losses during cooling processes and building intake wells, treatment plants, and distribution networks for clean potable water
- Educating stakeholders on water conservation and sustainable practices

### Project Initiatives:

- Implementing water collection and recycling systems for curing precast structures, and rainwater storage ponds for groundwater recharge
- Deploying alternative construction techniques by using curing compounds to minimise water use in construction processes
- Enhancing water efficiency onsite by collecting water from batching plants and reusing them for dust suppression

### Targets & Status:

**Water Consumption:**

- **Target:**
  Reduce water consumption intensity in manufacturing plants by 20% by FY26
- **Status:**
  Water consumption intensity reduced by 20% in FY24 compared to FY21

## Biodiversity

KEC International's Approach: Depending on the project nature, KEC prepares biodiversity risk assessment and management plans. Approvals are taken from relevant multinational funding agencies, considering risk assessments, guidelines by forest departments, and consultations with stakeholders.

### Project Initiatives:

- **Biodiversity Management:**
  - Conducting biodiversity risk assessments and preparing management plans for greenfield projects
  - Ensuring compliance with guidelines from the World Database on Protected Areas (WDPA), International Union for Conservation of Nature (IUCN), and other relevant bodies

These comprehensive efforts and initiatives across various dimensions of natural capital underscore KEC International's commitment to sustainability, aligning with our purpose to transform lives by building sustainable world class infrastructure.

| Stakeholders impacted | Material issues addressed | Key risks addressed |
|---|---|---|
| • Employees | • Decarbonisation | • Execution Challenges |
| • Local Community and NGOs & CSR partner | • Water-Positive Approach | |
| • Vendors | • Circularity | |

BUSINESS CAPITALS

# Social and Relationship Capital


PEHLAY AKSHAR SCHOOLING

**Our corporate ethos, aligned with the RPG Group's CSR Vision, revolves around the fundamental belief of giving back to society. In line with our purpose, all our society-centric projects are dedicated to fostering development and sustainable growth across communities.**

Through initiatives spanning Education, Employability, Community Development, and Heritage Conservation, we focus on holistic empowerment and creating a maximum positive impact for our stakeholders. Additionally, our employees are encouraged to engage in various volunteering initiatives aimed at achieving societal development goals. Here are a few key initiatives through which we envision a better tomorrow for the communities we operate in and the stakeholders we serve:

Pehlay Akshar Foundation, our Education vertical, is focussed on providing access to quality education and promoting English literacy. Partnering with governments, the foundation implements programmes aimed at improving learning outcomes and preparing students for the 21st century workplace.

Our Swayam programme is dedicated to empowering women and youth from less privileged sections through skill training programmes. Covering diverse sectors such as healthcare, logistics, construction, and IT, Swayam aims to provide them with opportunities for financial independence and self-reliance.

Community Development initiatives address critical community needs, adapting interventions to suit evolving requirements. The Heritage Project aims to revive sites of cultural and social significance, bringing back their glory through innovative approaches. With a flagship project like the Banganga Project, the focus is on reviving the oldest continuously inhabited site in Mumbai, dating back to the 9th Century.





Driving sustainability and ethical business practices, we actively engage our vendors and partners worldwide to reinforce our sustainability value chain. Our initiatives have successfully ensured supply chain sustainability and responsible business operations, leading to the formal integration of ESG considerations and the United Nations' Sustainable Development Goals (SDGs) into our supply chain and construction practices at project sites. To uphold the Supplier Code of Conduct and ensure compliance with ESG regulations, we provide suppliers with an ESG Assessment form, giving preference to those with superior ESG criteria. Additionally, we extend ESG training throughout our value chain, including suppliers and MSMEs, to promote awareness and adherence to sustainable practices.

We prioritise building meaningful partnerships with our customers, fostering trust, and gaining valuable insights. We create value for our customers through the delivery of world-class products and services. This customer-centric approach allows us to continuously refine our strategies and create long-term value for everyone involved.

Furthermore, training and awareness sessions for internal and external stakeholders are conducted as part of our Construction Environmental Social Management Plan (CESMP), ensuring holistic engagement in our sustainability efforts.

Our dedication to social and relationship capital embodies a sincere commitment to community upliftment and sustainable growth. Through collaborative efforts and impactful initiatives, we strive to create a positive impact and contribute to a brighter future for all stakeholders involved.

| S. No. | CSR Project | Key Actions and Initiatives | Impact / Value Generated |
|---|---|---|---|
| 1 | **Swayam Weave & Farm** | Aims to provide employment to less privileged sections through specialised skill training programmes | • Swayam Farm: 500 farmers are undergoing organic cultivation process training in Katol, Nagpur.<br>• Swayam Weaving: 16 active women are receiving training in weaving and natural dyeing processes. These women are weaving various kinds of fabric and applying natural dyes to them |
| 2 | **Pehlay Akshar Schooling** | Functional English classes are imparted to children through various offline and online modes, including TV (DD Program), A-Story-A-Day Campaign, and YouTube. | • Saathi Sessions: 13,205 sessions conducted<br>• Teacher Training: 3,546 teachers attended the training<br>• Student Reach: 5,506 students reached |
| 3 | **Pehlay Akshar Training** | Capacity building of government school teachers to create 'Magic Classrooms' - safe learning environments for children and effective classes. Establishing Learning Rooms to provide collaborative spaces to students and teachers with functional English curriculum, digital aids, books, and skilled personnel to improve English literacy and 21st century skills. | • Pehlay Akshar App Users: 6,345 total users<br>• Teachers Registered on WhatsApp Bot: 3,336 teachers<br>• Messages Sent Through WhatsApp Bot: 58,296 messages |
| 4 | **Heritage** | Upliftment of community areas through the revival of art and experiences in the Banganga region and transforming Worli Koliwada through art, architecture, biodiversity conservation, community development, and creating visitor experiences to rejuvenate the heritage site. | **Community Development Activities:**<br>• Over 6,000 people benefited from initiatives such as cleaning and waste segregation, Anganwadi painting, and awareness sessions on health, logistics, and financial management<br>• Craft sessions, street plays, eye and general health camps, and training for self-help groups (SHGs)<br>**Infrastructure Development:**<br>• Installation of street lights and replacement of the underground pipeline<br>• Refurbishment of playgrounds and paving pathways<br>• Wall painting and artwork<br>• Illumination of religious buildings, signage installation, and installation of artificial reefs |

| S. No. | CSR Project | Key Actions and Initiatives | Impact / Value Generated |
|---|---|---|---|
| 5 | **Other need-based Community Development interventions** | Supporting the essential needs of local communities through various interventions, including public health system support, COVID-19 relief work, community water purification systems, and more. | **Health:**<br>• Total Fever Clinics: 70<br>• Beneficiaries: 2,57,332<br>• Eye Camps: 9,500 persons screened, 4,328 spectacles distributed<br>**Solar Panels:**<br>• Installed in 13 schools in Jaipur, reducing electricity bills and impacting 8,858 students<br>**Water Purification Systems:**<br>• Installed in 3 schools in Nagpur and Sambhaji Nagar, 1 police station, and 5 villages across Nagpur and Jabalpur, ensuring clean and safe drinking water<br>**Agriculture Support:**<br>• Distributed vermicompost beds to 150 farmers in Nagpur<br>**Environmental & Sustainability Initiatives:**<br>• Planted 50,000 trees in Ramtek, Nagpur, and Bastar, Chhattisgarh (25,000 each)<br>• Provided clean cookstoves to 2,010 underprivileged families in Mahad, Maharashtra to promote environmental sustainability and community health |

### Corporate Social Responsibility:

- **Target:**

  Reach 2 Lakh CSR beneficiaries by FY26
- **Status:**

  CSR beneficiaries for FY24 are 3.3 Lakh

SWAYAM WEAVE

### 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 experience<br>• Conducted various customer engagement initiatives including quality workshops, quality month celebrations, and process improvement initiatives<br>• Improved processes by adopting advanced quality tools, certifications, and working closely with customers |
| Sustainable Procurement | • Regular proactive engagement with value chain partners at the highest level, including periodic meetings and visits<br>• Enhanced focus on fostering long-term, mutually beneficial partnerships<br>• Conscious efforts towards knowledge sharing, particularly on the latest technologies and digital processes. An ESG awareness module has been shared with more than 550 vendors in FY24<br>• Significant emphasis on ESG and sustainable business practices |





### Sustainable Procurement:

- **Target:**

  100% of key suppliers to be assessed under ESG criteria by FY24.
- **Status:**
  - Formulated a Sustainable Procurement Policy and shared with all suppliers
  - Formulated Code of Conduct based on ESG criteria signed by all key vendors
  - 100% of key suppliers assessed under ESG Criteria in FY24

SOLAR PANEL INSTALLATION AT SCHOOLS

OTHER COMMUNITY INITIATIVES - EYE CAMP

WATER COOLER INSTALLATION IN SCHOOL

WATER PURIFICATION INSTALLATION AT GRAM PANCHAYAT OFFICE

| Stakeholders impacted | Material issues addressed | Key risks addressed |
|---|---|---|
| • Employees<br>• Vendors / Suppliers<br>• Customers<br>• Investors & Analysts<br>• Local Community and NGOs & CSR partners<br>• Media | • Customer-Centricity<br>• Local Community Development<br>• Sustainable Procurement<br>• Corporate Governance | • Geopolitical risk<br>• Demand risk<br>• Execution challenges<br>• Environment, health and safety |

# Address 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.


### 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.


### 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.


### 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.


### 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.


### 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.




# Statutory Reports and Financial Statements

## Statutory Reports



## Financial Statements

# Boards' Report

**To the Members of**
**KEC International Limited**

The Directors are pleased to present the Nineteenth 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, 2024.

## 1. FINANCIAL RESULTS

(₹ in Crore)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Revenue from Operations | 19,914.17 | 17,281.71 | 17,383.35 | 15,413.23 |
| EBITDA | 1,214.57 | 829.73 | 847.81 | 849.88 |
| Finance Cost | 655.13 | 538.59 | 572.71 | 433.91 |
| Depreciation & Amortisation | 185.36 | 161.48 | 145.57 | 126.96 |
| Profit before Tax (PBT) | 426.49 | 160.98 | 191.58 | 325.72 |
| Exceptional Items - Gain/ (Loss)* | - | - | - | (75.57) |
| PBT after Exceptional Items | 426.49 | 160.98 | 191.58 | 250.15 |
| Tax Expenses | 79.71 | (15.05) | 44.05 | 69.90 |
| Profit After Tax (PAT) | 346.78 | 176.03 | 147.53 | 180.25 |
| Dividend on equity shares | 102.84 | 77.13 | 102.84 | 77.13 |

**Exceptional items include an amount of ₹ 75.45 Crore towards provision for impairment of investments in subsidiary company namely 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

### Overall Financial Performance

The Company has delivered a healthy performance for the year by achieving all-time high revenues, improvement in profitability and securing key order wins across various businesses. Additionally, the Company has successfully executed various strategic initiatives and developed niche capabilities across businesses positioning the Company for sustained growth.

On a consolidated basis, the Company has clocked a revenue growth of 15% achieving highest ever revenues of ₹ 19,914 Crore for the full year. The growth was led by healthy execution in Power Transmission & Distribution (T&D), both in India & International and Civil businesses. In terms of EBITDA, the Company's EBITDA grew 46% over the previous year and EBITDA margins expanded by 130 bps to 6.1% as against 4.8% last year. The PBT has increased 2.6 times and PAT has nearly doubled to ₹ 347 Crore against ₹ 176 Crore in FY23. The revenues and margins could have been higher, but for the supply chain bottlenecks faced by the Company in some of the businesses during the year.

On the order intake front, the Company secured orders of ₹18,102 Crore during the year. The largest contributors have been the India T&D business, followed by International T&D and Civil businesses. Notably, ~21% of these orders are for supply of products such as towers, cables, hardware and poles.

The Company has a well-diversified and strong order book of close to ₹ 30,000 Crore as on March 31, 2024. Additionally, the Company has a large L1 position of over ₹ 7,000 Crore, primarily in T&D business. With this, the order book + L1 position stands at over ₹ 37,000 Crore, which gives a revenue visibility over the next 6 to 8 quarters.

**Power Transmission & Distribution (T&D) –** The T&D business has delivered a strong performance by achieving a milestone revenue of ₹ 10,456 Crore for the year, a growth of 21% over the previous year. The growth has been delivered on the back of robust execution across both domestic and international markets. The business has significantly expanded its order book with strong order inflows of around ₹11,000 Crore, primarily in India, Middle East and Americas.

In India T&D, the business witnessed good traction, as it secured orders of over ₹ 5,900 Crore, a growth of close to 40% over the previous year. The business has significantly bolstered its order book with multiple orders for transmission lines and substations from Power Grid Corporation of India Limited ('PGCIL'), state utilities, private developers and power producers. In India, the power sector is poised for promising growth, with transmission infrastructure planned for major renewable energy potential zones such as Rajasthan, Gujarat, Andhra Pradesh and Tamil Nadu to support the target of achieving 500 GW of non-fossil fuel power by 2030. The Company has already secured some of these orders during the year. The consistent flow of orders and focus of the Government on renewables and the related T&D infra build, reaffirm the Company's confidence in the sustained strong growth of the India T&D business.

In International T&D, the Company continues to expand its presence with multiple order wins across markets. The business has secured significant orders in Middle East, especially in Saudi Arabia and UAE through its UAE subsidiary, KEC EPC LLC. The Company is progressing well on its debottlenecking program to increase the tower manufacturing capacity at its Dubai facility by 20%. This strategic enhancement will enable the Company to meet the growing demands in the region and further solidify its leadership position in the Middle East transmission market.

The Company continues to witness good traction in merchant tower supply orders. During the year, the Company has secured significant orders of over ₹ 2,000 Crore across key markets such as Middle East, North & South America, Europe and Australia. These orders include largest tower supply order from the United States of America and maiden tower supply order from Europe. The uptick in tower supply orders, particularly from North America, reflects the rising demand for the Company's products in the region.

SAE has delivered a turnaround with revenues of ₹ 1,447 Crore, growth of 9% and positive PBT. In Brazil, the Company witnessed the largest ever auction in T&D exceeding USD 3 bn in March 2024. The Company is in active discussions with developers who have secured projects in the auction and is well positioned for securing orders for supply of towers and hardware. During the year, the business also achieved a breakthrough in the US market with the successful supply of hardware products, thus opening up new avenues for expansion and growth. The business has a steady inflow of orders and has a robust order book & L1 position of around ₹ 3,000 Crore, comprising of orders for supply of towers, hardware & poles and engineering & testing of towers from Americas.

The overall tender pipeline in T&D continues to remain strong in both domestic and international markets, given the push for renewables and requirements for large transmission lines, substations and underground cabling. With a record order book & L1 in T&D of over ₹ 21,000 Crore the Company is confident of delivering significant growth in this business.

**Civil –** The business has delivered a good performance registering a revenue of ₹ 4,370 Crore for the year with a growth of 32% over the previous year. The growth has been delivered on the back of strong execution across all segments.

During the year, the business has secured multiple orders spanning diverse sectors, including FMCG, metals & mining, cement, residential & commercial buildings and data centre segments with total order inflow of over ₹ 4,200 Crore. The business has also expanded its customer base with the addition of multiple prestigious clients. The business outlook remains healthy across segments. With a robust and diversified order book & L1 of over ₹ 10,000 Crore, the Company is confident that Civil will continue to be a major growth driver.

**Railways –** The Railway business achieved a revenue of ₹ 3,115 Crore for the year, degrowing by 17% which also impacted margins and working capital of the business. The Company has been very selective in the order intake of Railway business considering the increased competition, customer and margin profile/working capital. As a result, the order intake for the business was subdued at ~ ₹ 1,100 Crore. In a significant development, the Company commenced execution of a large international order secured during the year.

Over the last couple of years, there has been significant infrastructure spending of the Government towards increasing freight carrying capacity, rolling stocks and Vande Bharat trains. The Company anticipates an increase in allocation towards conventional infrastructure development within the railways, encompassing the construction and upgradation of tracks, overhead electrification and advancements in Signaling & Telecommunication (S&T) to facilitate the seamless operation of high-speed trains like Vande Bharat. The Company's focus will be on fast-tracking project closures, optimizing working capital and pursuing select opportunities in India as well as in the overseas market.

**Oil & Gas Pipelines -** The business has delivered revenues of ₹ 626 Crore, a good growth of 30% over the previous year. In a noteworthy achievement, the business has forayed into the international market by bagging its maiden order in Africa. The business has also strengthened its order book by securing its second order for composite station works. The business continues to focus on enhancing pre-qualifications to expand the size of addressable market.

**Renewables –** The Company is currently executing a 600 MWp solar project in Karnataka. Additionally, it has also secured an order for setting up solar projects from a leading auto-ancillary company in India. The Company continues to bid selectively for opportunities in this segment.

**Cables –** The business continued to deliver good performance with the highest ever revenues, order intake and profitability during the year. The business achieved revenues of ₹ 1,645 Crore with substantial improvement in profitability. The Company's expansion plan of setting up the fully integrated manufacturing line for Aluminium conductors is progressing well. The business has already secured orders for supply of power transmission conductors (ACSR and AL-59) from various clients. This strategic move will contribute significantly to the revenues and margins of the cable business. Additionally, it will also enable timely execution of T&D projects. The Company is confident that this business will continue to grow in terms of Revenue and Profitability.

## 3. DIVIDEND

The Board of Directors has recommended a dividend of ₹ 4/- per equity share (200 percent of the nominal value of ₹ 2/- per equity share) for the financial year ended March 31, 2024. The said dividend, if approved by the Members at the ensuing Annual General Meeting, would entail a cash outflow of about ₹ 102.84 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, 2024, 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, 2024, 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 relevant SEBI Listing Regulations, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies, forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act.

## 9. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has seventeen subsidiaries as on March 31, 2024, comprising seven direct subsidiaries and ten step-down subsidiaries. The Company has one associate company under Section 8 of the Act for the welfare of employees.

During the year under review, KEC Global Mauritius, domiciled in the Republic of Mauritius was liquidated effective from September 24, 2023.

### 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 company 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 operating subsidiaries and their contribution to the overall performance of the Company during the financial year ended March 31, 2024 are as under:

| Subsidiary | Performance during FY 2023-24 (₹ in Crore) | | Contribution to overall performance of the Company (%) | |
|---|---|---|---|---|
| | Revenue | Profit After Tax | Revenue | Profit After Tax |
| KEC Spur Infrastructure Private Limited | 624.12 | 39.03 | 3.13 | 11.26 |
| SAE Towers Brasil Torres de Transmissão Ltda. | 794.02 | 13.60 | 3.99 | 3.92 |
| SAE Towers Mexico, S de RL de CV | 650.79 | 30.56 | 3.27 | 8.81 |
| SAE Towers Ltd. | 301.28 | (6.42) | 1.51 | (1.85) |
| KEC International (Malaysia) SDN.BHD. | 120.84 | 8.90 | 0.61 | 2.57 |
| KEC Towers LLC | 588.83 | 65.63 | 2.96 | 18.93 |
| KEC EPC LLC | 770.17 | 53.60 | 3.87 | 15.46 |





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 the SEBI Listing Regulations, the Company has formulated a policy for determining its material subsidiaries and the same is available on the website of the Company at https://www.kecrpg.com/policies.

## 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, 2024, 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, 2024 and of the profit of the Company for the year ended on March 31, 2024;
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, 2024 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 AND SUSTAINABILITY REPORT AND CORPORATE GOVERNANCE REPORT

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

## 12. DIRECTORS & KEY MANAGERIAL PERSONNEL

### 12.1 Directors

Details of changes in the Board composition during the year under review and until the date of this Report, are as under:

**Cessation**

Mr. Ramesh Chandak ceased to be an Independent Director of the Company with effect from May 07, 2024, due to the completion of his tenure.

Mr. G. L. Mirchandani and Mr. A.T. Vaswani resigned as Independent Directors of the Company with effect from July 15, 2023 and April 11, 2024, end of day, respectively, on account of their advancing age and related health issues. They have confirmed that there was no material reason other than that mentioned above.

The Board has placed on record its appreciation for the valuable contributions made by Mr. Chandak, Mr. Mirchandani and Mr. Vaswani during their association with the Company.

**Appointment**

i. With a view to diversify/broaden the present Board composition, the Board, on recommendation of the Nomination & Remuneration Committee, had appointed Ms. Neera Saggi as an Additional Director (Non- Executive, Independent) w.e.f. March 27, 2024 and Mr. Vimal Bhandari and Dr. Shirish Sankhe as Additional Directors (Non- Executive, Independent) w.e.f. May 07, 2024, and recommended their appointment as Independent Directors to the Members of the Company.

   Ms. Saggi, Mr. Bhandari and Dr. Sankhe have been appointed as Independent Directors of the Company for a period of five years with effect from the abovementioned dates pursuant to the approval of Members of the Company through postal ballot on June 14, 2024.

ii. The Board, on recommendation of the Nomination & Remuneration Committee, has appointed Mr. Arvind Singh as Additional Director (Non- Executive, Independent) w.e.f. June 01, 2024 and recommended his appointment as Independent Director to the Members of the Company.

**Re-appointment**

i. Mr. Vimal Kejriwal was re-appointed as Managing Director and CEO of the Company with effect from April 01, 2024 for a further period of one year by the Members on August 08, 2023.

   The Board, on recommendation of Nomination & Remuneration Committee, at its meeting held on July 26, 2024, has approved the re-appointment of

Mr. Vimal Kejriwal as Managing Director & CEO for a further period of one year w.e.f. April 01, 2025, based on his performance evaluation and recommended the same to the Members of the Company for their approval.

ii. The Board, on recommendation of Nomination & Remuneration Committee, approved the re-appointment of Mr. Vikram Gandhi and Mr. M. S. Unnikrishnan as Independent Directors of the Company for a second term of five years w.e.f. August 06, 2024 and November 07, 2024, respectively, based on their performance evaluation, and recommended the same to the Members of the Company. The said appointments were approved by the Members through postal ballot on June 14, 2024.

In terms of the provisions of the Act and the SEBI Listing Regulations, the Nomination & Remuneration Committee, after reviewing and evaluating the composition of the Board, including the skills, knowledge and experience of the Directors had recommended the aforesaid appointments/re-appointments to the Board.

Additionally, 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, Chairman, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

The agenda items with respect to the appointment/re-appointment of Mr. Harsh. V. Goenka, Mr. Vimal Kejriwal and Mr. Arvind Singh, along with their brief resume, expertise and other details as required in terms of sub-regulation (3) of Regulation 36 of the SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings, forms part of the Notice convening the ensuing Annual General Meeting.

### 12.2 Key Managerial Personnel (KMP)

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2024:

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

Mr. Amit Kumar Gupta resigned as the Company Secretary and Compliance Officer of the Company w.e.f. May 09, 2024. Mr. Suraj Eksambekar was designated as Compliance Officer of the Company in terms of the SEBI Listing Regulations with effect from May 10, 2024 and was appointed as the Company Secretary w.e.f. July 26, 2024.

### 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 reimbursement 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 the highest standards of integrity. The Independent Directors of the Company are compliant with the provisions of Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014.

### 12.4 Board Evaluation

The Board has carried out an 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 a structured 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 18, 2024 chaired by Mr. A. T. Vaswani, then 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 Independent 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 out of evaluation process have been discussed and are being implemented.

### 12.5 Familiarization Program for Independent Directors

The details of the induction and familiarisation programme are explained in the Report on Corporate Governance forming part of this Annual Report 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 four times. The details are given in the Corporate Governance Report which forms a part of this 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 the reference of the Committee are given in the Corporate Governance Report which forms a part of this Annual Report.

## 13. AUDITORS

### 13.1 Statutory Auditors

Pursuant to the provisions of Section 139 of the Act and the Companies (Audit and Auditors) Rules, 2014, Price Waterhouse Chartered Accountants LLP, Chartered Accountants (Firm Registration No. 012754N/N500016) ("PwC"), were appointed as the Statutory Auditors of the Company to hold office for a second term of five years from the conclusion of the Seventeenth Annual General Meeting until the conclusion of the Twenty Second Annual General Meeting.

The Statutory Auditors' Report for FY 2023-24 does not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Auditors under sub-section (12) of Section 143 of the Act.

### 13.2 Cost Auditors

In terms of Section 148 of the Act read with 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 07, 2024, 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 2024-25 and has recommended their remuneration to the Members for ratification at the ensuing Annual General Meeting.

The Cost Auditors' Report for FY 2022-23 does 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 28, 2023.

### 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 2023-24. 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, monitors the progress on various CSR activities and Sustainability. The sustainability areas *inter alia* include a review of the performance on sustainability goals, targets and strategy, review and recommend to the Board a Sustainability Report. Details of the composition of the SCSR Committee have been disclosed separately as part of the Corporate Governance Report forming part of this Annual 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.

The Company, in line with sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, carried out impact assessment through an independent agency in the FY2023-24 for the applicable projects. The impact assessment report is available on your Company's website at https://www.kecrpg.com/corporate-governance-csr.

During the year under review, the Company continued with 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. CODE OF CORPORATE GOVERNANCE & ETHICS AND POLICY ON 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 and the Anti-Bribery and Anti-Corruption Policy and the Conflict-of-Interest Policy adopted by the Company. The Corporate Governance & Ethics Committee (CGEC) oversees the ethical issues and acts as a central body to monitor the compliance of the Code. The Company conducts regular awareness workshops on the Code and related policies for employees right from the induction stage to periodic refresher courses/assessments on a mandatory basis to refocus them towards compliance of these policies.

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 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 values and hence 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, the Company conducted an awareness workshop for all the employees. One complaint was received during the year which was resolved.

### 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, its Employees as well as External Stakeholders (customers, vendors, suppliers, outsourcing partners, etc.) 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) as well as evidence submitted and restricts any discriminatory practices against complainants. 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 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 geo-political and economic uncertainties, commodity price variation and currency fluctuation, interest rate fluctuation 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.

The policy is designed to provide reasonable assurance towards achievement of its goals by integrating management control into daily operations, ensuring compliance with legal 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 the Management





Discussion and Analysis section which forms a part of this Annual Report.

### 18. INTERNAL FINANCIAL CONTROL

Details in respect of the adequacy of internal financial controls with reference to the Financial Statements are stated in the Management Discussion and Analysis section which forms a part of this Annual Report.

### 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. For material related party transaction, the Company obtains prior approval of the Members of the Company. A statement giving details of all Related Party Transactions is placed before the Audit Committee on a quarterly basis for its review. Disclosure of related party transactions as required under Indian Accounting Standards -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

As required under Section 92 and Section 134 of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, a copy of Annual Return of the Company 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 comprehensive measures to ensure the effective and consistent implementation of Environment, Health, and Safety (EHS) management practices across all its verticals, aligning with its overarching objective of establishing an incident-free workplace for all stakeholders. As a commitment towards EHS excellence, the Company maintains certification under the international standards of Integrated Management System, covering ISO 9001:2015 for quality management, ISO 14001:2015 for environmental management, ISO 45001:2018 for occupational health and safety management at its sites/projects/plants and ISO 50001:2018 for energy management at its plant locations.

The Company's successful implementation of digital platform namely RAKSHA for EHS reporting signifies a significant advancement, enabling data-driven decision-making, heightened safety standards and strict adherence to regulations. Transitioning to a digital EHS reporting system has streamlined processes, facilitated real-time reporting and escalation, and improved overall operational efficiency. To strengthen the EHS compliances, RAKSHA app includes E-work permits, Last-minute Risk Assessment (LMRA), Safety MIS, EHS Assessments, Unsafe Act/Unsafe Conditions & Incident reporting have been implemented across all verticals.

The Company's ongoing investment in industry-specific Environment and Safety (EHS) training showcases a dedication to leveraging innovative technologies like Virtual Reality (VR) to enhance learning experiences. By prioritizing risk-based safety measures and skill development for both employees and workmen, the Company underscores its commitment to fostering a culture of safety and continuous improvement. Through the integration of VR and other cutting-edge tools, employees can engage in immersive training scenarios that simulate real-world situations, effectively preparing them to identify and mitigate potential hazards.

Throughout the year, the Company has garnered several prestigious Environment and Safety (EHS) awards and commendations from esteemed entities such as the National Safety Council of India, British Safety Council, Greentech Foundation, RoSPA Awards, Construction Industry Development Council (CIDC), Vishwakarma Awards, Society of Energy Engineers and Manager Award and ESG Summit & Awards.

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

The Company has a 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 employees are its most valuable asset and recognizes talent as the primary source of competitive edge. Recognizing the crucial role of talent, the Company remains committed to enhancing its capabilities by creating a pool of talented individuals through dedicated talent pipelines and providing opportunities for developing competencies in areas such as Behavioral, Technical, Functional, and Digital skills. The Company remains focused on various learning and development initiatives to upgrade the skills and capabilities of its workforce.

Creating employee happiness has been the cornerstone of all employee centric initiatives at the Company. The Company's Happiness quotient, which is the metric of a comprehensive evaluation of happiness at workplace, has increased to 83% this year against 81% last year, owing to the Company's unwavering commitment to employee-centric initiatives encompassing growth, culture, recognition and work-life balance.

The Company prioritizes diversity in its workforce throughout the organization, as it improves collective skills and encourages a culture of creativity. Embracing diversity and inclusivity is a fundamental principle that ensures all employees have equal and fair opportunities.

The employee relations remained cordial throughout the year. As on March 31, 2024, the Company had 6621 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 have always made the Company proud.

## 25. INTEGRATED ANNUAL REPORT

The Company has voluntarily provided Integrated Annual Report for the financial year 2023-24, prepared as per IR Framework recommended by the International Integrated Reporting Council (IIRC) and the same is aimed at providing the Company's stakeholders a comprehensive depiction of the Company's financial and non-financial performance. The Report provides insights into the Company's key strategies, operating environment, risks and opportunities, governance framework and its approach towards long-term sustainable value creation across six capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

## 26. OTHER DISCLOSURES

The Directors confirm that \during the year under review and as on the date of this Report:

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.

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 corporate insolvency resolution.

i. There was no instance of one-time settlement with any Bank or Financial Institution.

j. There are no agreements defined under clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations that are binding on the Company.

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: July 26, 2024

# Annexure 'A' to Board's 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 Obligation and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, in order to appoint and 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 and personnel of the Company, who are members of its core management team excluding Board of Directors and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Office and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the 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 Listing Regulations, 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 the 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 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 Board's Report

**SECRETARIAL AUDIT REPORT**

**FORM No. MR-3**
**SECRETARIAL AUDIT REPORT**
**FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2024**
(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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2024, 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, 2024 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 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 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, 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.

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 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 has issued 30000 units of Commercial Papers aggregating to Rs. 1500 crores during the year and redeemed 34000 units of Commercial Papers aggregating to Rs. 1700 crores. The Commercial Papers are listed on BSE Limited.

**For Parikh Parekh & Associates**
Company Secretaries

**P. N. Parikh**
FCS No: 327 CP No: 1228
UDIN: F000327F000325069
PR No.: 723 / 2020

Place: Mumbai
Date: 07.05.2024

*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**
FCS No: 327 CP No: 1228
UDIN: F000327F000325069
PR No.: 723 / 2020

Place: Mumbai
Date: 07.05.2024

# Annexure 'C' to Board's Report

**ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ('CSR') ACTIVITIES FOR THE FY2023-24**

## 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 Sustainability and Corporate Social Responsibility Committee (SCSR)

| Sr. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of SCSR Committee held during the year | Number of meetings of SCSR 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. | Mr. S. M. Trehan, Member | Independent Director | 2 | 2 |
| 4. | Ms. Nirupama Rao, Member | Independent Woman Director | 2 | 2 |

## 3) Web-link where Composition of SCSR 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) Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8

**Executive Summary**

In accordance with the provisions of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company conducted an impact assessment of its applicable CSR projects executed in FY 2020-21 and FY 2021-22 through Soulace Consulting Pvt. Ltd., an external independent agency. The KEC programs were evaluated using the OECD-DAC framework, ensuring adherence to international standards. The projects demonstrated high relevance, sustainability, profound impact, coherence with relevant Sustainable Development Goals (SDGs) and national policies, effectiveness in achieving objectives, and efficiency in resource utilization. The projects covered various areas such as socio-economic development, public health improvement, livelihood enhancement, skill promotion, equality promotion, and cultural heritage preservation.

1. **Education:** Under Pehlay Akshar Schooling activities conducted classroom and virtual sessions to improve English proficiency among students. The Pehlay Akshar Teacher Training trained teachers from BMC government schools and equipped them with enhanced teaching skills. Through the Education initiative, the Company impacted 57,000 students and more than 1450 teachers, 5500 Sathis (Handholding sessions) through in-person and online interventions.

2. **Employability:** Under vocational skills, the activities included mobilisation and selection of youth from lower socio-economic backgrounds, especially women and training them using NSDC frameworks, certifications and placements in Health, Driving, Skills, Digital and Construction. The Company trained 6615 beneficiaries in vocational skills and achieved a placement rate of above 75%. The Swayam Connect app bridged the gap by offering employment opportunities and government scheme-related information for all.





3. **Heritage**: Under the Heritage program, installation of signages conveying the significance of various heritage sites, development of a walking app and architectural and art interventions were undertaken in collaboration with civic bodies to uplift the Banganga Tank precinct at Mumbai.

4. **Community Development:** During the covid period in FY 2021-22, the Company focused on strengthening the public health centers in Maharashtra by installing and managing 45 Fever Clinics, in a unique partnership with the National Health Mission.

The Impact Assessment Report is available on the Company's website at https://www.kecrpg.com/corporate-governance-csr

## 5)

| | | |
|---|---|---|
| a. | Average Net Profit of the Company as per Section 135(5): | **₹ 625.28 Crore** |
| b. | Two percent of average net profit of the Company as per Section 135(5): | **₹ 12.51 Crore** |
| c. | Surplus arising out of the CSR projects or programmes or activities of the previous financial years: | **Nil** |
| d. | Amount required to be set-off for the financial year, if any: | **Nil** |
| e. | Total CSR obligation for the financial year (b+c-d): | **₹ 12.51 Crore** |

## 6)

| | | |
|---|---|---|
| a. | Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): | **₹ 9.75 Crore** |
| b. | Amount spent in Administrative Overheads: | **Nil** |
| c. | Amount spent on Impact Assessment: | **₹ 0.10 Crore** |
| d. | Total amount spent for the Financial Year [(a)+(b)+(c)]: | **₹ 9.86 Crore** |

e. CSR amount spent or unspent for the financial year:

(₹ in Crores)

| Total Amount Spent for the Financial Year | Amount Unspent | | | | |
|---|---|---|---|---|---|
| | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 | | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135. | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 9.86* | 2.65 | April 29, 2024 | Not Applicable | Nil | Not Applicable |

*Rounded off*

(f) Excess amount for set-off, if any: **Not Applicable**

| Sl. No. | Particular | Amount (in ₹ Crore) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per sub-section (5) of section 135 | |
| (ii) | Total amount spent for the Financial Year | |
| (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)] | |

7) **Details of Unspent Corporate Social Responsibility amount for the preceding three financial years:**

(₹ in Crores)

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under subsection (6) of section 135 | Balance Amount in Unspent CSR Account under subsection (6) of section 135 | Amount Spent in the Financial Year | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub- section (5) of section 135, if any | | Amount remaining to be spent in succeeding Financial Years | Deficiency, if any |
| | | | | | Amount | Date of Transfer | | |
| 1 | FY22-23 | 4.34 | 4.34 | 4.34 | - | - | - | - |
| 2 | FY21-22 | - | - | - | - | - | - | - |
| 3 | FY20-21 | - | - | - | - | - | - | - |

8) **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the financial year:** **No**

If Yes, enter the number of Capital assets created/ acquired: **Not applicable**

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

| Sl. No. | Short particulars of the property or asset(s) [including complete address and location of the property] | Pincode of the property or asset(s) | Date of creation | Amount of CSR amount spent | Details of entity/ Authority/ beneficiary of the registered owner | | |
|---|---|---|---|---|---|---|---|
| (1) | (2) | (3) | (4) | (5) | (6) | | |
| | | | | | CSR Registration Number, if applicable | Name | Registered address |
| Not Applicable | | | | | | | |

(All the fields should be captured as appearing in the revenue record, flat no, house no, Municipal Office/Municipal Corporation/ Gram panchayat are to be specified and also the area of the immovable property as well as boundaries)

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

During the financial year 2023-24, the Company has spent ₹ 9.86 Crore on various CSR projects and assessment and transferred ₹ 2.65 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 SCSR Committee
(DIN: 00026581)

Place: Mumbai
Date: May 06, 2024





# Annexure 'D' to Board's 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

### (i) Steps taken or impact on conservation of energy:

- Installation of LED Lights in the plants and surrounding area along with deployment of light sensing devices for auto switching on-off at various locations.
- Implementation of various energy-saving initiatives and continuous monitoring, maintained power factor, maximum demand average of electricity and availing Time of Day (TOD) benefits.
- Kw rating optimization of hydraulic motor resulted in reduction of load and energy saving.
- Installation of transparent sheets in existing buildings for utilising natural light.
- Enhanced combustion efficiency in furnaces with the use of Oxygen Analyzer and converted Oil Fired Bending Furnaces to LPG-fired for improved fuel efficiency.
- Added solar rooftop capacity and upgraded to efficient induction furnaces.
- Replaced old compressors and Pumps with high efficiency new generation equipment.

### (ii) Steps taken by the Company for utilising alternate sources of energy:

- Increase in through own generation and sourcing from 3rd party (both Wind, Solar and Hydel).
- Installation of Solar panels at sites that are powering offices, guest houses and pumps.
- Use of Electric Vehicles and high efficiency earth moving equipment.

### (iii) Capital investment on energy conservation equipment:

- The Company has made investment of ₹ 3 Crore on energy conservation equipment.

## (B) TECHNOLOGY ABSORPTION

### (i) Efforts made towards technology absorption:

- Development AI/ML based process control in galvanizing area.
- Development of digital tools to optimize tower weights and foundation volumes in transmission business – RPA/AI/ML
- Use of LLM for enhanced efficiency in tendering and design.
- Extensive use of video analytics/AI for improved safety/compliance at project sites.
- Developed in-house flux heating system for power reduction.
- Use of grouted coupler technology to develop precast foundations.

### (ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Savings in steel & concrete consumption.
- Savings in power costs and productivity improvement.
- Reduced cycle time and improved quality in engineering processes.
- Developed precast as a core capability.
- Reduced reflection of towers by special environmental dulling process.

### (iii) Information regarding technology imported during the last 3 years:

i. Technology imported: Nil.
ii. Year of import: Not applicable.
iii. Whether 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 : ₹ 35.39 Crore

iii. Total : ₹ 35.39 Crore

iv. Total R&D expenditure as a percentage of total turnover is 0.20 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 2023-24 | FY 2022-23 |
|---|---|---|
| Foreign exchange earned | 3,499.48 | 3,958.96 |
| Foreign exchange used | 3,353.32 | 2,868.78 |





# Annexure 'E' to Board's Report

**INFORMATION REQUIRED UNDER RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.**

| | Ratio of the remuneration of each Director to the median remuneration of the employees in FY 2023-24 | Increase/Decrease in remuneration (%) |
|---|---|---|
| Mr. H. V. Goenka | 24.47 | (0.83) |
| Mr. Vimal Kejriwal | 96.05 | 8.15 |
| Mr. A. T. Vaswani | 2.73 | 15.09 |
| Mr. D. G. Piramal | 2.04 | 17.65 |
| Mr. G. L. Mirchandani(1) | - | - |
| Mr. M. S. Unnikrishnan | 2.04 | 17.65 |
| Ms. Nirupama Rao | 2.23 | 20.72 |
| Mr. R. D. Chandak | 2.79 | 13.54 |
| Mr. S. M. Trehan | 2.79 | 13.78 |
| Mr. Vikram Gandhi | 1.84 | 12.50 |
| Mr. Vinayak Chatterjee | 2.04 | 17.65 |
| Mr. Rajeev Aggarwal, Chief Financial Officer | - | 8.66 |
| Mr. Amit Kumar Gupta, Company Secretary | - | 9.42 |
| The percentage increase in the median remuneration of employees in the financial year | 9.58 percent | |
| The number of permanent employees on the rolls of Company (excluding subsidiaries) | 6,621 (as on March 31, 2024) | |
| Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | The average increase in salaries of employees during the year 2023-24 was 9% as against an increase of 8.15% 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. | |
| Affirmation that the remuneration is as per the remuneration policy of the Company | The Company affirms that remuneration to employees of the 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 over previous year as well as the ratio of remuneration to median remuneration is not comparable and hence not stated.*

# MANAGEMENT DISCUSSION & ANALYSIS

380KV TL NIC CIRCLE BSP TO DUBA GREEN, SAUDI ARABIA

## GLOBAL ECONOMY

The global economy is projected to grow at 3.2% in 2024 versus a 3% growth experienced in 2023. The year 2023 was marked by significant events – the continuing Russia-Ukraine war triggering a global energy and food crisis, conflict in Gaza and Israel further contributing to supply chain disruptions initiated by the pandemic, and persistent high inflation culminating in globally synchronised monetary policy tightening. Despite these challenges, indicators suggest stabilisation and development in many regions, particularly in emerging markets and developing economies. This indicates a positive outlook for the global economy, albeit with some uncertainties and risks. Global growth is expected to continue at the same pace of 3.2% in 2025.

It is expected that the growth in developing markets will be higher than that of advanced economies. Growth in advanced economies is forecasted at 1.7% in 2024 as the United States slows down, while euro area growth, which was weak last year, sees a slight improvement amid declining inflation and more supportive monetary policy. Emerging markets and developing economies are expected to experience stable growth of 4.2% throughout the year, although regional differences exist. This uptick reflects a rebound in trade and improving domestic demand in several large economies, as inflation has started to recede.

Global headline inflation is anticipated to decline from an annual average of 6.8% in 2023 to 5.9% in 2024 and further to 4.5% in 2025. This reduction is driven by the rationalisation of energy and commodity prices, the unwinding of supply chain disruptions, and the normalisation of global trade. Most of the central banks especially in developed economies plan to ease monetary policies but remain cautious about cutting rates too early.

Amidst the uncertainty and economic slowdown in 2023, infrastructure investments remained resilient. Upgradation of the quality of infrastructure and secular trends such as energy transition, transportation decarbonisation, asset modernisation, and the circular economy are driving investments in the infrastructure segment. Throughout the year, the Company experienced increased tendering activities across both developed and developing countries.





## INDIAN ECONOMY

India has emerged as the fastest-growing economy among G20 nations with an expected growth of 8.2% in FY24, attributed to the continuing strength in domestic demand and a rising working-age population. The Indian economy is set to close FY24 at a GDP of USD 3.7 Trillion. Notably, the pandemic years did not significantly alter India's trajectory towards the USD 5 trillion GDP milestone.

The IMF anticipates India to retain its title as the fastest-growing large economy for the next two years due to solid macroeconomic conditions, healthy corporate earnings, peaking interest rates, moderate inflation, and ongoing policy momentum. The Reserve Bank of India forecasts the economy to grow at 7.2% in FY25.

Inflation is expected to moderate to 4.5% in FY25, although geopolitical disruptions in the Middle East could exert some pressure. The IMF forecasts non-fuel commodity prices to remain broadly unchanged in 2024, softening by 0.9% compared to 2023. CRISIL expects Brent crude oil prices to remain in the USD 80-85 per barrel range, which, together with other factors, should help keep input costs in check.

Both the central and state governments have played a pivotal role in reviving investments post-pandemic. The central government's capital expenditure through the budget reached ₹ 9.6 Lakh Crore in FY24. Large investments have been announced across sectors such as transportation, urban infrastructure, green energy, affordable housing, defence, social infrastructure, roads, and highways, among others. CRISIL estimates aggregate infrastructure capital expenditure to reach ₹ 143 Lakh Crore during FY24 and FY30.

Over the past four years, capital expenditure in the country was primarily driven by the household sector and infrastructure buildout funded by central and state governments. Industrial investment is expected to gain momentum as looked ahead. An assessment of investment trends across approximately 20 sectors, representing more than 70% of total industrial investment in the country, indicates that private capital expenditure will increase to ₹ 6.5 Lakh Crore annually on average between FY24 and FY28, up from ₹ 3.9 Lakh Crore in the preceding five years. Emerging sectors are expected to contribute around 20% to industrial investments, primarily driven by electric vehicles, semiconductors, and electronics.

These developments position India as an attractive investment destination and enhance the confidence of global investors. Total FDI inflows in the country in FY24 stood at USD 44 Billion, with healthy increases seen from countries such as Mauritius, Japan, USA, Netherlands, Singapore, etc.

Interestingly, the next seven fiscal years (2025-2031) are projected to see the Indian economy surpass the USD 5 Trillion mark and move closer to USD 7 Trillion, based on CRISIL's expectation of an average annual growth of 6.7%. At that point, India will become the third-largest economy in the world. This will require significant investment in infrastructure – both digital and physical – and growth-enhancing reforms aimed at improving the ease of doing business. Amid global risks, this strategy may also position India to capitalise on opportunities from diversifying global supply chains.

**India has emerged as the fastest-growing economy among G20 nations with an expected growth of 8.2% in FY24, attributed to the continuing strength in domestic demand and a rising working-age population.**

## GLOBAL CONSTRUCTION INDUSTRY

Global construction growth is estimated to be 3.9% per annum to 2030, outpacing global GDP growth by over one percentage point, as per a benchmark global study from Global Construction Perspectives and Oxford Economics. This growth will be driven by both developed countries recovering from economic instability and emerging countries continuing to industrialise. The volume of construction output is projected to surge to USD 15.5 Trillion worldwide by 2030, with four key countries – China, the US, India, and Indonesia – leading the way and accounting for 58% of all global growth. Notably, while China remains a dominant player, its share of the world construction market is expected to increase only marginally. On the other hand, US construction is projected to grow faster than China over the next 15 years, with an average annual growth rate of 5%. India is anticipated to experience a surge in construction, overtaking Japan to become the world's third-largest construction market. In 2020, spending on construction represented 13% of global GDP, and this figure is expected to exceed 13.5% by 2030. Sub-Saharan Africa is predicted to experience the fastest growth among all regions globally, with an average annual growth rate of 5.7% between 2020 and 2030. Emerging Asia follows closely, with an average yearly growth rate of over 5% until 2030. Several major factors are expected to drive global construction growth, including increasing population, urbanisation, the need to improve existing infrastructure, green energy transition and the emergence of new technologies such as electric vehicles. These trends signify opportunities and challenges for the construction industry in the coming years.

India is poised to become a significant engine for global growth, with construction output expected to surpass USD 1 Trillion per annum by 2030, amounting to an accumulated spending of USD 7.9 Trillion in construction over the decade to 2030. The construction sector, one of the fastest-growing industries in India, currently accounts for 9% of the country's GDP and is the second-largest employer, providing jobs to around 71 million people. Additionally, it ranks sixth among leading recipients of Foreign Direct Investment (FDI), having attracted over USD 32 Billion since 2000.

In the budget announcement for 2024-2025, the Finance Minister allocated ₹ 11.11 Lakh Crore (USD 134 Billion) for infrastructure development, equivalent to 3.4% of the GDP, up from ₹ 10 Lakh Crore assigned in 2023-24.

The Indian construction market is primarily driven by two central factors: the demand for new homes and extensive infrastructure needs. The requirement for new infrastructure is intricately linked to the country's growth trajectory. As the Indian economy continues to develop, there is a pressing need to enhance transportation infrastructure, power grids, and utility works, leading to investments in infrastructure development such as airports, ports, transmission lines, power plants and highways.

With over 60% of India's population expected to reside in urban areas by 2030, the demand for housing, commercial, and retail space, as well as infrastructure, will escalate in urban areas. The government's ambitious plans for infrastructure development and affordable housing under initiatives like 'Housing for All' and 'Smart Cities' are anticipated to further boost the demand for construction services.

According to estimates from the Power Ministry, India is projected to witness a more than 83% increase in investments in renewable energy projects to around USD 16.5 Billion in 2024, as the country focusses on energy transition to reduce carbon emissions. In addition to solar and wind energy, India is intensifying its focus on green hydrogen to reduce dependence on fossil fuels.

In general, the outlook for the infrastructure sector is favourable, but ongoing geopolitical uncertainties, high inflation and interest rates, and tighter monetary policies in major economies may pose challenges in the short term.

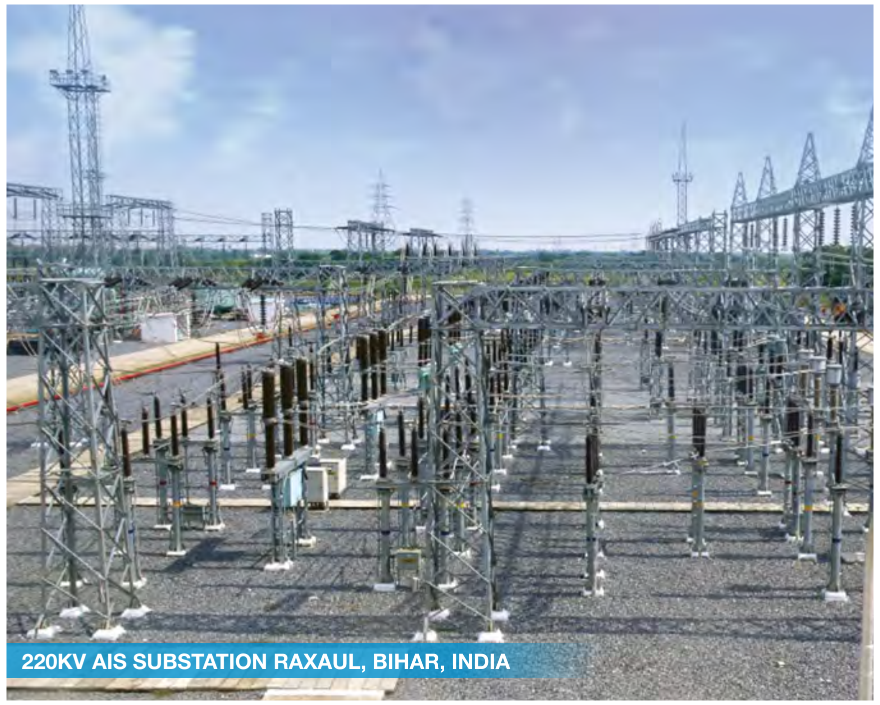
**The Indian construction market is primarily driven by two central factors: the demand for new homes and extensive infrastructure needs. The requirement for new infrastructure is intricately linked to the country's growth trajectory.**

161/20KV AIS SUBSTATION MANDOURI, TOGO





## POWER TRANSMISSION & DISTRIBUTION BUSINESS



220KV AIS SUBSTATION RAXAUL, BIHAR, INDIA

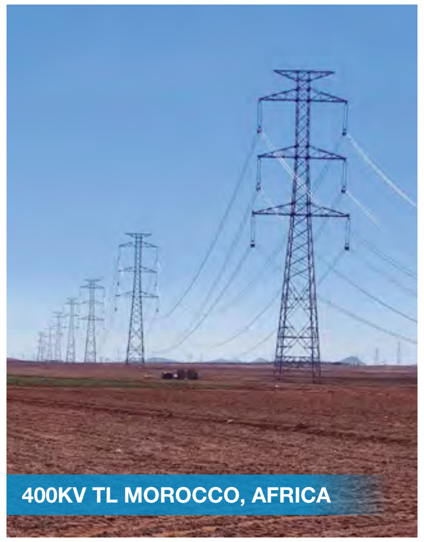
KEC, a leading global EPC player in the Power Transmission & Distribution (T&D) sector, provides comprehensive solutions encompassing the design, manufacturing, supply, installation, and commissioning of Transmission Lines, Substations, and Underground Cabling in both domestic and international markets. Renowned for its expertise in delivering complex projects in challenging geographies, KEC consistently completes projects ahead of schedule, thanks to its world-class engineering and design capabilities, global supply chain, and advanced construction practices.

The Company's T&D business operates in more than 70 countries across Asia (including South Asia, the Middle East, Southeast Asia, and Central Asia), Africa, the Americas, Oceania, and Europe. This business segment contributes approximately 50% to both overall revenue and the order book and is currently executing over 150 transmission line, substation, and cabling projects globally.

The Company operates six state-of-the-art tower manufacturing plants located in India, Brazil, Mexico, and the UAE. These facilities collectively position KEC as one of the world's largest tower manufacturers, boasting a combined annual production capacity exceeding 3.7 Lakh tonnes of lattice towers, poles, and transmission line hardware. The Company is further expanding its tower manufacturing capacity in Dubai from 50,000 MT to 60,000 MT per annum. Additionally, the Company owns and operates four tower testing stations across India and the Americas. Company's geographically diverse manufacturing footprint strengthens its relationships with customers and enhances competitiveness in various markets.

The global T&D infrastructure market is expected to witness investments exceeding USD 1 Trillion over the next decade. A significant portion of these investments will be allocated to constructing new transmission lines and substations to integrate renewable energy generation projects. Additionally, substantial funds will be directed towards regional grid integration and cross-border interconnections. In developed economies, there will be a focus on replacing and upgrading ageing grids, further driving demand. Simultaneously, technological advancements are fuelling the expansion and modernisation of transmission networks. KEC is strategically positioned to meet the diverse needs of its clients globally and execute technology-driven projects with best-in-class standards of quality and safety.

Throughout the year, the Transmission & Distribution business revenue grew by 21% and reaching approximately ₹ 10,500 Crore, supported by a strong focus on execution excellence despite challenges arising from unprecedented supply chain bottlenecks. The business remained focussed on enhancing execution processes and implementing automation, mechanisation, and digitalisation initiatives, resulting in faster or ahead-of-schedule project completions. Additionally, efforts to build a World-Class Engineering organisation, equipped with future-ready processes to enhance design capabilities across all business segments are reaping good results. This includes improving quality through first-time right designs, instituting design-to-value processes to optimise project costs and reducing design cycle time by leveraging robotic process automation, artificial intelligence and advanced analytics. Moreover these advancements are driving reduction in overall material consumption thus helping the company achieve its ESG targets.



400KV TL MOROCCO, AFRICA

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

## INDIA T&D BUSINESS

765KV TL WARORA-WARANGAL, INDIA

The India Transmission & Distribution business secured highest ever order intake of over ₹ 5,900 Crore, with a staggering growth of 40% over FY23. In line with the growth in order intake, the business has delivered a healthy revenue growth of 45% over the last year. This unprecedented accomplishment can be attributed to the success of the strategy of becoming a contractor of choice for Tariff Based Competitive Bidding (TBCB) players and improving competitiveness in the substation segment. Further expansion into high-value technology intensive segments such as Digital substations & HVDC Converters have also helped consolidate company's position in the market. Going forward, technology-led opportunities like SVC (Static Var Compensator), Statcom (Static Synchronous Compensator), and TCR (Thyristor Controlled Reactor) are expected to drive the market forward and company is well positioned to benefit from this technological shift.

During the year, the Company strengthened its position as a leading provider of Engineering, Procurement and Construction services for Tariff Based Competitive Bidding (TBCB) market by securing multiple transmission line and substation orders especially in Gujarat, Rajasthan and Karnataka. The company has extended its success in State Electricity Board with West Bengal State Electricity Transmission Company Limited (WBSETCL) Combined package (TL + SS + Cabling) & First Integrated package (TL+SS) in Bihar State Power Transmission Company Ltd. (BSPTCL). Further, the company widened its client base by securing orders from various non-utility clients. This year also marked repeat orders from private players and exclusive tower supply orders.

The company was recognised by POWERGRID for successful completion of critical Chittorgarh-Neemuch Transmission Line project. In a moment of pride, company's 400/220 kV AIS Kallam Substation project was inaugurated by the honourable Prime Minister. The company also commissioned the 765/400 kV Warora Kurnool Transmission line, its largest project to date in India, involving approximately 1,750 CKM of powerline stringing. In this year, the Company successfully commissioned 20 T&D projects with ~4,300 CKM and installed ~4,500 MVA of substation capacity.

The India Transmission & Distribution sector is going through a very exciting time with substantial investments being planned to enable the green energy transition agenda. As per Central Electricity Authority's draft national electricity plan (Volume 2), India may need investments of ₹ 4,75,000 Crore by 2027 to develop its transmission network, including transmission lines, substations and reactive compensation, for RE integration projects. The plan envisages 170 transmission schemes with investments of over ₹ 3,10,000 Crore for interstate transmission lines and ₹ 1,60,000 Crore for intrastate transmission projects. Pioneering projects such as undersea cables connecting the Andaman & Nicobar Islands with mainland India and HVDC line connecting India with Sri Lanka are also being evaluated.

The company received more than 10 appreciation letters from clients on best Safety and ESG practices. The notable amongst them have been prestigious awards at Net Zero Sumit recognise by UBS Forums Pvt. Ltd and National Safety Council Award. These awards recognise company's commitment to environmental, social, and governance standards.

The business is focussing on strengthening capabilities and driving execution excellence to accelerate completion of its large order book. With global geopolitical uncertainties still unfolding, supply chain constraints remain a challenge, however company has been engaging actively for strategic tie-ups. The current unexecuted order book of ~₹ 7,500 Crore provides an excellent platform to grow the business and sustain its leadership position in the market.

145KV GIS SUBSTATION MUMBAI, MAHARASHTRA, INDIA





## INTERNATIONAL BUSINESS

235KV GIS SUBSTATION, THAILAND

In FY24, the Company's International Transmission & Distribution (T&D) division fortified its presence across various regions. Demonstrating consistent progress every year, the business achieved a 12% increase in revenue compared to the previous year and successfully secured new orders exceeding ₹ 4,100 Crore. With an increased emphasis on Middle Eastern markets, the business secured two significantly high value EPC contracts of ~₹ 1,900 Crore for transmission line projects in Saudi Arabia. KEC EPC LLC, the company's subsidiary based in the UAE, has secured its largest order in Dubai. Additionally, the subsidiary's pre-qualifications have been further strengthened to capitalise on opportunities in the UAE market.

During the year, the company received prequalification and Certificate of Eligibility (COE) from a prominent client in Thailand, for 500/230/115kV Transmission Lines and Substation projects further strengthening its position in the East Asia Pacific Market.

Aligned with the strategic imperative of fostering growth through geographical diversification, the business has been successful in securing new orders in the European and Australian markets for tower supplies. The business has secured significant orders of over ₹ 2,000 Crore for supply of products catering to clients across the globe.

Anticipating a continuation of this momentum, KEC Towers LLC Dubai has strategically enhanced its manufacturing capacity from 50,000 MT to 60,000 MT, aligning with the growing demands of the Middle East market. In a significant development during the year, KEC Towers LLC has received approval from an esteemed client for tower supplies in Saudi Arabia.

With a steadfast commitment to execution excellence, KEC's international business division has successfully delivered projects encompassing 500 kilometres of transmission line and 37 bays of substation. The company has achieved a significant milestone with the successful completion of our maiden standalone 132kV Underground Cabling project in the UAE.

The Company has strategically pivoted towards the adoption of new-age technologies and embraced agile working methods, leading to execution excellence and enhanced client satisfaction levels. During the year, the company has consistently garnered recognition for its unwavering commitment to exceeding client expectations by going the extra mile. As a testament to its commitment to safety, projects in Saudi Arabia and the UAE were awarded distinction (the highest recognition) in British Safety Council International Safety Award 2024.

**KEC EPC LLC, the company's subsidiary based in the UAE, has secured its largest order in Dubai. Additionally, the subsidiary's pre-qualifications have been further strengthened to capitalise on opportunities in the UAE market.**

In FY24, the company achieved an impressive tender pipeline of USD 4.5 Billion, majorly from the Middle East region.

Saudi Arabia stands out as the leading market within the Middle East, holding a considerable share of the overall market landscape. The evolving economic landscape of Saudi Arabia signals a significant transformation, offering attractive opportunities for diversification beyond its traditional oil-centric economy, which is expected to lead to a strong tender pipeline in the Transmission and Distribution (T&D) sector. The increase in opportunities is primarily driven by Saudi Arabia's steadfast commitment to integrating renewable energy and establishing regional grid connections, in line with major infrastructure projects like NEOM city, Qiddiya, Red Sea, and Diriyah Company, among others, as part of Vision 2030 for Saudi.

Similarly in UAE, electricity demand is expected to grow at a CAGR of more than 6% to FY27 driven by the addition of new gas-fired projects as well as shift toward renewables as part of UAE Energy Strategy 2050, which target to increase the contribution of clean energy in the overall national energy mix of the country to 50%. The ambitious Dubai Economic Agenda for 2033 stands as a symbol of progress, aiming to double the size of Dubai's economy over the next decade and solidify its position among the top three global cities through strategic investments. Additionally, Oman's economic and energy development vision focusses on the emergence of green hydrogen-linked infrastructure as a key growth driver, signalling a shift towards sustainable energy solutions. These investments will necessitate new transmission lines and substation infrastructure.

In the SAARC region, Bangladesh and Nepal stand out as prominent markets. In Bangladesh, a concerted effort towards grid capacity expansion and renewable energy integration is underway. In an effort to achieve its energy goals, Bangladesh has set ambitious targets to attain 40% clean energy by the year 2041. Nepal's energy vision prioritises achieving energy self-sufficiency by maximising hydropower potential, expanding renewables, and fostering cross-border transmission line projects for regional integration.

**The company has strategically pivoted towards the adoption of new-age technologies and embraced agile working methods, leading to execution excellence and enhanced client satisfaction levels.**

In the East Asia-Pacific (EAP) region, Thailand presents a favourable market with its National Energy Framework for 2023 charting an ambitious course towards achieving net-zero emissions by 2065. The country plans to allocate approximately USD 1.2 Billion for capital expenditure towards nation's energy infrastructure, from 2026-2030. Meanwhile, Malaysia's Sarawak region emerges as a focal point for energy development, offering abundant opportunities for generation capacity expansion of 2.7 gigawatts, indicating improved opportunities in the T&D sector. Countries such as Vietnam and the Philippines demonstrate ambitious Power Development Plans that encompass Transmission and Distribution (T&D) upgrades and expansions aimed at optimising the utilisation of renewable resources.

SAE Towers, the company's wholly-owned subsidiary in the Americas, has delivered a turnaround performance in FY24 with revenues of approximately ₹ 1,450 Crore, reflecting a growth of 9%. During the year, the company successfully increased its hardware business to ₹ ~200 Crore, expanded its hardware portfolio with fittings for OPGW, cross-rope steel wire, and the Stock Bridge Damping system and successfully delivered its first USA hardware order. In FY24, the company, with a focus in sustainability, installed a solar plant at its Brazil facility with a capacity of 750 KWp, which was commissioned in a record 100 days.

The Brazilian Federal Government has been actively investing in the transmission, distribution, and renewable energy sectors. The Transmission Expansion Program (PET) and the Long-Term Expansion Plan (PELP), according to studies by the Energy Research Office (EPE), estimate that investments in new transmission lines could reach BRL 56.2 Billion in the coming years. The contracts contemplate an extension of 4,471 kilometres of transmission lines and substations with a transformation capacity of 9,840 MVA. In addition, Brazil plans to invest BRL 50 Billion (USD 9.5 Billion) in new transmission lines and infrastructure to boost solar and wind deployments. Furthermore, the Brazilian Minister of Mines and Energy presented the Electricity Transmission Grants Plan (POTEE), which consists of a USD 11.2 Billion investment into the construction of renewable power transmission infrastructure in the Northeast region. Further, many countries in the South America are investing in developing their electricity transmission and distribution systems to serve the rising electricity demand and consolidating renewable energy sources into their grids. The company is in active discussions with developers who have secured projects in the largest ever ANEEL Transmission auction conducted recently and is well-positioned to secure orders for the supply of towers and hardware.

The North America market is projected to witness growth owing to rising electricity demand, requirement to upgrade the present grid infrastructure, propel renewable energy integration and enhance grid resiliency. The U.S. Department of Energy, announced USD 13 Billion in new financing opportunities for developing and transforming the nation's electric grid. Incremental transmission investment is required in the U.S. by 2030 to meet the changing needs of the system due to electrification, with an additional USD 200-600 Billion needed from 2030 to 2050. In Mexico, the government is planning to add 4.3 GW of generation capacity in the near term and make large-scale investments in energy transmission and distribution. During the year, KEC achieved a breakthrough in the US market with the successful supply of hardware products, thus opening up new avenues for expansion and growth.

The business has a steady inflow of orders and has a robust order book & L1 position comprising orders for the supply of towers, hardware & poles and engineering & testing of towers from the Americas.





## CIVIL BUSINESS

RESIDENTIAL TOWERS, BENGALURU, INDIA

KEC's Civil Business has delivered robust YoY growth of 32%, generating revenues of ₹ 4,370 Crore. This success stems from executing a diverse range of projects across sectors including factories, buildings, public spaces, water pipelines, water treatment plants, data centres, logistics, and warehouses for both private and government clients. As part of its diversification and risk mitigation strategy, the business has ventured into new segments such as hospitals, FMCG plants, and precast commercial buildings. During the year, the business enhanced its focus on profitable segments, securing orders worth over ₹ 4,200 Crore. Positioned for significant growth, the business boasts an unexecuted order book of over ₹ 10,000 Crore and benefits from favourable market tailwinds.

India's goal of becoming a USD 5 Trillion economy hinges on rapid infrastructure development across various sectors and regions. The Union Budget 2024-25, with a capex allocation of ₹ 11.1 Lakh Crore, representing 3.4% of India's GDP, marks an 11% increase in sectoral spending from the previous year, underscoring the government's commitment to accelerating infrastructure investments. Flagship initiatives such as the National Infrastructure Pipeline (NIP), Make in India, and the Production-Linked Incentives (PLI) scheme aim to boost investments in energy, renewables, power, urban infrastructure, water, industrials, and more. The Gati Shakti initiative, or the National Master Plan for Multi-modal Connectivity, targets projects worth USD 1.2 Trillion, fostering intergovernmental collaboration to comprehensively address infrastructure needs, including roads, railways, airports, ports, mass transport, waterways etc.

The Indian real estate sector, valued at USD 280 Billion, accounting for approximately 7% of India's GDP, encompasses both residential and commercial categories, both of which are experiencing significant growth. According to a report by Confederation of Real Estate Developers' Associations of India (CREDAI), it is estimated to reach USD 1.3 Trillion by 2034 and a whopping USD 5.17 Trillion by 2047. Urbanisation is driving substantial demand for affordable housing, while the desire for enhanced lifestyles and work-related needs fuels demand for luxury and expansive housing options. The Company is executing over 70 high-rise residential towers, aiming to become the preferred construction partner for top real estate developers nationwide. The company has strengthened its presence in key real estate hubs such as Mumbai, Pune, Hyderabad, Delhi-NCR, Kolkata and Bengaluru, diversifying and expanding its residential and commercial building portfolio.

Similarly, the commercial real estate sector in India is experiencing a surge in demand, primarily driven by the expansion of Global Capability Centres (GCCs). The resurgence in office space demand, returning to pre-COVID levels, highlights the robustness of the commercial real estate market, valued at USD 40 Billion in 2024 and expected to reach USD 106 Billion by 2029. This year, the Company expanded its project portfolio in the commercial real

LOGISTICS DEVELOPMENT PROJECT, BENGALURU, INDIA

**The Water segment is a pivotal component of India's infrastructure development, playing an essential role in ensuring the provision of safe and adequate drinking water. The Government of India's ambitious Jal Jeevan Mission, especially its flagship 'Har Ghar Jal' programme, is dedicated to supplying potable water to rural households nationwide.**

estate sector, including precast building construction works with distinguished real estate developers.

India's data centre sector is set for substantial expansion, projected to reach ~5 GW from the current 1.3 GW, attracting investments of ₹ 1.6 Lakh Crore. This expansion is underpinned by supportive regulatory frameworks, including the Digital Data Protection Bill, which categorises data centres as critical infrastructure, in addition to state-level policies and incentives.

The Company's Data Centre division has maintained its growth momentum, securing projects from renowned multinational corporations and expanding its data centre portfolio to five projects with a total capacity of 100 MW. The Company has also developed Mechanical, Electrical, and Plumbing (MEP) capabilities tailored for the data centre segment, enabling it to competitively bid for and execute comprehensive data centre packages.

In the Industrial segment, Civil Business has achieved significant expansion by securing Engineering, Procurement, and Construction (EPC) orders across diverse sectors. Repeat business from established clients underscores KEC's position as the preferred construction partner for major corporations in the Cement, Metals & Minerals, and Chemicals sectors. In the last fiscal year, the company secured substantial orders from leading manufacturers for constructing greenfield and brownfield plants, further reinforcing trust in KEC's unmatched quality and reliability. Additionally, the Company has honed its expertise in installing heavy electro-mechanical equipment and systems, thereby enhancing its capabilities and solidifying its leadership in industrial construction.

The Water segment is a pivotal component of India's infrastructure development, playing an essential role in ensuring the provision of safe and adequate drinking water. The Government of India's ambitious Jal Jeevan Mission, especially its flagship 'Har Ghar Jal' programme, is dedicated to supplying potable water to rural households nationwide. As part of the National Infrastructure Pipeline Scheme, the government has earmarked over ₹ 3.5 Lakh Crore for more than 500 water supply and treatment projects across various states. These extensive initiatives present significant opportunities for companies with expertise in water infrastructure, positioning them to play a crucial role in this transformative agenda.

The Company is actively engaged in executing large-scale water pipeline and supply scheme projects that support the Jal Jeevan Mission. KEC's comprehensive scope of work includes constructing over 13,000 kilometres of water pipelines, more than 850 Elevated Storage Reservoirs (ESRs), water intake wells, and water treatment plants. These projects are crucial for ensuring the provision of safe and adequate drinking water to rural areas across India. Notably, these initiatives have achieved significant milestones by collectively installing over 1.25 Lakh house service connections. Leveraging its extensive expertise, the Company is strategically positioned to expand its footprint in the water segment.

Company's Civil Business is well positioned to capitalise on the vast opportunities in the Infrastructure & Real Estate industry, driven by substantial investments. The Company remains dedicated to maintaining a safe and healthy working environment for its employees, underscoring its steadfast commitment to operational excellence and stakeholder satisfaction, earning multiple prestigious awards from clients and industry bodies. In FY24, a few of the major accolades include the "Emerging Company of the Year" at the Construction World Global Awards, the "Sustainable Organisation of the Year 2024" at the Net Zero Summit & Awards, and the British Safety Council Award 2024 for six prominent projects. Additional recognitions include the British Safety Council RoSPA Gold Award for multiple projects, and the "Best Concrete Structure" award for a residential project by the Indian Concrete Institute, Goa Centre & UltraTech Cement Ltd at the ICI – Ultratech Awards – 2023, underscoring KEC International's commitment to excellence and safety.

The Company focusses on adopting cutting-edge technology, nurturing design and engineering expertise, and fostering execution excellence. The integration of digital tools such as Building Information Modelling (BIM), Document Management Systems, AI-driven business development, asset tracking and management systems, Concrete Management Systems, and fuel monitoring systems for mobile assets demonstrates the Company's commitment to leveraging advanced technologies. These initiatives enhance the Company's value proposition and positions it at the forefront of technological advancements in the construction industry. Emphasising its forward-thinking approach and commitment to continuous improvement, the Company launched a transformation programme, in FY23, in collaboration with a leading global management consultant as part of the Civil Execution Excellence initiative. This initiative is helping achieve project and process excellence in the company by developing comprehensive execution and project management practices.

With robust execution capabilities, anchored in an unwavering commitment to excellence in project management, stringent quality assurance, and timely delivery for clients, and promising opportunities on the horizon, the business is poised to sustain its growth trajectory and expand into new territories.



MS PIPE ROLLING WORK AT A WATER PROJECT, SATNA, MP, INDIA

## URBAN INFRASTRUCTURE BUSINESS

VIADUCT AT DMRC, DELHI, INDIA

The Company's Urban Infrastructure division is dedicated to delivering comprehensive construction services for Metro rail and Regional Rapid Transit System (RRTS) projects. Company's expertise spans the full spectrum of civil, system works and finishing works for construction of elevated viaducts, stations, river over bridges, depots, workshops, etc. Additionally, the company is delivering projects in advanced technological domains such as power supply systems, electrification (including OHE and Third Rail systems), and ballast-less tracks. The Company is presently executing 15+ projects, encompassing 55 km of viaducts, 43 metro stations, 2 depots, 150 kms of metro track laying work and 100 kms of OHE electrification. Additionally, the Company runs five Precast/Prefab Yards with a production capacity of approximately 2,000 cubic metres of concrete per day.

The Indian government has significantly increased its commitment to enhancing urban public transportation, allocating ₹ 24,931 Crore in the interim budget to support various metro projects nationwide, marking a 7.57% rise from the previous year. Data from the Union Ministry of Housing and Urban Affairs reveals that approximately one Crore passengers use metro systems daily, underscoring the critical role of metro networks in efficient urban mobility. Investments in urban transport infrastructure are being driven by both central and state governments, with substantial backing from international financial institutions. Beyond major metropolitan hubs, over 20 non-metropolitan cities in key states like Maharashtra, Uttar Pradesh, Tamil Nadu, Gujarat, and Madhya Pradesh are actively advancing metro initiatives. This decentralisation fosters equitable economic growth and development across diverse urban landscapes. Recognising the unique needs of urban centres with populations exceeding 20 Lakh, alternative metro models like MetroNeo and MetroLite have been proposed. These innovative systems offer adaptable and economical solutions that balance efficiency, affordability, and environmental consciousness, ensuring optimal urban connectivity without the challenges of extensive heavy metro infrastructure.

In FY24, the Company achieved significant milestones, including the successful completion and delivery of Phase 1B of the Kochi Metro Project, which was inaugurated by the Prime Minister Narendra Modi. Another notable achievement was the trial run of Bhopal Metro Rail from Subhash Nagar Depot, which was constructed by KEC and inaugurated by the then Madhya Pradesh Chief Minister Shivraj Singh Chauhan.

The Delhi Metro projects are nearing the final stages, with the handover phase approaching swiftly. Out of the total 18 kilometres and 14 stations, 14 kilometres of viaduct and 10 stations are in advanced stages for handover. This includes a groundbreaking one kilometer Integrated Elevated Viaduct, featuring a double-decker structure with traffic on one level and the metro on another, a first of its kind in the Delhi-NCR region. In the Chennai Metro projects, the company has made significant progress with several sections of viaduct and stations close to completion and handing over. KEC was among the first contractors to complete piling works in Phase 4 of the Chennai Metro projects. The Chennai Metro Projects have garnered prestigious RoSPA Gold Awards from the British Safety Council and certificates of appreciation for achieving 8 million safe man-hours across various Metro projects in the preceding year.

During the year, the Company has executed a rigorous programme aimed at enhancing engineering and execution capabilities for Metro projects. This initiative has streamlined processes, elevated project management proficiency, and implemented transformative measures for enhanced cost efficiency. The company has integrated state-of-the-art automation and mechanisation techniques into construction operations, including Building Information Modelling (BIM), drone-based surveys, and Ground Penetrating Radar (GPR) for utilities identification, significantly bolstering project planning and monitoring capabilities.

By maintaining a leadership position in innovation and embracing the challenges of a dynamic economy, the Company continues to establish new benchmarks of excellence in the infrastructure sector. This commitment drives sustainable growth and catalyses positive transformation across communities and urban landscapes.





## RAILWAYS BUSINESS

AUTOMATIC BLOCK SIGNALLING SYSTEM

KEC International offers a diverse portfolio of EPC services in the railway sector, encompassing overhead electrification (OHE), new railway lines, track doubling and tripling, gauge conversion, port connectivity, signalling and telecommunication, KAVACH, Automatic Block Signalling, tunnel ventilation, speed upgradation, and construction of railway stations, platforms, bridges, residential quarters, depots, workshops and railway sidings. The Company is also present in urban infrastructure segments delivering power supply systems, electrification – both overhead and 3rd rail systems and ballast-less track laying projects for metros.

In the fiscal year 2023-24, the business achieved revenues exceeding ₹ 3,100 Crore and secured new orders worth approximately ₹ 1,100 Crore. The business secured its first international contract in the SAARC region for signalling and telecommunication project, marking a significant milestone in its global expansion. The company also strengthened its presence in the Auto Block Signalling, speed upgradation and overhead electrification segments of Indian Railways. The business remains selective in Railway order intake to navigate increased competition and maintain a healthy margin profile.

The company played a crucial role in supporting the government's 100% electrification initiative by completing the overhead electrification of 1,092 track kilometres (TKM), representing nearly 19% of the nation's total overhead electrification commissioned during the year. Moreover, it achieved a total track laying and commissioning of 116 TKM. With a diverse unexecuted order book surpassing ₹ 3,000 Crore, from clients across central public sector undertakings, zonal railways, metro projects, private enterprises, and international government establishments, the business is focussed on fast-tracking the completion of existing projects and re-engineering end-to-end processes.

The Government of India's commitment to revitalising the Indian Railways, as proposed in the National Rail plan 2030, signals promising prospects for the railways business. In the previous years, a large part of the spent has been towards increasing freight-carrying capacity, rolling stock, and Vande Bharat trains. From FY25, the company anticipates the government's increased allocation towards conventional infrastructure development within railways to facilitate the seamless operation of high-speed trains such as Vande Bharat. Indian Railways has outlined plans with capex allocation of ₹ 2.5 Lakh Crore in Interim Budget 2024-25 for capacity expansion. This includes development of three corridors: the energy, mineral, and cement corridors; the port connectivity corridors; and the high-traffic density corridors and extending the railway network by over 40,000 km within the next six to eight years.

The Government is focussing on increasing capacity, speed, and safety of Indian Railway network through upgradation of existing OHE network from 25 kV to 2x25 kV and implementation of Automatic Block Signalling and KAVACH technologies. During the year, the Company extended its leadership in 2x25 kV electrification by adding over 300 kms of projects. The Company is now executing 14 projects of 2x25 kV OHE totalling over 2,400 route kms. Automatic Block Signalling projects are also under implementation across the railway network to increase line capacity through automation and the Company has secured two projects in the segment totalling over 130 RKM.

**The Company has been associated with 6 metro networks across the country and currently executing over 10 projects encompassing power system works and Ballast-less track (BLT) works.**

Further, Indian Railways' indigenously developed Train Collision Avoidance System (KAVACH), which has so far been deployed on over 1,460 RKM, will improve safety and speed of the existing railway. In a joint venture, the Company is presently implementing KAVACH system on over 750 kms of the railway line in the Chipiyana-Kanpur Pandit Deen Dayal Upadhyay section of North Central Railway. Indian Railways plans to introduce KAVACH on 2,500 km of railway lines in FY25, with a subsequent increase to 5,000 km annually until the entire network is covered.

In the realm of urban railway infrastructure, the Company is actively engaged in executing projects encompassing metro electrification, power supply systems, and track laying for clientele spanning Mumbai, Patna, Kochi, Chennai, Ahmedabad, Kolkata, and New Delhi. Presently, over 930 km of metro rail is operational across 20 cities in India, with an additional 900 km under construction in various cities. The Company has been associated with 6 metro networks across the country and currently executing over 10 projects encompassing power system works and Ballast-less track (BLT) works.

The Company is backward integrated into manufacturing of supplies to enhance supply chain reliability, improve quality, and drive competitive advantage in the market. The Company manufactures railway cables, railway conductors signalling cables, PIJF cables, contact wires, feeder, jumper, and dropper wires, catenary and contact conductors, Quad cables, etc. at its cable manufacturing plant. The Company also manufactures Over Head Electrification structures in its manufacturing units for Transmission & Distribution structures.

The Company is committed to improving and strengthening project engineering and execution practices to reduce costs and shorten delivery timelines. The Company developed and deployed technological solutions such as connected IoT for remote quality inspection and freight-optimisation digital tool to reduce dead freight and optimise logistic cost.

The company, while remaining committed to deepening its presence in emerging technology-enabled segments in Indian Railways, is proactively working on expanding the railways business to the international market by leveraging its reach in the Transmission & Distribution business.

RAKHA MINES STATION, JHARKHAND, INDIA





GAS PIPELINE LOWERING IN KANDLA, GUJARAT, INDIA

## OIL & GAS PIPELINES BUSINESS

The Company's Oil & Gas pipelines business, the focus is on laying cross-country Oil & Gas i.e. Crude, Natural Gas and Petroleum Product pipelines across the country. In FY24, the business has delivered revenues of over ₹ 625 Crore with a healthy growth of 30% y-o-y. In line with the diversification agenda, the company has secured its first International order in Benin, Africa for setting up a CGD pipeline network. The Company has received approval from Saudi Aramco for onshore Oil & Gas pipeline projects. The Company is also pursuing approvals in other countries as part of the globalisation strategy for the business.

The business has strengthened the Composite Station Works portfolio by securing new orders in the segment. Further, the business is focussing on accelerated completion of existing Composite Station projects, which will enhance its capability to bid for process plants and refinery offsite works paving way for further diversification into Refinery works, Gas Gathering stations and LNG plants. Beyond Oil & Gas, the business is executing projects in iron ore slurry pipelines and water pipelines.

The company expects the oil & gas pipelines market to remain healthy in FY25 with a market size of ₹ 4,500 – 5,000 Crore. India is poised to become the world's largest source of oil demand growth in this decade. During the 2023-2030 forecast period, India is projected to account for more than one-third of global oil demand growth. Going forward, the government plans to invest ₹ 7.5 Trillion in the development of the oil and gas infrastructure in India over the next five years. Of this, roughly ₹ 3 Trillion, is expected to be used for building gas infrastructure including pipelines, LNG terminals and CGD networks.

India is currently the world's fourth-largest refiner and it further plans to add as much as 56.6 million tonnes per annum (MTPA) of crude oil refining capacity in the next few years, with 84% of this expansion through brownfield projects. The government's focus on refining stems from India's rising consumption of crude oil as its industrial, construction, and manufacturing sectors expand. Additionally, following the Russia-Ukraine conflict, Indian refiners have emerged as key destinations for refining. Furthermore, India is strengthening its strategic petroleum reserve programe and improving its oil industry readiness to enhance its capacity to respond to potential oil supply disruptions. India's leading Oil & Gas players are also actively expanding their petrochemical footprint.

In international markets, major operators like Saudi Aramco have announced investments in over 100 projects during 2024-2027. These projects encompass oil and gas processing, petrochemicals, pipelines, and allied infrastructure. In the UAE, ADNOC Gas is set to invest over USD 13 Billion in the domestic and international projects by 2029. ADNOC also plans to expand its natural gas pipeline network and develop infrastructure to meet the growing global gas demand for petrochemicals in Ruwais.

The focus on economically and environmentally sustainable transportation of iron ore slurry is expected to drive the slurry pipeline market in India. Both private and public sector companies are planning large slurry pipeline projects alongside pellet and beneficiation plants.

The business is continuing to invest in strengthening its people and equipment base to cater to the growing hydrocarbons sector. Further, the business is focussing on innovation and digitalisation by leveraging technologies in project monitoring and cost optimisation.

## CABLES BUSINESS

CABLES FACILITY, VADODARA, GUJARAT, INDIA

The cables business offers a comprehensive portfolio, delivering a wide range of cables, transmission conductors, and turnkey cabling solutions to over 90 countries worldwide. Renowned for its steadfast commitment to timely delivery and superior quality, the business specialises in manufacturing a diverse spectrum of cables, including low voltage, high voltage, and extra high voltage cables, control and instrumentation cables, telecom cables, and overhead conductors for railway and transmission lines. The Company also manufactures speciality cables such as green cables, solar cables, submersible cables, concentric cables, railway cables, EV charging cables, mining cables, and hybrid cables. The Company has two fully integrated manufacturing facilities in Vadodara and Mysuru, both in India.

The cable industry in India is poised for significant expansion, with projections of approximately ₹ 65,000 Crore by FY28, boasting a remarkable growth rate exceeding 10%. This growth is propelled by the government's focus on infrastructure development, transition to green energy, investments in the Power Transmission and Distribution sector, rapid urbanisation driving demand in residential and commercial real estate, industrial capital expenditure supported by the "Make in India" initiative, and a global trend towards diversification and derisking of supply chains. Investments in sectors like data centres, digital connectivity, EV charging infrastructure, defence, and railways are expected to bolster the industry.

KEC's cables business achieved its highest-ever revenue, profitability, and order intake during FY24. The business has delivered a more than 80% growth in Profit Before Tax (PBT) as compared to the previous year. With orders amounting to over ₹ 1,900 Crore, a 12% increase over the previous year, the business has seen growth across sectors, including Transmission & Distribution, renewables, metals and mining, and data centres. Export orders grew by 11% over FY23 with foray into 5 new markets and with shipments to 33 countries. Moreover, the business obtained UL approvals for cable exports to the US, which is expected to drive growth in the future. In the domestic market, order intake through dealers improved by 36%.

In a significant move, the company has set up a PVC compound manufacturing facility, leading to lower costs, better quality, and improved supply chain control. Continuing its focus on innovation, the company introduced seven new products during the year. In yet another strategic development, the Company is establishing an Aluminium conductor manufacturing plant to meet the growing demand in the T&D sector. The diverse portfolio of Aluminium conductors, including ACSR, Al-59, AAAC, ACSS, etc., will enable the business to cater to varied sector requirements and drive significant growth in both Cables and Power T&D businesses. 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.

KEC's cables business is well-positioned to capitalise on significant market opportunities, including the increasing demand for faster and more reliable data cables driven by 5G adoption, cloud computing, and IoT penetration. The Company's expertise in manufacturing Optical Fibre Cables (OFC) aligns well with this increase in demand for data cables. Its portfolio of Green Cables, compliant with RoHS (Restriction of Hazardous Substances) and REACH regulations and flame-retardant cables demonstrate company's commitment to safety and sustainability in the industry.

There is a growing trend towards underground cabling both in India and International, driven by the need to enhance safety, reliability, and efficiency while addressing Right of Way (RoW) challenges. The rapid expansion of Smart cities and the increasing demand for uninterrupted power supply in regions prone to extreme weather conditions further underscore the importance of underground cabling solutions. Drawing upon its extensive expertise, the company has made notable progress in executing large-scale underground cabling projects, both domestically and internationally.

With a robust portfolio of products and services and strengthened manufacturing capabilities, the Company is well-positioned to meet the increasing demand for cables in both Indian and global markets. The Company remains confident to significantly grow the business and create value for its stakeholders.





## RENEWABLES BUSINESS

130 MWP SOLAR PV PROJECT, ANDHRA PRADESH, INDIA

In the newly launched Renewables businesses, the Company is strategically focussed on building future engines of growth in the areas of energy transition and other speciality sectors. With Solar, Wind, Green Hydrogen and EHV cabling identified as key areas, it aims to capitalise on the global shift towards green energy and green transportation. The business has achieved revenues of ~ ₹ 450 Crore, marking an impressive growth of over 400% year-on-year.

India ranks 4th globally in Renewable Energy installed capacity, 4th in Wind Power capacity, and 5th in Solar Power capacity, according to the REN21 Renewables 2023 Global Status Report. The installed solar energy capacity has surged by 30 times in the last 9 years and currently stands at approximately 82 GW as of March 2024. India's solar market is projected to grow at a Compound Annual Growth Rate (CAGR) of 40%, reaching a substantial USD 238 Billion by 2032 (from USD 38 Billion in 2021). This represents a market potential of more than ₹ 1 Lakh Crore in the next five years. India has ambitious plans to reach 140 GW of wind capacity by 2030, up from the current 46 GW as of March 2024, as part of its journey towards the long-term goal of achieving net zero emissions by 2070. The country has set an enhanced target at the COP26 of achieving 500 GW of non-fossil fuel-based energy by 2030. This commitment is a key pledge under the Panchamrit initiative, which is recognised as the world's largest expansion plan in renewable energy.

The Green Hydrogen Mission, established in 2023, with the goal of positioning the country as a major hub for the production and export of the green hydrogen / ammonia, aims to transition the economy to low carbon intensity and reduce dependency on fossil fuel imports. This initiative will lead to the development of green hydrogen production capacity of at least 5 MMT (Million Metric Tonnes) per annum by 2030, along with an associated renewable energy capacity addition of about 125 GW in the country. The Green Hydrogen targets for 2030 are expected to attract over ₹ 8 Lakh Crore in investments, with a significant increase in projects for hybrid renewable energy, associated transmission lines, substations, as well as storage and pipeline projects for green hydrogen / ammonia. The central government has authorised a budget of ₹ 20,000 Crore for the mission. According to NITI Aayog, the market is expected to be worth USD 340 Billion in total by 2050. Additionally, India is attracting foreign direct investments in the segment due to comparatively low setup costs, high solar irradiation, improved government support, and the availability of well-qualified professionals.

With the expansion into the Renewable Energy sector, the business has prioritised large-scale solar PV power plants and onshore wind EPC projects, while also building its capabilities in Green Hydrogen. Positioning itself as the preferred partner within the growing opportunities in this emerging energy sector, the company is exploring opportunities in the expanding markets of Middle East, Latin America, Southeast Asia and Africa.

KEC International's emergence into the renewable energy and speciality sectors marks a strategic pivot towards sustainable growth avenues. As India steers towards ambitious renewable energy targets and global initiatives like the Green Hydrogen Mission gain traction, the business stands poised at the forefront, leveraging its expertise and partnerships to contribute meaningfully to these transformative endeavours.

With its extensive expertise and presence across the value chain and related sectors, the Company is strategically positioned to capitalise on the myriad of opportunities arising in the coming years.

## 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 FY24 stands at ₹ 19,914 Crore with a robust growth of 15% Y-o-Y. The growth is backed by healthy execution in T&D, both in India and International and Civil businesses.

In terms of EBITDA, the company has delivered a substantial growth of 46% Y-o-Y with EBITDA margins expanding by 130 bps to 6.1% vis-à-vis 4.8% in FY23.

Company's PBT has increased by 2.6 times to ₹ 426 Crore as against ₹ 161 Crore in FY23 and PAT has nearly doubled to ₹ 347 Crore as against ₹ 176 Crore in FY23.

Interest costs to sales ratio has slightly increased to 3.3% in FY24 against 3.1% in FY23 owing to higher interest rates.

Earnings per Share (EPS) increased to ₹ 13.49 in FY24 from ₹ 6.85 in FY23.

Recommended a Dividend of ₹ 4 per equity share i.e. 200% of the face value of ₹ 2 each for FY24 – Total outflow of ₹ 103 Crore.

## BALANCE SHEET ANALYSIS

Net Worth increased to ₹ 4,096 Crore from ₹ 3,771 Crore in FY23. 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 ₹ 4,044 Crore from ₹ 3,720 Crore in FY23.

Book Value per share increased to ₹ 159 from ₹ 147 in FY23.

Gross Borrowings increased to ₹ 3,826 Crore from ₹ 3,216 Crore in FY23.

The Company's Net Working Capital days have been maintained at 112 days in line with March 2023.

## KEY FINANCIAL RATIOS

| Key Financial Ratios (1) | 2023-24 | 2022-23 | Change |
|---|---|---|---|
| Debtors Turnover | 4.5 | 3.7 | 20.9% |
| Inventory Turnover | 16.4 | 15.2 | 8.0% |
| Interest Service Coverage Ratio | 1.9 | 1.6 | 21.0% |
| Current Ratio | 1.1 | 1.1 | -1.8% |
| Debt Equity Ratio | 0.9 | 0.9 | 9.6% |
| Operating Profit Margin % | 6.1% | 4.8% | 27.0% |
| Net Profit Margin % | 1.7% | 1.0% | 71.0% |
| Return on Net Worth % | 8.8% | 4.8% | 85.1% |

- Operating Profit Margin, Net Profit Margin and Return on Net Worth have improved due to increase in profits during the year.
- 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))





## INTERNAL CONTROL ADEQUACY

At KEC, Internal Control serves as a fundamental pillar of Corporate Governance. The Company has implemented an Internal Control mechanism that aligns with its evolving needs. This mechanism operates through the ERP system, SAP, and incorporates effective Internal Controls to safeguard the Company's resources, ensure operational efficiency, monitor systems, and comply with laws and regulations.

The Internal Control mechanism is tailored to the nature, size, and complexity of the business at both the entity and process level. It ensures integrated, objective, and reliable financial information. The Internal Audit department conducts audits at various locations, covering all major functions with focus on operational areas and Internal Control systems. This comprehensive approach ensures that all Company operations are audited at least once every three years. The department provides assurance across all areas of risk, including strategic, commercial, safety, operational, compliance, and financial risks in all business segments of the Company. The management and the Audit Committee of the Board of Directors receive periodic recommendations on process improvements and implementation status reports. The Audit Committee periodically reviews the adequacy of the Internal Control system, provides guidance, and directs further action, if necessary, including benchmarking best practices externally.

Throughout FY24, the internal audit findings & implementation status of actions taken with respect to recommendations against audit findings were shared with the Audit Committee through presentations. The Audit Committee expressed satisfaction with the adequacy of the Company's Internal Control system and procedures.

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 the RPG Group. The Internal Control system includes a whistle-blower mechanism, which encourages directors, employees, and third parties to report genuine concerns, misconduct, or fraud without fear of unfair treatment or punishment. In exceptional cases, they have direct access to the Chairman of 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 mandate periodic reviews of its systems 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, Israel-Palestine war and Red Sea incidents 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.

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

**2. Commodity Price Variations:**

The Company deals with various commodities, such as steel, zinc, copper, and aluminium. Fixed price contracts may have a negative impact on the Company's profits if input costs rise without proper hedging mechanisms.

**Mitigation:** The Company believes in keeping its commodity exposures hedged to optimum levels and measures and manages these risks centrally. It carries out periodic reviews of these risks at appropriate levels. In some projects the supply of project material is kept in customers' scope.

**3. 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 is secured through firewall to avert any cyber-attacks. Network Logical separation between OT and IT are in place across locations. New generation Security Operations Centre Services have been deployed which not only records but automatically disables any network intrusion. Audit recommendations and suggestions

**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.**

provided by an external IT specialist are implemented to further strengthen IT security.

4. **Interest Rate Fluctuation Risk:**

   Volatility in interest rates impacts the profitability of the Company.

   **Mitigation:** The Company closely reviews its borrowing levels to ensure reduction in working capital intensity & improvement in cash flows and optimises mix of foreign currency borrowings.

5. **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 terrains, manpower issues, etc.

   **Mitigation:** The Company closely monitors the risks for each project and deploys suitable strategies to effect timely mitigation. Company engages various technologies to assess terrains and soil conditions at project sites. Company has deployed several mechanisation, automation and digitisation initiatives across projects to improve productivity and quality of execution.

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 a diversified business portfolio which includes Substations, Railways, Civil, Solar, Urban Infrastructure, Oil & Gas Pipelines, Smart Infrastructure, and Cables, all of which provide ample growth opportunities in the future.

7. **Foreign Currency Fluctuation Risk:**

   With operations in many geographies, any adverse movement in any currencies can adversely impact project profitability and financials.

   **Mitigation:** Foreign exchange risk is tracked and managed based on the approved Risk Management Policy. Tenders are generally quoted in hard currencies and other currencies based on the currency of import to maintain a natural hedge. Currency exposure is monitored on a monthly basis and hedged on a net basis.

8. **Environment, Health & Safety:**

   Environment, health and safety risk impacting employees and workers.

   **Mitigation:** EHS is integrated into the KRAs of various teams, with on-site safety officers, regular audits by the Corporate Safety Audit team, review of audit results in monthly EHS Steering Committee meetings, and provision of Behaviour-Based Safety Training (BBS) to promote proactive accident prevention.

9. **Succession Planning Risk:**

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

   **Mitigation:** Top talent and critical positions are identified annually in the organisational management review. The leadership pipeline has been strengthened and proper processes are implemented for hiring and retaining the best talent. Additionally, the Company periodically reviews the succession plan for its senior management team to ensure continuity in leadership.

## HUMAN RESOURCES

The Company has embraced a holistic approach centred on attracting, inspiring, and retaining talent, fostering a culture of excellence and innovation. This commitment is reflected in significant advancements in people practices, demonstrating the Company's dedication to creating a nurturing workplace environment conducive to growth and well-being.

The organisation's focus on its people is evident in its people-centric agenda, encapsulated by the RPG Group's brand tagline - "Hello Happiness". Aligned with the RPG Group's principles, KEC cultivates a performance-driven culture that emphasises continuous learning and development.

To gauge employee sentiment, the Company conducted the "Happiness Survey" in FY24, achieving a Happiness quotient of 83%. Key drivers of happiness include a sense of fulfilment, connection, and value within the workplace. To ensure sustained focus on employee well-being, KEC conducts action planning workshops and has established a dedicated Happiness Council. These initiatives aim to enhance employee satisfaction and drive a positive cultural shift across the organisation.

At the heart of the Company's culture are six pillars, guiding employee actions and shaping shared values that contribute to a vibrant and





fulfilling work environment: Execution Excellence, Happiness, Customer-Centricity, Inclusive Diverse and Global Mindset, Technology & Engineering Mindset, Empowerment & Trust.

The Company is committed to promoting employee well-being and continuous development through various initiatives. The introduction of KECARES, Company's holistic wellness programme, underscores this commitment, offering sessions tailored to enhance Physical, Emotional, and Financial well-being of all employees. Additionally, to recognise and celebrate outstanding contributions towards employee happiness, the organisation has established the Reward & Recognition programme, RACE - Recognise and Celebrate Excellence.

Recognising the importance of lifelong learning in today's dynamic business landscape, the Company fosters a culture of continuous development. Various training programmes, workshops, and mentorship opportunities are provided, including the Project Management Excellence Certification Programme, Procurement Academy, and sessions focussed on enhancing Commercial Acumen. The Digital Learning Championship and virtual learning initiatives further enrich the learning experience for employees.

Leveraging technology to enhance HR operations and employee experience is a priority for the Company. Significant progress has been made in digitising HR procedures, from recruitment and onboarding to performance management and employee engagement. The implementation of AI-based chatbot, Electra, provides round-the-clock assistance to employees with their queries, further enhancing the overall employee experience.

As the preferred employer among top engineering and business school campuses in India, the Company invests in talent development through flagship programmes like the Engineering Leadership Programme. Recruitment efforts focus on attracting engineering graduates and postgraduates from prestigious institutions such as IITs, NITs, and NICMARs across India. The organisation also recruits talented individuals from leading business schools through the Group Management Resource programme and identifies future leaders through the Future Leaders Board programme, aligning with the Group's Vision of Unleashing Talent.

Diversity and inclusion are central to the Company's values. Initiatives such as Womenocity aim to improve the experiences of female employees, while hiring practices prioritise diversity, including individuals returning to work after a career break and those from marginalised communities, in alignment with ESG Goals. As of March 31, 2024, the Company has a total employee count of 7,644 (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.

**Leveraging technology to enhance HR operations and employee experience is a priority for the Company. Significant progress has been made in digitising HR procedures, from recruitment and onboarding to performance management and employee engagement.**

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the Listed Entity

| | | |
|---|---|---|
| 1. | **Corporate Identity Number (CIN) of the Listed Entity** | L45200MH2005PLC152061 |
| 2. | **Name of the Listed Entity** | KEC International Limited |
| 3. | **Year of incorporation** | 2005 |
| 4. | **Registered office address** | RPG House 463, Dr. Annie Besant Road, Worli, Mumbai - 400030, India |
| 5. | **Corporate address** | RPG House 463, Dr. Annie Besant Road, Worli, Mumbai - 400030, India |
| 6. | **E-mail** | investorpoint@kecrpg.com |
| 7. | **Telephone** | +91 22 66670200 |
| 8. | **Website** | www.kecrpg.com |
| 9. | **Financial year for which reporting is being done** | April 1, 2023 - March 31, 2024 |
| 10. | **Name of the Stock Exchange(s) where shares are listed** | BSE Limited and National Stock Exchange of India Limited |
| 11. | **Paid-up Capital** | ₹ 51.42 Crore |
| 12. | **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report** | Mr. Anand Kulkarni<br>Executive Director - Business Operations<br>Telephone number: +91 22 66670200<br>E-mail id: brsr@kecrpg.com |
| 13. | **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)** | This report is prepared on a standalone basis. |
| 14. | **Name of Assurance Provider** | Not Applicable |
| 15. | **Type of assurance obtained** | Not Applicable |

### II. Products/services

**16. Details of business activities (accounting for 90% of the Turnover):**

| S. No. | Description of Main Activity | Description of Business Activity | % of Turnover of the Entity |
|---|---|---|---|
| 1 | Infrastructure | Engineering, Procurement and Construction of Utility projects, Railways, Buildings, Industrial facilities and Civil projects | 84.28 % |
| 2 | Manufacturing | Electrical equipment | 6.84% |

**17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):**

| S. No. | Product/Service | NIC Code | % of total Turnover contributed |
|---|---|---|---|
| 1 | Construction/erection and maintenance of power and transmission lines | 4220 | 42.59% |
| 2 | Construction of railways | 4210 | 17.28% |
| 3 | Construction of other civil engineering projects | 4290 | 24.56% |
| 4 | Manufacturing of electric wires and cables | 2732 | 6.84% |





### III. Operations

**18. Number of locations where plants and/or operations/offices of the entity are situated:**

| Location | Number of plants | Number of offices | Total |
|---|---|---|---|
| National | 5 | 235 | 240 |
| International | - | 48 | 48 |

**19. Markets served by the entity:**

**a. Number of locations:**

| Location | Number |
|---|---|
| National (No. of States) | 25 |
| International (No. of Countries) | 35 |

**b. What is the contribution of exports as a percentage of the total turnover of the entity?**

28.48%

**c. A brief on types of customers**

The Company is an Engineering, Procurement and Construction (EPC) major, delivering projects in key infrastructure sectors such as Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Renewables, Oil & Gas Pipelines and Cables. Its major clients include Central and State Governments, Public Sector Undertakings, Ministries and local municipal bodies and private sector.

### IV. Employees

**20. Details as at the end of Financial Year:**

**a. Employees and workers (including differently abled):**

| S. No. | Particulars | Total (A) | Male No. (B) | Male % (B/A) | Female No. (C) | Female % (C/A) |
|---|---|---|---|---|---|---|
| | **Employees** | | | | | |
| 1. | Permanent (D) | 5,915 | 5,554 | 94% | 361 | 6% |
| 2. | Other than Permanent (E) | 307 | 257 | 84% | 50 | 16% |
| **3.** | **Total employees (D + E)** | **6,222** | **5,811** | **93%** | **411** | **7%** |
| | **Workers** | | | | | |
| 4. | Permanent (F) | 535 | 535 | 100% | - | 0% |
| 5. | Other than Permanent (G) | 36,068 | 35,858 | 99% | 210 | 1% |
| **6.** | **Total workers (F + G)** | **36,603** | **36,393** | **99%** | **210** | **1%** |

**b. Differently abled Employees and workers:**

| S. No. | Particulars | Total (A) | Male No. (B) | Male % (B/A) | Female No. (C) | Female % (C/A) |
|---|---|---|---|---|---|---|
| | **Differently abled Employees** | | | | | |
| 1. | Permanent (D) | 26 | 26 | 100% | - | - |
| 2. | Other than Permanent (E) | - | - | - | - | - |
| **3.** | **Total Differently abled employees (D + E)** | 26 | 26 | 100% | - | - |
| | **Differently abled Workers** | | | | | |
| 4. | Permanent (F) | 2 | 2 | 100% | - | - |
| 5. | Other than permanent (G) | - | - | - | - | - |
| **6.** | **Total Differently abled workers (F + G)** | **2** | **2** | **100%** | **-** | **-** |

21. **Participation/Inclusion/Representation of women**

| | Total (A) | No. and percentage of Females | |
|---|---|---|---|
| | | No. (B) | % (B/A) |
| Board of Directors | 11* | 2 | 18% |
| Key Management Personnel | 3* | - | - |

*Includes MD & CEO*

22. **Turnover rate for permanent employees and workers**

| | FY 2023-24 | | | FY 2022-23 | | | FY 2021-22 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| Permanent Employees | 20% | 1% | 21% | 18% | 1% | 19% | 12% | 1% | 13% |
| Permanent Workers | 2% | - | 2% | 12% | - | 12% | 18% | - | 18% |

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. **Names of holding/subsidiary/associate companies/joint ventures:**

| S. No. | Name of the holding/subsidiary/ associate companies/joint ventures (A) | Indicate whether holding/subsidiary/ associate/joint venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|---|---|---|---|---|
| 1 | Al Sharif Group & KEC Ltd. Co. | Subsidiary | 51.10% | Yes |
| 2 | KEC Spur Infrastructure Private Limited | Subsidiary | 100% | No |
| 3 | KEC Towers LLC | Subsidiary | 100% | No |
| 4 | KEC EPC LLC | Subsidiary | 100% | No |
| 5 | KEC International (Malaysia) SDN. BHD. | Subsidiary | 100% | No |
| 6 | KEC Investment Holdings | Subsidiary | 100% | No |
| 7 | KEC Power India Private Limited | Subsidiary | 100% | No |
| 8 | RPG Transmission Nigeria Limited | Subsidiary | 100% | No |
| 9 | SAE Towers Holdings LLC | Subsidiary | 100% | No |
| 10 | SAE Towers Ltd. | Subsidiary | 100% | No |
| 11 | SAE Towers Brasil Torres de Transmissão Ltda. | Subsidiary | 100% | No |
| 12 | SAE Towers Mexico S de RL de CV. | Subsidiary | 100% | No |
| 13 | SAE Towers Brazil Subsidiary Company LLC | Subsidiary | 100% | No |
| 14 | SAE Towers Mexico Subsidiary Holding Company LLC | Subsidiary | 100% | No |
| 15 | SAE Prestadora de Servicios Mexico, S de RL de CV. | Subsidiary | 100% | No |
| 16 | SAE Towers Construcao Ltda | Subsidiary | 100% | No |
| 17 | KEC Engineering & Construction Services, S de RL de CV | Subsidiary | 100% | No |
| 18 | RP Goenka Group of Companies Employees Welfare Association Companies | Associate | 49% | No |

## VI. CSR Details

| | | | |
|---|---|---|---|
| **24.** | **(i)** | **Whether CSR is applicable as per section 135 of Companies Act, 2013** | Yes |
| | **(ii)** | **Turnover (in ₹)** | 17,383.35 Crore |
| | **(iii)** | **Net worth (in ₹)** | 3,863.32 Crore |





## VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|
| | | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities | The respective policies substantiating the principles of BRSR include grievance redressal mechanism. The policies are available at https://www.kecrpg.com/policies | 155 | Nil | - | 34 | Nil | - |
| Investors (other than shareholders) | | Nil | Nil | - | Nil | Nil | - |
| Shareholders | | 22 | Nil | - | 18 | Nil | - |
| Employees and workers | | 367 | 94 | - | 24 | Nil | - |
| Customers | | 34 | 3 | - | 37 | 3 | - |
| Value Chain Partners | | Nil | Nil | - | Nil | Nil | - |
| Other (Anonymous e-mails, letters) | | 9 | 1 | - | 8 | 7 | All the pending complaints were closed after taking appropriate action during FY 2023-24. |

26. **Overview of the entity's material responsible business conduct issues:**

**Material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:**

The Company engaged an external agency to assess the materiality, in relation to the impacts with respect to the performance of financial, manufacturing, human capitals, social development and natural resources. With the help of dialogs with Stakeholders like Employees, Vendors, Customers and Media, the Company tried to understand their views on Company's Environmental, Social and Governance (ESG) performance. This exercise helped the Company to enlist 20 material issues. These topics were mapped with industry trends and benchmarked with several national and international peers. Based on the ESG ratings assessed by reputed agencies, sustainability targets with respect to 9 focus areas were defined.

| S. No. | Material issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 1 | Human Capital Management | Opportunity | Employees are the most valuable assets of the Company and it recognizes talent as the primary source of its competitive edge. We adopt best practices to ensure healthy employee relations, employee growth and development, as well as work satisfaction. We are aiming at being employer of choice and we are working towards achieving the same. | NA | **Positive**<br>Helps to improve overall efficiency and productivity, thus creating positive financial impact. |

| S. No. | Material issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 2 | Diversity & Inclusion | Opportunity | We recognize the significant role of a diverse workforce in achieving our organizational goals. Towards achieving its target of diverse workforce, the Company has taken steps like hiring transgenders, representation of female colleagues, international workforce. Diversity committee and separate cell has been established to work on D&I initiatives. | NA | **Positive** Diversity and inclusion help bring varied perspectives, thus improving decision making. |
| 3 | Occupational Health & Safety | Risk | It is necessary to ensure a safe workplace and continuity of operations across all the verticals. It is a priority for the Company to continuously focus on implementing advanced and customized safety practices to eliminate incidents. | The Company has EHS Policy and ISO 45001:2018 has been implemented for all business verticals. For details, refer to Human Capital section in this Integrated Annual Report. | **Negative** Safety incidents may lead to reduced employee productivity and affect business deliverables. |
| 4 | Quality & Service Delivery | Risk | Minimising any risk associated with reputation, assurance and timely delivery is of utmost importance to the Company. The Company strives to develop long-lasting relationship with its customers. | The Company has implemented ISO 9001:2015 across all verticals. For details, refer to Manufactured Capital section in this Integrated Annual Report. | **Negative** Losing customers' confidence may impact on the flow of new orders leading to lower financial performance. |
| 5 | Customer Centricity | Risk | As a philosophy, the Company does not compromise on the deliverables of quality and timeliness. The Company values and prioritizes customer's expectations and has developed a customer centric mechanism to ensure Customer's confidence. | For details, refer to Social and Relationship Capital section in this Integrated Annual Report. | **Negative** Losing customers' confidence may hamper the business growth. |
| 6 | Local Community Development | Opportunity | Creating opportunities for enhancing and upliftment of the local community in the vicinity of the Company's operation through various community development initiatives in the field of education, employability, livelihood and health. | NA | **Positive** Community developments help in creation of conducive business environment for operations and growth. |
| 7 | Financial Performance | Opportunity | The Company considers its fiduciary duty to deliver on the expectations of shareholders through operational excellence and continued strengthening of its financial performance. | NA | **Positive** Operational excellence will lead to improvement in financial performance. |
| 8 | Digitalization & Innovation | Opportunity | With the rapid advancement of technology, the ability to adapt and implement digital solutions can significantly improve efficiency, reduce costs and enhance the overall quality of services. | NA | **Positive** The Digitalization & Innovation initiatives drive construction productivity, expedite project execution, optimize costs which leads to improved financial performance. |
| 9 | Circularity | Opportunity | With the objectives of reduction of environmental degradation, Principle of 3Rs (Reduce, Reuse and Recycle) is promoted for optimum use of resource. The Company focuses to achieve this by deployment of new technologies to bring down natural resource consumption and improve reuse and recycle of resources. | NA | **Positive** Responsible and optimum usage of natural resources result in cost optimization and improve financial performance. |
| 10 | Water-Positive Approach | Opportunity | The Company's operations require a considerable amount of water. Thus, it is even more critical for the Company to strive to reduce water usage and increase recycling/reusing of water in its operations. | NA | **Positive** Water conservation through efficient usage, treatment of wastewater, reuse/recycle of water result in cost savings. |
| 11 | Decarbonization | Opportunity | With a target to reduce carbon emission, the Company focuses on optimum usage of energy through energy efficient equipment and promotes green energy sources. | NA | **Positive** Helps to reduce the carbon footprint by way of optimum use of energy/ fuel and enhance monetary savings. |
| 12 | Sustainable Procurement | Risk | The Company recognizes the need to prevent disruptions that could be brought by social, natural or legal issues and to ensure ongoing raw material availability. | For details, refer to Social and Relationship Capital section in this Integrated Annual Report. | **Negative** The disruption to the supply chain may cause discontinuity or unavailability of the raw material which may affect the business operations. |

| S. No. | Material issue Identified | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/ opportunity | In case of risk, approach to adapt or mitigate | Financial implications of the risk or opportunity (Indicate positive or negative implications) |
|---|---|---|---|---|---|
| 13 | Corporate Governance | Opportunity | For sustainable long-term value creation and to protect the reputation & brand image, it is essential to conduct the business in an ethical, transparent and accountable manner. | NA | **Positive** Conducting business in an ethical, transparent and accountable manner builds trust with various stakeholders such as investors, customers, suppliers etc., which leads to sustainable financial performance. |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

| Disclosure Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| **Policy and management processes** | | | | | | | | | |
| **1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| **b. Has the policy been approved by the Board? (Yes/No)** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| **c. Web Link of the Policies, if available** | https://www.kecrpg.com/policies | | | | | | | | |
| **2. Whether the entity has translated the policy into procedures. (Yes/No)** | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| **3. Do the enlisted policies extend to your value chain partners? (Yes/No)** | Supplier Code of Conduct, Sustainable Procurement Policy and Whistle Blower Policy have been extended to value chain partners. | | | | | | | | |
| **4. Name of the national and international codes/certifications/ labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.** | KEC International Limited has its policies in line with international standard and practices such as ISO 9001, ISO 45001, ISO 14001, EN 1090, ISO 3834, ISO 17025, DASt022, ISO 27001, ISO 20001. | | | | | | | | |
| **5. Specific commitments, goals and targets set by the entity with defined timelines, if any.** | Please refer to the Sustainability Roadmap 2026 for the Performance on Page no. 53 of this Integrated Annual Report. | | | | | | | | |
| **6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.** | The performance on Sustainability goals, targets and Strategy is reviewed periodically by Sustainability and Corporate Social Responsibility (SCSR) Committee which also provides guidance to achieve the same. Please refer to the Sustainability Roadmap 2026 for the Performance on Page no. 53 of this Integrated Annual Report. | | | | | | | | |





### Governance, leadership and oversight

7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:**

KEC International, a global infrastructure Engineering, Procurement and Construction (EPC) major, has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Renewables, Oil & Gas Pipelines and Cables. The Company is currently executing infrastructure projects in 30+ countries and has a footprint in 110+ countries (includes EPC, Supply of Towers and Cables).

These businesses, the EPC and manufacturing in particular, have an impact on the environment in terms of GHG emission, energy, waste generation and water consumption. Given the strong growth aspiration of the Company, the challenge is to balance the growth pursued while minimising its impact on the environment and have a positive social impact.

The Company's aim, even as it grows, is to have a sustainable development, reduce the adverse impact to environment through improved efficiency in the use of energy & water, towards reducing water and carbon footprint as well as resource conservation and waste minimisation. The Company's ESG and sustainability policies and structure are driven under the supervision of the SCSR Committee.

Taking our commitment to the next level, we have set measurable targets after extensive consultations with all our stakeholder groups. A detailed materiality assessment and benchmarking exercise was conducted before narrowing down to our sustainability focus areas. We have made significant progress across most of our targets as enumerated on Page No. 53 of this Integrated Annual Report.

Our initiatives for the major priority areas of energy usage optimization, decarbonization through fuel efficiency and green energy, a water-positive approach, and achieving circularity through reduce-reuse–recycle of waste, in addition to deploying new technologies and enabling a sustainable supply chain are the foundation of our goals to improve the environment.

To ensure the physical and mental well-being of all workers, subcontractors and the public at large, we believe that it is vital to actively promote a positive safety culture. We have been able to meet high standards for Environment, Health and Safety (EHS) excellence because of our persistent focus on putting cutting-edge, personalized safety principles into practice and raising employee safety awareness through targeted, tech-enabled training programs. Along with integrating digital safety solutions throughout the Company's value chain, we're working to transform our organization into one that is prepared for the future. The Construction Environmental and Social Management Plan (CESMP) directs how environmental and social implications are managed in multilateral funding projects (such as those funded by the World Bank, ADB, AfDB, and KfW). The Company ensures adherence to regulatory standards, emphasizing sustainability and community welfare and gives emphasis on biodiversity while working in ecologically sensitive areas.

At KEC, giving back to society and helping to make it stronger, especially during challenging times, is an important facet of our business operations. As we continue our endeavor 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 are at the forefront of bringing about social change in underdeveloped economies in Africa and SAARC. Reaching out to more than 2 Lakh beneficiaries is the target to be achieved by FY 2025-26.

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.

The Company encourages 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 also started recruiting transgenders.

In order to reduce our combined carbon footprint and aid in the global shift to a low-carbon economy, we intend to collaborate with our suppliers to start the decarbonization process. In terms of governance, the Company operates transparently and with the highest standards of commercial ethics. It doesn't support any commercial activity that violates the law, is immoral, or leads to unfair business practices. The Company is releasing its second 'Business Responsibility and Sustainability Report' and will keep working to make its sustainability activities stronger over time.

| | | |
|---|---|---|
| 8. | **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).** | Mr. Vimal Kejriwal<br>Designation: Managing Director & CEO<br>DIN: 00026981 |
| 9. | **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.** | Yes, the Board of the Company has duly constituted SCSR Committee, which is responsible for sustainability related matters. Further details are given in the Corporate Governance Report of this Integrated Annual Report. |

10. **Details of Review of NGRBCs by the Company:**

| Subject for Review | Indicate whether review was undertaken by Director/Committee of the Board/ Any other Committee | | | | | | | | | Frequency (Annually/ Half yearly/ Quarterly/Any other) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
| **Performance against above policies and follow up action** | The performance of various policies are being reviewed on quarterly/annual basis by SCSR Committee and Executive Committee of Senior Management. | | | | | | | | | | | | | | | | | |
| **Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances** | The Company complies with the statutory requirements as are applicable from time to time. The same is reviewed by SCSR Committee on an annual basis. | | | | | | | | | | | | | | | | | |

| 11. | | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.** | No | No | No | No | No | No | No | No | No |

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

| Questions | P 1 | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|---|---|---|---|---|---|---|---|---|---|
| The entity does not consider the Principles material to its business (Yes/No) | Not Applicable | | | | | | | | |
| The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No) | | | | | | | | | |
| The entity does not have the financial or/human and technical resources available for the task (Yes/No) | | | | | | | | | |
| It is planned to be done in the next financial year (Yes/No) | | | | | | | | | |
| Any other reason | | | | | | | | | |

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

**Essential Indicators**

1. **Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

| Segment | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact | %age of persons in respective category covered by the awareness programmes |
|---|---|---|---|
| Board of Directors | 1 | ESG matters, which provided insights on the NGRBC Principles. | 80% |
| Key Managerial Personnel | 2 | | 100% |
| Employees other than BoD and KMPs | 2,790 Sessions<br>222,265 Manhours | Corporate Governance, Ethics, Anti-bribery and Anti-corruption, Prevention of Sexual Harassment ('POSH'), RPG Values, RPG Way, Environment Health and Safety ('EHS'), Cyber Security, job specific and behavior based safety training. Specific training on ESG, BRSR reporting with emphasis on 9 principles and BRSR data Management.<br>Sessions are conducted through classroom and digital portal based e-learning. | 100% |
| Workers* | 1,137,720 Manhours | Corporate Governance & Ethics, POSH, RPG Values, RPG Way etc.<br>ESG Awareness, BRSR Principles, BRSR data Management, EHS induction training, Behavior Based Safety Training, specific safety training on work, training on ESG with specific reference to BRSR. | 100% |

**Workers include both permanent and contractual.*





2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):**

There was no monetary and non-monetary fine/penalty/punishment/award/compounding fee/settlement amount paid in proceeding (by the Company or by Directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year 2023-24 based on materiality thresholds specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the Company's website.

| Monetary | | | | | |
|---|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Amount (In INR) | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Penalty/ Fine | NIL | | | | |
| Settlement | | | | | |
| Compounding fee | | | | | |

| Non-Monetary | | | | |
|---|---|---|---|---|
| | NGRBC Principle | Name of the regulatory/ enforcement agencies/ judicial institutions | Brief of the Case | Has an appeal been preferred? (Yes/No) |
| Imprisonment | NIL | | | |
| Punishment | | | | |

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:**

| Case Details | Name of the Regulatory/ enforcement agencies/ judicial institutions |
|---|---|
| NA | |

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. The Company's Anti-Bribery and Anti-Corruption Policy is directed for ensuring that the Company's Employees and Directors comply with all the applicable laws, domestic and foreign, prohibiting giving and receiving bribes, gifts or inducements of any kind to or from any person, including officials in the private or public sector, and other third parties while conducting the business activities of the Company.

The Policy is available on https://www.kecrpg.com/policies.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directors | Nil | Nil |
| KMPs | Nil | Nil |
| Employees | Nil | Nil |
| Workers | Nil | Nil |

6. **Details of complaints with regard to conflict of interest:**

| | FY 2023-24 | | FY 2022-23 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil | NA | Nil | NA |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs | Nil | NA | Nil | NA |

7. **Details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest:**

   Not Applicable

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured):**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Number of days of accounts payables | 224 | 232 |

9. **Open-ness of business:**

   **Details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties:**

| Parameter | Metrics | | FY 2023-24 | FY 2022-23 |
|---|---|---|---|---|
| Concentration of Purchases | a. | Purchases from trading houses as % of total purchases | 2.68% | 2.60% |
| | b. | Number of trading houses where purchases are made from | 122 | 116 |
| | c. | Purchases from top 10 trading houses as % of total purchases from trading houses | 61.90% | 52.00% |
| Concentration of Sales | a. | Sales to dealers/distributors as % of total sales | 8.51% | 5.32% |
| | b. | Number of dealers/distributors to whom sales are made | 44 | 29 |
| | c. | Sales to top 10 dealers/distributors as % of total sales to dealers/distributors | 74.07% | 81.81% |
| Share of RPTs in | a. | Purchases (Purchases with related parties / Total Purchases) | 3.00% | 4.44% |
| | b. | Sales (Sales to related parties / Total Sales) | 1.18% | 1.63% |
| | c. | Loans & advances (Loans & advances given to related parties / Total loans & advances) | - | 14.87% |
| | d. | Investments (Investments in related parties / Total Investments made) | 100% | 100% |

**Leadership Indicators**

1. **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**

| Total number of awareness programmes held | Topics/principles covered under the training | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|---|---|---|
| 525 Manhours of value chain partners covered through awareness module. | Awareness on ESG concepts, Company's initiatives, expected preparedness from the Value chain. | 69% value chain partners covered through awareness module conducted for MSMEs and Tier 1 Suppliers. |

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.**

   Yes, the Company has a Conflict-of-Interest Policy *inter alia* for Directors which lays down the guidelines for avoiding any conflict between their business or personal association and the operations of the Company.





## PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

**Essential Indicators**

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

| | FY 2023-24 | FY 2022-23 | Details of improvements in environmental and social impacts |
|---|---|---|---|
| R&D | 13% | 9.4% | The R&D efforts have resulted in reducing specific power and fuel consumption and thus reducing carbon emissions. |
| Capex | 6.9% | 4.0% | Few initiatives that have contributed towards reducing carbon emissions are as under:<br>• The usage of green energy and Solar installations.<br>• Use of Energy Saver Star label appliances.<br>• Portacabins equipped with Solar Roof Panels.<br>• LED fixtures.<br>• EV Vehicles<br>• World Class Engineering<br>• Light House<br>• GPS enabled - Fuel Monitoring System.<br><br>Green cable is another product which has been developed & manufactured using special compounds that can be recycled & ensure low carbon emission. |

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   Yes, the Company has a Sustainable Procurement Policy. All key supply partners sign the Code of Conduct (CoC) based on Sustainable Procurement Policy at the time of onboarding. The Company has assessed all it's key suppliers in terms of the environment, health, safety and sustainability parameters in the current financial year.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Vendors have been asked to sign the CoC based on sustainable procurement policy and 71% of the material is being sourced from the vendors that have been assessed for the ESG compliance.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste:**

   We, being an EPC company, deliver products/services for customer requirements. The Company does not have any product to reclaim at the end of life. At the Transmission Lines (TL) and Cable manufacturing plants and Civil, Railway and Transmission and Distribution (T&D) site locations, 3 R Principle i.e. Reduce- Reuse- Recycle is implemented. Plastic waste, e-waste and hazardous wastes are disposed off through agencies authorized by respective State Pollution Control Boards.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

   No. EPR is not applicable because the Company's primary business is EPC and related services. The Company does not manufacture any consumer products or goods.

**Leadership Indicators**

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the prescribed format?**

   Not Applicable

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

   Not Applicable

3. **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):**

Not Applicable. Being EPC company, recycle of any product in the process is not applicable.

4. **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed:**

The Company, being EPC contractor, cannot reclaim any product and packaging at the end of life.

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Re-used | Recycled | Safely Disposed | Re-used | Recycled | Safely Disposed |
| Plastics (including packaging) | Not Applicable | | | | | |
| E-waste | | | | | | |
| Hazardous waste | | | | | | |
| Other Waste | | | | | | |

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

| Indicate Product category | Reclaimed products and their packaging materials as % of total products sold in respective category |
|---|---|
| Reclamation of Cable drums in Cable plants | 14.6% |

*Note: The Company does not sell any consumer products, and there is no product that is being reclaimed at the end of its life. The packaging Drums used in Cable Manufacturing are brought back and reused.*

## PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

**Essential Indicators**

1. a. **Details of measures for the well-being of employees:**

| Category | % of Employees covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent Employees** | | | | | | | | | | | |
| Male | 5,554 | 5,554 | 100% | 5,554 | 100% | - | - | 5,554 | 100% | - | - |
| Female | 361 | 361 | 100% | 361 | 100% | 361 | 100% | - | - | 361 | 100% |
| **Total** | **5,915** | **5,915** | **100%** | **5,915** | **100%** | **361** | **6%** | **5,554** | **94%** | **361** | **6%** |
| **Other than Permanent Employees** | | | | | | | | | | | |
| Male | 257 | 257 | 100% | 257 | 100% | - | - | - | - | - | - |
| Female | 50 | 50 | 100% | 50 | 100% | - | - | - | - | - | - |
| **Total** | **307** | **307** | **100%** | **307** | **100%** | **-** | **-** | **-** | **-** | **-** | **-** |

b. **Details of measures for the well-being of workers:**

| Category | % of Workers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health Insurance | | Accident Insurance | | Maternity Benefits | | Paternity Benefits | | Day Care Facilities | |
| | | Number (B) | % (B/A) | Number (C) | % (C/A) | Number (D) | % (D/A) | Number (E) | % (E/A) | Number (F) | % (F/A) |
| **Permanent workers** | | | | | | | | | | | |
| Male | 535 | 535 | 100% | 535 | 100% | - | - | 535 | 100% | - | - |
| Female | - | - | - | - | - | - | - | - | - | - | - |
| **Total** | **535** | **535** | **100%** | **535** | **100%** | **-** | **-** | **535** | **100%** | **-** | **-** |
| **Other than Permanent workers** | | | | | | | | | | | |
| Male | 35,858 | - | - | 35,858 | 100% | - | - | - | - | - | - |
| Female | 210 | - | - | 210 | 100% | - | - | - | - | - | - |
| **Total** | **36,068** | **-** | **-** | **36,068** | **100%** | **-** | **-** | **-** | **-** | **-** | **-** |





c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent):**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Cost incurred on well-being measures as a % of total revenue of the company | 0.08% | 0.01% |

2. **Details of retirement benefits for Current Financial Year and Previous Financial Year:**

| Benefits | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF | 100% | 100% | Y | 100% | 100% | Y |
| Gratuity | 100% | 100% | Y | 100% | 100% | Y |
| ESI* | 100% | 100% | Y | 100% | 100% | Y |
| Others | - | - | - | - | - | - |

**100% of eligible employees under ESI Regulation are covered.*

3. **Accessibility of workplaces:**

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

The Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. The arrangements include easily accessible sites and building entrances, easily operated doors at corporate and factory offices, push/lever type wash basin fixtures, sufficiently illuminated wide corridors and requisite signages. Apart from this, following additional initiatives are carried out at our manufacturing locations:

- Awareness and sensitization on disability from time to time, and
- Sign language training to staff at all levels including external stakeholders.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:**

Yes, the Company has Equal Opportunity Policy in accordance with the Rights of Persons with Disabilities Act, 2016 and Central Government Rules, 2017. We are committed to providing equal opportunities in employment and creating an inclusive workplace and work culture in which all employees are treated with respect and dignity and expect everyone we work with to do the same. Workforce diversity is a business imperative and we will strive to ensure that our workforce is representative of all sections of society.

The policy is available on the Company's website at https://www.kecrpg.com/policies.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave:**

| Gender | Permanent Employees | | Permanent Workers | |
|---|---|---|---|---|
| | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male | 100% | 100% | 100% | 100% |
| Female | 100% | 100% | 100% | 100% |
| **Total** | **100%** | **100%** | **100%** | **100%** |

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

| | Yes/No (If Yes, then give details of the mechanism in brief) |
|---|---|
| Permanent Workers<br>Other than Permanent Workers<br>Permanent Employees<br>Other than Permanent Employees | Grievance redressal mechanism is available at Corporate as well as Factory and project sites. In the previous financial year, the Company introduced R-Shield, a platform to register complaints (non-POSH) using toll free no. Along with this, grievances can be raised through People Red Book and emails. Grievances raised in any form are directed to the respective function owner and resolved through the respective Industrial relation and Admin function.<br><br>**R-Shield:** Our people have been our greatest strength at RPG. Creating Physical and Psychological safe spaces for them and keeping our workplaces free from any form of harassment is the highest priority at RPG. While each RPG company is totally compliant with the ask of Sexual Harassment of Women at Work Place (Prevention, Prohibition, and Redressal) Act, 2013, your Company has taken a step further by launching R-shield, a 24x7 single number helpline that enables employees to raise their voice against harassment of any form.<br><br>**People Red Book:** To strengthen the "Grievance Redressal Policy" at our plants, a Register named PEOPLE RED BOOK has been kept at different places in the plant, in which employees write their small issues/ concerns/ suggestions etc. A Grievance Redressal Committee then works to resolve them within 30 days and the same is weekly reviewed by Plant Head. It is heartening that employees are using Red Book more as an Innovation Book than a grievance book and over 100 suggestions have been received so far. |

7. **Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total Employees/ workers in respective category (A) | No. of employees/ workers in respective category who are part of association(s) or Union (B) | %(B/A) | Total Employees/ workers in respective category(C) | No. of employees/ workers in respective category who are part of association(s) or Union (D) | % (D/C) |
| **Total Permanent Employees** | | | | | | |
| Male | 5,554 | 11 | 0.20% | 5,579 | 11 | 0.20% |
| Female | 361 | 1 | 0.28% | 270 | 2 | 0.74% |
| **Total Permanent Workers** | | | | | | |
| Male | 535 | 215 | 40.19% | 580 | 270 | 46.55% |
| Female | - | - | - | - | - | - |

8. **Details of training given to employees and workers:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | On Health and safety measures* | | On Skill Upgradation | | Total (D) | On Health and safety measures* | | On Skill Upgradation | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No.(E) | % (E/D) | No. (F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| Male | 5,811 | 4,939 | 85% | 4,420 | 76% | 5,782 | 4,799 | 83% | 4,582 | 79% |
| Female | 411 | 230 | 56% | 318 | 77% | 321 | 170 | 53% | 235 | 73% |
| **Total** | **6,222** | **5,169** | **83%** | **4,738** | **76%** | **6,103** | **4,969** | **81%** | **4,817** | **79%** |
| **Workers** | | | | | | | | | | |
| Male | 36,393 | 25,249 | 69% | 18,222 | 50% | 40,352 | 26,632 | 66% | 14,527 | 36% |
| Female | 210 | 131 | 63% | 132 | 63% | 476 | 286 | 60% | 214 | 45% |
| **Total** | **36,603** | **25,380** | **69%** | **18,354** | **50%** | **40,828** | **26,918** | **66%** | **14,741** | **36%** |

**Excludes mandatory safety training which is given during induction to all employees/workers (including contractual personnel).*





9. **Details of performance and career development reviews of employees and worker:**

| Category | FY (2023-24) | | | PY (2022-23) | | |
|---|---|---|---|---|---|---|
| | Total (A)* | No. (B)** | % (B/ A) | Total (D)* | No. (E)** | % (E / D) |
| **Employees** | | | | | | |
| Male | 5,811 | 4,991 | 85.89% | 5,782 | 5,579 | 96.49% |
| Female | 411 | 252 | 61.31% | 321 | 270 | 84.11% |
| **Total** | **6,222** | **5,243** | **84.27%** | **6,103** | **5,849** | **95.84%** |
| **Workers** | | | | | | |
| Male | 36,393 | 465 | 1.28% | 40,352 | 580 | 1.44% |
| Female | 210 | 0 | 0.00% | 476 | 0 | 0.00% |
| **Total** | **36,603** | **465** | **1.27%** | **40,828** | **580** | **1.42%** |

**Total number of employees/workers under each category as on March 31.*

***As per Company policy, during the year, 100% employees/workers, who were eligible for performance review and career development were covered.*

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the Company has put in place an occupational health and safety management system for all of its manufacturing facilities, offices and project sites. TUV Nord (a DAkkS accreditation body) has awarded the Company an ISO 45001: 2018 certification covering Design, Development, Engineering, Procurement and Construction of Electrical Transmission and Substations in India and abroad, Oil and Gas, Engineering Procurement Construction of Underground Cable, Railway, Solar and Civil Infrastructure project.

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has established robust processes to identify hazards and associated risks across all its project sites, manufacturing units and offices. These processes involve following key steps:

1. **Preparation of Method Statements:** Method statements are prepared for all activities, outlining the sequence of steps to be followed and identifying potential hazards.

2. **Hazard Identification and Risk Assessment:** A systematic process is in place to identify hazards and assess associated risks for all activities. This helps in understanding the potential consequences and likelihood of incidents occurring.

3. **Implementation of Permit to Work System:** A digital permit to work system is implemented, integrating Hazard Identification and Risk Assessment along with method statements to ensure safety measures are in place before commencing work.

4. **Last-Minute Risk Assessment:** The Company has implemented last-minute risk assessments through its in-house developed Safety digital platform. This allows for real-time assessment of risks before starting work activities.

5. **Communication of Risks and Control Measures:** Identified risks and control measures are effectively communicated to all stakeholders involved in the activity, ensuring everyone is aware of potential hazards and how to mitigate them.

6. **Comprehensive Fatality Prevention Plan:** The Company has implemented a comprehensive Fatality Prevention Plan across all its businesses. This plan includes stringent monitoring of safety measures and deployment of safety systems at high-risk operations, aiming to achieve the goal of zero accidents.

7. **Annual Health Check-ups:** Employees undergo annual health check-ups at tie-up hospitals, ensuring their health and well-being are prioritized.

8. **Identification of 10 Hazards That Kill (HTK):** The Company has identified and raises awareness among employees and workers about the 10 Hazards That Kill (HTK) during EHS inductions. These hazards include Asphyxiation, Explosion, Vehicle and road incidents, fall of persons and materials, Excavation hazards, Lifting operations, and biological hazards.

Overall, these measures demonstrate the Company's commitment to ensuring a safe and healthy work environment for all its employees and other stakeholders.

c. **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company has in place the process to report the work related hazards and mitigate the identified risks.

Focus areas include the digitization of EHS processes, real-time reporting of incidents and near-misses at all organizational levels and the tracking of audit action point closure using the in-house built digital platform "RAKSHA."

Modules for last-minute risk assessments and e-Permit to Work have also been introduced, amongst other new features. The platform offers complete EHS management and aids in the Company's transition to achieve zero incidence mode of operation.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**

The Company has covered all its employees under Health Insurance and Personal Accident Policy. It also ensures adherence to the regulatory guidelines for non-occupational medical and healthcare services for the workers under Employees State Insurance Corporation (ESIC) provisions.

The Company has launched a program **KECares** in partnership with Ekincare which offers Annual Health checkup, Employee Assistance Program, Gym membership at discounted rate, Health and Mental wellness-based webinars, discounted pharmacy, and discounted radiology tests.

**Annual Health Check-up** – The Company has partnered with Ekincare to create an effective wellness program. This program is a holistic approach to assess the combined impact of lifestyle and environment and to facilitate the medical diagnosis of key health parameters.

**Well-being** – The Company also organized inhouse health checkup sessions in the corporate offices as well as plants and had more than 70% turnout. There were multiple Zumba and yoga sessions scheduled for the employees across corporate offices and plants at office as well as online. "Healing through food" session by renown nutritionist Dr. Dipali Athawale for our employees across KEC was conducted virtually. Throughout the year, multiple sessions related to health and wellbeing were organized for the employees, which includes Desk Yoga, Sessions on Mental Health. Weekly mailers to employees on Health Tips. We have conducted Webinars on Holistic Approach to Healthy Lifestyle, Guide on Top 10 monsoon illness by our Health Partner Marsh.

Financial Wellness sessions were organized for our employees from reputable institutions like Bajaj Finance and Refyneme.

**Silver Oaks in partnership with Ekincare:** The Company has also partnered with Silver Oaks to provide counseling and treatment for any kind of psychological or psychiatric issue of our employees. Silver Oaks provides a team of psychologists and psychiatrists, each of whom has significant experience and specialization in tackling issues such as depression, anxiety, relationship conflicts, child behavioral or development issues, addiction etc.

11. **Details of safety related incidents:**

| Safety Incident/Number | Category* | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked) | Employees | 0 | 0 |
| | Workers | 0.13 | 0.25 |
| Total recordable work-related injuries | Employees | 0 | 0 |
| | Workers | 50 | 132 |
| No. of fatalities | Employees | 0 | 0 |
| | Workers | 3** | 7** |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | 0 | 0 |
| | Workers | 0 | 0 |

*Including in the contract workforce.*

***All the fatalities were reported at Projects sites and there were no fatalities at Factories.*





12. **Describe the measures taken by the entity to ensure a safe and healthy work place:**

The Company has implemented ISO 45001 across all its projects, plant facilities and offices, ensuring that all activities adhere to this standard.

At offices, the health and safety of the employees is taken care of by various workshops on health, ergonomics, Health Checkup Drives, Yoga Sessions. Mock drills on Firefighting, Evacuation during the fire and other environmental emergencies like floods, earthquakes, drives for spotting the hazards at workplace etc. are being conducted.

At factories and projects, a strong emphasis is placed on fostering a positive Health and Safety culture, with following measures implemented towards this goal

1. **Digitalization of EHS Processes:**
   a) Developed an in-house Safety APP called "RAKSHA" accessible to engineers, supervisors, and contractor supervisors. Safety observations, audit points, incident reports, training modules, and senior management review points are reported and closed through the APP.
   b) Permit to Work (e-permit) and Last-Minute Risk Assessment (LMRA) processes are digitalized.
   c) Safety training for employees and contractor workers is conducted using Virtual Reality modules tailored to the Company's operations.
   d) Individual QR codes have been developed for each project, allowing external parties to provide suggestions and improvements. This innovative approach enables streamlined feedback collection and enhances communication channels between the Company and external stakeholders.
2. **Continuous Review and Improvement:**
   The Company's EHS Management system undergoes regular review and revision based on operational needs, past incidents and near misses. Minimum Mandatory Requirements for each Business Unit are revised and implemented at all project sites and manufacturing plant locations.
3. **Contractor Management:**
   Contractor EHS evaluation and monitoring are conducted monthly. Contractors sign the EHS Code of Conduct during the tender finalization stage.
4. **Health and Safety Practices:**
   a) Workers undergo premedical health checkups and EHS inductions and adhere to Personal Protective Equipment (PPE) requirements before deployment to sites.
   b) Method Statements and Risk assessments are prepared for all activities.
   c) PPE standardization is implemented as per International Standards.
   d) Learnings from past accidents and near misses are shared, and Corrective & Preventive actions are shared and implemented across all locations.
5. **Welfare Facilities:**
   a) Rest sheds are provided for workers at work site locations.
   b) Special emphasis is placed on labour welfare at labour camps, including provision of first aid and fire protection facilities, regular inspection of toilet facilities, provision of drinking water facilities, and ensuring adequate illumination and ventilation.

13. **Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | - | - | - | - | - | - |
| Health & Safety | - | - | - | 1 | - | - |

14. **Assessments for the year:**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Health and safety practices | 100% |
| Working Conditions | 100% |

15. **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions:**
    - The guidelines and SOPs are developed and modified based on prior case studies and learnings. This data is utilized for predictive analysis and incident assessment, as well as to determine unsafe behavior. This allows for the identification of significant risks, which encourages projects to proactively manage and focus resources to avoid accidents or mishaps.
    - Awareness program on "Near miss reporting & its importance" is being done at all levels.
    - The Company encourages usage of EHS digital platform RAKSHA app by giving access to all employees and encourages reporting and closure of action points in a time bound manner.
    - No blame culture for reporting incidents is followed.
    - All near misses are shared to workmen in Toolbox Talks for raising awareness. Safety alert on Incident/Near misses is shared, preventive action plan implementation is tracked.
    - Representation of contractors in site safety committee meetings is ensured.
    - Awareness sessions are conducted for more clarity on Lost Time Injury ('LTI'), Restricted Work Case ('RWC') & Medical Treatment Case ('MTC'). Corrective & Preventive actions for each LTI is made for horizontal deployment across all SBUs.
    - Specific modules of Virtual Reality developed on Safety to impart trainings in effective manner.
    - We ensure Implementation of engineering solutions/process corrections and incorporate of interlock/sensor guard/photo curtains/pull cords as per job specification requirements.
    - Horizontal deployment and monitoring are CAPA (Corrective and Preventive Actions) across all the business units.

**Leadership Indicators**

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N):**

   (A) Employees – Yes

   (B) Workers - Yes

2. **Measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners:**

   The Company ensures deduction and deposit of statutory dues by obtaining compliance documents from the value chain partners on a monthly basis along with their bills. We have a compliance checklist and accordingly ensure to obtain Statutory payments challan, payment proof and contribution history from value chain partners and same is duly verified by third party agency and our compliance team.

3. **Number of employees/workers having suffered high consequence work- related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| Benefits | Total no. of affected employees/ workers | | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment* | |
|---|---|---|---|---|
| | FY 2023-24 | FY 2022-23 | FY 2023-24 | FY 2022-23 |
| Employees | - | - | - | - |
| Workers | 3** | 7** | - | - |

** For the fatalities and injuries, compensation as per the statutory requirements have been given.*

***All the fatalities were reported at Projects sites and there were no fatalities at Factories.*





4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

   Yes. The Company periodically provides skill-upgradation training programs to all its employees during their employment. The training programs cater to the specific requirements of the cadre and relevant function areas which further enable the employees to pursue employment post-retirement or termination, based on the acquired skillset.

   Retiring employees are eligible for relocation to their preferred city of residence within India. The Relocation Policy covers the reimbursement of various costs such as travel expenses for the employees and their family, relocation of household goods and other related expenses. The employee can apply for reimbursement from one month before the date of retirement to 3 months after their retirement.

5. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Health and safety practices | Vendors covering 69% of value (covering 100% of key value chain partners) have been assessed based on physical audit/documentation based assessment. |
| Working Conditions | |

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

   Assessment of the key vendors was completed in FY 2023-24 and all the observations and non-conformances were properly recorded and being shared with vendors to take corrective and preventive actions to address significant risks. No significant reportable risk observed.

## PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

**Essential Indicators**

1. **Describe the processes for identifying key stakeholder groups of the entity:**

   The Stakeholder groups are identified based on the nature of their engagement with the Company. The Company has identified its core stakeholder groups such as Employees, Vendors/Sub-contractors, Government and Regulatory Authorities, Customers, Investors/ Analysts, Media, Local Community and NGOs & CSR partners.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:**

| Stakeholder Group | Whether identified as Vulnerable/ Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others) | Frequency of Engagement (Annually/Half -Yearly/Quarterly/ others) | Purpose of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Employees | No | Grievance redressal cells, emails, meetings, townhalls meetings | Regularly | • Understand their career ambitions, job satisfaction parameters, support career growth, employee well-being, training and development.<br>• Share the Company's vision, short-term and long-term goals, workplace needs and expectations. |
| Vendors/ Sub-contractors | No | Meetings, Emails | Periodically | • Share mutual expectations and needs about quality, cost and timely delivery, growth plans.<br>• Share best practices. |
| Customers | No | Emails, Complaint Registers, Satisfaction surveys and/or feedback | Regularly | • Develop a sustained relationship.<br>• Anticipate short and long-term expectations. |

| Stakeholder Group | Whether identified as Vulnerable/ Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Others) | Frequency of Engagement (Annually/Half -Yearly/Quarterly/ others) | Purpose of engagement including key topics and concerns raised during such engagement |
|---|---|---|---|---|
| Investors/ Analysts | No | Emails, Investor and shareholder meetings, Investor calls, press releases, website | Quarterly /Annually /Regularly | • Understand concerns and expectations, create higher shared value. |
| Local Community and NGOs & CSR partners | Yes | Grievance redressal cells, emails, Complaint Register, Focused group discussions with the community | Periodically | • Develop and support local communities and economies. |
| Media | No | Press releases, Media interviews, Phone calls | Quarterly/ Periodically | • Communicate the Company's vision, brand and developments to all stakeholders for further transparency. |
| Government and Regulatory Authorities | No | Emails, Meetings, regular liasoning, representation through Industry associations | Periodically | • Regulatory compliances and corporate governance mechanisms, Tax revenues and policy advocacy. |

**Leadership Indicators**

1. **Processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board:**

   Internal and Board sub-committees have been constituted to evaluate ESG performance and economic governance.

   - Board level committee: The SCSR Committee ensures alignment of the Company's vision and strategy with ESG agenda.

     The Committee reviews the performance on sustainability goals, targets and strategy, and provide guidance to achieve the same.
   - Corporate level executive committee and Centre of Excellence on ESG: It oversees the progress of sustainability agenda, provides guidance and ensures implementation and adherence to the sustainability roadmap.
   - Business level Steering committee: It drives and implements the sustainability roadmap and initiatives.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes, Stakeholder engagement exercise and materiality assessment results are used to determine the most crucial sustainability-related concerns for the business. Based on these results, additional strategy development, policy creation, as well as the creation and execution of monitoring mechanisms are carried out.





3. **Details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups:**

| Category | Vulnerable group | Concerns | Action taken | Impact |
|---|---|---|---|---|
| 1. Education | Children from under-privileged community | Limited access to quality education | Initiatives through Pehlay Akshar Foundation:<br>- Functional English classes imparted to children through various offline and online modes.<br>- Capacity building of government school teachers & helping them create 'Magic Classrooms' – safe & effective learning<br>- Initiated self-help groups - "Saathi sessions", to provide teachers a peer network for continuous learning.<br>- Setting up Learning Rooms that creates a collaborative space and provide students and teachers with functional English curriculum, digital aids, books and skilled personnel. | Project Impact:<br>- Improved learning outcomes of students.<br>- Improved knowledge and communication skills of teachers.<br>- Increased confidence and active participation of students during the classes.<br>No. of Beneficiaries:<br>- 3,546 teachers<br>- 5,506 students |
| 2. Employability | Women, youth and farmers from rural and peri-urban areas | Lack of employment opportunities | Swayam program implemented through RPG Foundation (along with external partners) majorly focused on trainings related to Organic Farming, Weaving and natural dyeing.<br>Over 500 farmers undergone Organic Cultivation process training and 16 women were trained for weaving and dyeing process. | Project Impact:<br>- Empowered farmers with the knowledge and skills needed to transition to more sustainable agricultural practices, leading to economic, environmental, and social benefits.<br>- Increased family income due to better quality of crops resulting from improved and advanced farming practices and creation of employment opportunities for women.<br>No. of Beneficiaries:<br>- 500 farmers<br>- 16 women |

| Category | Vulnerable group | Concerns | Action taken | Impact |
|---|---|---|---|---|
| 3. Heritage | Socio-economically weaker population | Revival and transformation at Heritage sites | - Upliftment of community areas through art and experiences for revival in the Banganga region.<br>- Transforming Worli Koliwada through Art, Architecture, biodiversity conservation, community development and creating visitor experiences for revival of the heritage site. | Project Impact:<br>- 6,000+ people benefitted with better livelihood and living standards, including healthcare, through various community development activities such as cleaning and waste segregation, Anganwadi painting work, awareness sessions on health, training to Self-help Groups in financial management, craft sessions, street plays, eye and general health camps.<br>- Following Infrastructure Developments helped in enhancing safety as well as aesthetics in the respective locations -<br>• Installation of Street Lights<br>• Replacement of underground pipeline<br>• Playground refurbishment and pathway paving<br>• Wall painting and artwork<br>• Illumination of religious buildings and installation of signages and artificial Reef.<br>No. of Beneficiaries: 6,000+ |
| 4. Community Development | Under-privileged community located around the offices and plant locations | Unaffordable & unavailable infrastructure and services (including health care) | Initiatives through RPG Foundation:<br>- Monitoring 70 Fever Clinics set up and operated in association with National Health Mission (Maharashtra), to provide affordable, quality & accessible healthcare facilities.<br>- Installation of 10 RO system across multiple locations like schools, police station and other common areas in identified villages.<br>- 56 Eye & 22 general health camps organized.<br>- Tree plantation and distribution of 150 vermicompost bed & 2,010 clean cook stoves for Environmental Sustainability.<br>- Installation of Solar Panels across 13 Schools for Environment Sustainability. | Project Impact:<br>- The Fever Clinics were used a primary healthcare facility and creating awareness on government schemes around health for the rural population.<br>- Availability of clean and safe drinking water for the rural poor and reduction in water borne health issues.<br>- Contributed towards Environment Sustainability through:<br>• Improved soil quality due to usage of Vermicompost bed.<br>• Reduced health issues in women due to usage of clean cook stoves instead of firewood.<br>• Cost saving due to reduced monthly electricity bills and continued power supply in Schools during power cut, resulting from installation of Solar Panels.<br>No. of Beneficiaries: 313,900 |





## PRINCIPLE 5: Businesses should respect and promote human rights

**Essential Indicators**

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:**

| Category | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Total (A) | No. of employees/ workers covered (B) | % (B /A) | Total (C) | No. of employees/ workers covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 5,915 | 3,605 | 61% | 5,849 | 3,242 | 55% |
| Other than Permanent | 307 | 90 | 29% | 254 | 15 | 6% |
| **Total Employees** | **6,222** | **3,695** | **59%** | **6,103** | **3,257** | **53%** |
| **Workers** | | | | | | |
| Permanent | 535 | - | - | 580 | - | - |
| Other than permanent | 36,068 | - | - | 40,248 | - | - |
| **Total Workers** | **36,603** | **-** | **-** | **40,828** | **-** | **-** |

*Note: Training on various issues related to human rights are covered under new employee induction, EHS training, POSH, code of conduct etc.*

2. **Details of minimum wages paid to employees and workers:**

| Category | FY 2023-24 | | | | | FY 2022-23 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to Minimum Wage | | More than Minimum Wage | | Total (D) | Equal to Minimum Wage | | More than Minimum Wage | |
| | | No.(B) | % (B/A) | No.(C) | % (C/A) | | No.(E) | % (E/D) | No.(F) | % (F/D) |
| **Employees** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 5,554 | - | - | 5,554 | 100% | 5,689 | - | - | 5,689 | 100% |
| Female | 361 | - | - | 361 | 100% | 270 | - | - | 270 | 100% |
| **Other than Permanent** | | | | | | | | | | |
| Male | 257 | - | - | 257 | 100% | 143 | - | - | 143 | 100% |
| Female | 50 | - | - | 50 | 100% | 44 | - | - | 44 | 100% |
| **Workers** | | | | | | | | | | |
| **Permanent** | | | | | | | | | | |
| Male | 535 | - | - | 535 | 100% | 580 | - | - | 580 | 100% |
| Female | - | - | - | - | - | - | - | - | - | - |
| **Other than Permanent** | | | | | | | | | | |
| Male | 35,858 | - | - | 35,858 | 100% | 39,772 | - | - | 39,772 | 100% |
| Female | 210 | - | - | 210 | 100% | 476 | - | - | 476 | 100% |

3. **Details of remuneration/salary/wages:**

   a. **Median remuneration/wages:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration/ salary/ wages of respective category (In Rupees) | Number | Median remuneration/ salary/ wages of respective category (In Rupees) |
| Board of Directors* (BoD) | 10 | 2,335,000 | 2 | 2,185,000 |
| Key Managerial Personnel** | 2 | 26,942,899 | NA | NA |
| Employees other than BoD and KMP | 5,451 | 978,228 | 280 | 807,260 |
| Workers | 465 | 457,502 | NA | NA |

**Includes Commission and sitting fees.*

***Excludes MD & CEO.*

b. **Gross wages paid to females as % of total wages paid by the entity:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Gross wages paid to females as % of total wages | 3.90% | 3.56% |

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues. As part of the Human Rights Policy, the Company expects all its relevant stakeholders to respect and comply with the policy principles, applicable laws and regulations in all territories of its operation.

No employee has been denied access to the Audit Committee for raising concerns. The Prevention of Sexual Harassment (POSH) Committee members are responsible for addressing sexual discrimination issues caused or contributed by the business.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues:**

The Company's email and other informal channels of communication form part of the internal mechanism for grievance redressal of human rights issues. The Company's Human Rights Policy outlines the grievance redressal mechanism through email/ verbal form of communication, in accordance with the principles of International Labor Organization (ILO) and United Nations Global Compact (UNGC).

Additionally, R-Shield serves as a global helpline for employees, providing a confidential medium for people to raise their issues or seek explanations about our Code. Every reported matter is treated with the utmost confidentiality, complying simultaneously with legal necessities and best business practices.

6. **Number of Complaints on the following made by employees and workers:**

| | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|
| | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment | 1 | Nil | - | Nil | Nil | - |
| Discrimination at workplace | Nil | Nil | - | Nil | Nil | - |
| Child Labour | Nil | Nil | - | Nil | Nil | - |
| Forced Labour/Involuntary Labour | Nil | Nil | - | Nil | Nil | - |
| Wages | Nil | Nil | - | Nil | Nil | - |
| Other human rights related issues | Nil | Nil | - | Nil | Nil | - |

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH) | 1 | - |
| Complaints on POSH as a % of female employees/workers | 0.16% | - |
| Complaints on POSH upheld | 1 | - |

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

As per the COCG and POSH Policy, the Company ensures protection of the complainant. The investigation of complaint is done strictly in a confidential manner ensuring the protection of the complainant against any retaliation.

The Company provides necessary safeguards to complainant for making Protected Disclosures in good faith, in all the areas mentioned in the POSH and COCG such as business with integrity, responsible corporate citizenship, illegal and unfair labor practices, trade practices and other laws.

For the cases pertaining to sexual harassment, the Company's POSH Policy in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ensures strict confidentiality of the investigation procedure and protection of the identity of the complainant.





9. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, appropriate clauses in recognition of Human Rights are incorporated as required to be complied in the Company's business agreements and contracts as and where relevant.

Besides, the Company has a Supplier Code of Conduct which requires the contracting party to ensure to respect all internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations, respect of human rights of specifically vulnerable rights holders or groups of rights holders such as women, children, or migrant workers, or of (indigenous) communities.

The Company's Supplier Code of Conduct goes beyond basic legal compliance. It requires suppliers to actively uphold internationally recognized human rights. This means they can't cause or be involved in any human rights abuses. The code specifically highlights the importance of protecting vulnerable groups like women, children, migrant workers, and indigenous communities. This focus on ethical sourcing ensures the company's supply chain respects human rights for everyone.

10. **Assessments for the year (i.e. FY 2023-24):**

| | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|---|---|
| Child labour | The Company undertook internal assessment of 100% of its plant and offices |
| Forced/involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |
| Others | |

11. **Details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above:**

Nil

**Leadership Indicators**

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints:**

No complaint received for human rights violation.

Grievances can be raised through R-Shield (non-POSH complaints) using toll free number, People Red Book and emails. Grievances raised in any form are directed to the respective function owner and resolved through the respective Industrial Relation and Admin function.

2. **Details of the scope and coverage of any Human rights due-diligence conducted:**

Regular audit and Internal Audit on Human Rights is carried out. The Company, in the reporting period, did not undertake any Human Rights due-diligence. As part of the guiding principles of the policy, the Company will continually improve human rights systems by sharing good practices and learnings.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Most of the permanent facilities and office buildings are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

Some measures undertaken include wheelchair availability, dedicated parking slots, adjustable desk availability, disability friendly elevators and ramps.

4. **Details on assessment of value chain partners:**

| | % of value chain partners (by value of business done with such partners) that were assessed |
|---|---|
| Sexual Harassment | Vendors covering 69% of value (covering 100% of key value chain partners) have been assessed based on physical audit/documentation-based assessment. The remaining suppliers have signed a Code of Conduct covering these aspects and are expected to comply with its requirements. |
| Discrimination at workplace | |
| Child Labour | |
| Forced Labour/Involuntary Labour | |
| Wages | |
| Others | |

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above:**

Assessment of the key vendors was completed in FY 2023-24 and all the observations and non-conformances were properly recorded. No significant risk cases were reported.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **From renewable sources (in Gigajoules GJ)** | | |
| Total electricity consumption (A) | 38,309.91 | 26,426.45 |
| Total fuel consumption (B) | 1,116.62 | 442.30 |
| Energy consumption through other sources (C) | - | - |
| **Total energy consumed from renewable sources (A+B+C)** | **39,426.53** | **26,868.75** |
| **From non- renewable sources (In GJ)** | | |
| Total electricity consumption (D) | 285,791.96 | 290,442.73 |
| Total fuel consumption (E) | 657,774.93 | 623,947.27 |
| Energy consumption through other sources (F) | - | - |
| **Total energy consumed from non-renewable sources (D+E+F)** | **943,566.89** | **914,390** |
| **Total energy consumed (A+B+C+D+E+F) (in GJ)** | **982,993.42** | **941,258.75** |
| Energy intensity per rupee of turnover (Total energy consumption in GJ/ revenue from operations in rupees crore) | 54.71 | 61.07 |
| Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) | 54.71 | 61.07 |
| Energy intensity in terms of physical output | NA | NA |
| Energy intensity (optional) –(Total energy consumption in GJ/Total manpower) | 22.95 | 20.06 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:** No

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.





3. **Details of the following disclosures related to water:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | 34,746.56 | 11,214.25 |
| (ii) Groundwater | 973,693.78 | 494,767.28 |
| (iii) Third party water | 839,347.77 | 1,241,626.23 |
| (iv) Seawater/desalinated water | - | 5,150.00 |
| (v) Others | - | - |
| **Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)** | **1,847,788.11** | **1,752,757.76** |
| **Total volume of water consumption (in kilolitres)** | **1,452,335.00** | **1,538,487.26** |
| **Water intensity per rupee of turnover (Water consumed KL/Revenue from Operations in Rupees Crore)** | **83.55** | **99.82** |
| **Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total water consumption/Revenue from operations adjusted for PPP) | **83.55** | **99.82** |
| **Water intensity in terms of physical Output** | **NA** | **NA** |
| **Water intensity** (Water consumed KL/Total manpower) | **33.91** | **32.78** |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:** No.

4. **Details related to water discharged:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water discharge by destination and level of treatment (in kilolitres)** | | |
| (i) To Surface water | | |
| - No treatment | - | - |
| - With treatment | - | - |
| (ii) To Groundwater | | |
| - No treatment | - | - |
| - With treatment | - | - |
| (iii) To Seawater | | |
| - No treatment | - | - |
| - With treatment | - | - |
| (iv) Sent to third-parties | | |
| - No treatment | 12,054 | 29,392 |
| - With treatment | - | - |
| (v) Others | | |
| - No treatment | - | - |
| - With treatment | - | - |
| **Total water discharged (in kilolitres)** | **12,054** | **29,392** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

For all manufacturing plants, no water is discharged outside the plant. Complete Domestic & Trade Effluent wastewater is treated in the Effluent Treatment Plant (ETP)/Sewage Treatment Plant (STP) and reused or recycled.

The assessment is not verified by any external agency.

5. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes. All the Plants are equipped with Zero Liquid Discharge Units.

No water is discharged outside the plant. The wastewater is treated in the Effluent Treatment Plant ('ETP')/Sewage Treatment Plant ('STP') and recycled.

The Company is working for water positivity initiatives at all its plant and project site locations. 3 plants (at Nagpur, Vadodara, and Jabalpur) have received Water Positive certification with an index of 1.6, 1.2 & 1.31 respectively. We have undertaken to make all the Plants, water positive by FY25.

Moreover, one T&D project (TB110, Pkg AS Project, West Bengal) has also received water Positive certificate with an index of 1.6. We have set a target to make all the project water positive by FY 2030.

Some of the water conservation initiatives taken at Project site locations are given below:

- Implementation of ETP / STP plant for large projects or Three-part sedimentation tank with a screening bar and aluminum dosing system for grey water in labor colonies and at batching plants. Implementation of ETP / STP plant for large projects & Bio Digesters for small projects.
- Most of the projects in Civil SBU and T&D India and T&D international projects, use alternative methods for curing as per the feasibility of their project requirements. Coat of curing compound on the concrete, is done to make the water curing redundant which conserves a huge amount of water to be wasted in curing process.
- In one of the projects, ponds are being constructed as rain-water catchments and for ground water replenishment for the local villagers. 2 nos ponds of capacity 3900 KL & 1400 KL being constructed.

6. **Details of air emissions (other than GHG emissions) by the entity:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| NOx | mg/Nm3 | 14-40 | 14-40 |
| Sox | mg/Nm3 | 5-25 | 5-25 |
| Particulate matter (PM) | mg/Nm3 | 15-50 | 15-50 |
| Persistent organic pollutants (POP) | - | - | - |
| Volatile organic compounds (VOC) | - | - | - |
| Hazardous air pollutants (HAP) | - | - | - |
| Others | - | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes. Environmental monitoring is done by the agencies authorized by the CPCB/SPCB like ECO Services India Pvt. Ltd., Arihant Analytical Laboratory Pvt. Ltd., INSTA Pollution Tech Labs etc., at various plants and project site locations. The agencies are authorized by respective State Pollution Control Boards/respective clients.





7. **Details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 1 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 45,964.95 | 44,738.93 |
| **Total Scope 2 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | Metric tonnes of $CO_2$ equivalent | 31,511.25 | 27,941.71 |
| **Total Scope 1 and Scope 2 emissions per rupee of turnover** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations) | Metric tons $CO_2$/ ₹ Crore | 4.46 | 4.72 |
| **Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP) | Metric tons $CO_2$/ ₹ Crore | 4.46 | 4.72 |
| **Total Scope 1 and Scope 2 emission intensity in terms of physical output** | NA | NA | NA |
| **Total Scope 1 and Scope 2 emission intensity** | Metric tons of $CO_2$/ manpower | 1.81 | 1.55 |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

Yes, the data has been evaluated by external agency M/s. EKI Energy Services Limited.

8. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The Company is constantly striving to reduce the environmental impact of all its business activities. The Company undertakes projects to reduce greenhouse gas emissions. All Manufacturing locations have set a target to reduce GHG emissions by 20% by 2026. Overall the Company has taken a target to become net zero by 2040.

Some of the projects undertaken for reducing GHG emissions are:

- Installation of solar rooftop at Butibori and Jaipur plants
- Green product manufacturing – Green cables and EV Charging cables
- Increased procurement of energy from renewable sources to fulfil energy requirement for Cables plants in Mysuru and Vadodara
- Increased efficiency of Galva Furnace
- Waste Heat recovery: Use of flue gases in Drying oven to reduce the electric Heater use
- Installation of GPS enabled - Fuel Monitoring System in Construction vehicles and equipment
- Use of Biofuel as an alternative to diesel
- Installation of Window Glass Solar Modules
- Usage of energy efficient appliances such as efficient pumps (at least 80% efficiency) and motors (95% efficiency or more)
- Usage of solar panels on Porta Cabins and Solar powered Streetlights, offices, guest houses, pumps
- Use of induction furnace based on electricity instead of fossil fuel, for lower carbon emissions
- Deployment of energy-efficient LED lighting solutions and elimination of exhaust fans by replacing them with natural ventilators
- Use of hybrid vehicles at project sites
- Use of Electric Vehicles at Mumbai and Gurugram office
- Entry into renewable EPC business.

9. **Details related to waste management by the entity:**

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Total Waste generated (in metric tonnes)** | | |
| Plastic waste (A) | 42.46 | 84.66 |
| E-waste (B) | 0.32 | 3.10 |
| Bio-medical waste (C) | 0.46 | 3.60 |
| Construction and demolition waste (D) | 31,669.16 | 38,195.63 |
| Battery waste (E) | - | 8.80 |
| Radioactive waste (F) | - | - |
| Other Hazardous waste (Oils, Grease, drum, Drums of adhesives admixtures etc.) (G) | 1,386.57 | 6,237.68 |
| Other Non-hazardous waste generated (packaging material like wood, Plastic, Cement Bgs drums etc.) (H) | 4,389.84 | 17,651.09 |
| **Total (A+B+C+D+E+F+G+H)** | **37,488.81** | **62,184.56** |
| **Waste intensity per rupee of turnover** (Total waste generated / Revenue from operations) (Tons /Rs. Cr.) | **2.15** | **4.03** |
| **Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)** (Total waste generated / Revenue from operations adjusted for PPP) | **2.15** | **4.03** |
| **Waste intensity in terms of physical output** | **NA** | **NA** |
| **Waste intensity – per manpower** | **0.87** | **0.72** |
| **For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Recycled | 1,838.27 | 8,794.40 |
| (ii) Re-used | 4,151.65 | 2,948.71 |
| (iii) Other recovery operations | 4.95 | - |
| **Total** | **5,994.87** | **11,743.11** |
| **For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)** | | |
| **Category of waste** | | |
| (i) Incineration | 3.61 | 0.01 |
| (ii) Landfilling | 1069.74 | 1,353.66 |
| (iii) Other disposal operations | 11,046.00 | 544.00 |
| **Total** | **12,119.35** | **1,897.66** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The assurance has not been carried out by any external agency.

10. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes:**

The Company follows:

- 3 R principle (Reduce, Recycle and Reuse) for waste management practices.
- The waste is identified, segregated at source and collected in different colour coded bins. These are disposed off as per the statutory requirements.
- The Company strives to carry out improvement in the processes so as to reduce the generation of hazardous and toxic chemicals.
- Waste to Landfill has been reduced by 53% in FY 24 from manufacturing facilities vis-a-vis FY 21.
- A target has been taken under circularity focus area for manufacturing plants to achieve zero waste to landfill by FY26.
- Use plastic above 40 microns thickness.
- Recycle of Wooden waste used in packaging.
- Rejected concrete used in casting Crash barrier & Gardening brick wall.





- Reuse of Scrap rebar in fabrication of pull pit cover.
- Usage of Green alternative material for Porta Cabins such as Ricron (Reused plastic).
- Initiatives under World Class Engineering for reduction in material consumption and wastage.
- Modernization of plants & machinery and adoption of lean manufacturing practices for continuous improvement in yield.
- Installation of closed loop pre-flux regeneration plant and acid recovery plant.
- Disposal of spent acid to authorized recycler/ incinerator facility to reduce the land fill sludge generation.
- Installation of MZR (molten Zinc recovery) Induction furnace to recover zinc from Zinc Ash.

11. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify changes:**

The Company, being an EPC contractor, all the approvals are taken by the Client and the Company executes the operations as per the conditions imposed by the Statutory authorities to protect the environment, biodiversity etc.

We ensure the projects that are operational near Eco-sensitive areas, the utmost care is taken. For example, in Mozambique, avoided life risks to the flora that includes indigenous endangered species by avoiding clearing small bushes of special Interest by country forest and biodiversity board, Bird diverters at appropriate intervals on the top (ground) wire to make the lines more visible to birds, have been planned for 6 potential zones of bird collision risk close to lakes, slopes, continental steppes, forest belts, Silt protection measures and sedimentation control measure has been taken in the areas that are close to the wetland/water body.

| S. No. | Location of operations/offices | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any. |
|---|---|---|---|
| 1. | Construction of Nutan Bidyut Power Plant, Bangladesh | Overhead transmission line | Yes |
| 2. | Construction of T&D Tower and Substation at Khungri and Ghorahi, Nepal | Overhead transmission line & substation | Yes |
| 3. | Construction of T&D Tower and Overhead Transmission Line Moldova | Overhead transmission line | Yes |
| 4. | Plant, Design, Supply, Installation Single-Circuit Transmission Line for Temane Transmission Project (TTP) - LOT 6, Mozambique | Overhead transmission line | Yes |
| 5. | 132kV transmission lines from Kole-Gulu-Nebbi-Arua covering 296 km. The project traverses through seven (7) districts of Lira, Kole, Oyam,Gulu, Nyowa, Nebbi and Arua, Uganda | Overhead transmission line | Yes |
| 6. | 132 kV Gulu - Agago- Agago HPP Double circuit Transmission Line (LOT-B), TN 112 Uganda | Overhead transmission line | Yes |
| 7. | TN205 -220kV/110kV/30kV HV/MV Jiji-Mulembwe TL project in Burundi | Overhead transmission line | Yes |
| 8. | Tuticorin- New Domestic Terminal Building and miscellaneous work at Tuticorin Airport | Building Project Airport | Yes |

12. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

The Company, being a contractor, does not own any project and hence is not required to take any EIA of the projects. It is working for various clients as EPC partner / construction partner and the respective clients undertake EIA studies and necessary approvals. It is ensured that necessary approval is taken before construction work starts.

In the overseas projects in Georgia, Saudi Arabia, the Company hired consultants in order to make the process compliant to the Statutory implications of the country. The clients obtain EIA approval/ clearances for these projects as per project country's legislation and compliances of the Funding agencies' E&S safeguard policies of World Bank and ADB etc. The Company as a contractor complies with the regulations.

| Name and brief details of Project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes / No) | Results communicated in public domain (Yes / No) | Relevant Web link |
|---|---|---|---|---|---|
| Overhead Line 500kV Tskaltubo – Akhaltsikhe Substation (103kms), Georgia | Article 9 of the "Environmental Assessment Code" and Article 5, Part 12 of the same Code of Country of Georgia | Under process | Yes | EIA study is under progress, screening and scoping study as per EA code of Georgia done, final EIA report is yet to be submitted followed by EIA permit will be obtained. | The study is in progress. |
| Construction of 380KV D/C, Suadi Arabia | As per General Environmental Regulations of Saudi, transmission line and substations are listed under second category | 27.11.2023 | Yes | ESIA study submitted, clearance obtained from Meteorology and Environmental protection Administration (MEPA). | Received, The document is not uploaded on competent authority website (MEPA). |
| Construction of Double Circuit 380kV Overhead Transmission Line, Saudi Arabia | As per General Environmental Regulations of Saudi, transmission line and substations are listed under second category | Under process | Yes | ESIA study submitted to Meteorology and Environmental protection Administration (MEPA), the permit is yet to receive. | The study is in progress. |

**13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances:**

Yes, the Company is compliant with all applicable law/regulations/guidelines. Zero non-compliance is reported.

| S. No. | Specify the law/regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|---|---|---|---|---|
| | | | NA | |

**Leadership Indicators**

**1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):**

Information required for each facility/plant located in areas of water stress:

(i) **Name of the area:** (1) Kingdom of Saudi Arabia, (2) UAE, (3) RRTS Project Site, Sahibabad, UP India (NCR Region), (4) Oman, (5) Jaipur Rajasthan, (TL Plant), (6) Khavda, Rajasthan– T&D, (7) Bedan Barapalli Water Project (Bargarh), Odisha, (8) Jharsuguda Vedanta Project, Odisha.

(ii) **Nature of operations:** (1) Transmission Line construction, (2) Rapid Rail Transport System construction Project, Railways, (3) Jaipur Plant (Fabrication of Tower and Railway parts).





(iii) Water withdrawal, consumption and discharge:

| Parameter | FY 2023-24 | FY 2022-23 |
|---|---|---|
| **Water withdrawal by source (in kilolitres)** | | |
| (i) Surface water | - | - |
| (ii) Groundwater | 34,335.07 | 43,170.00 |
| (iii) Third party water | 71,673.83 | 66,455.00 |
| (iv) Seawater/desalinated water | - | - |
| (v) Others | 2,324.68 | - |
| **Total volume of water withdrawal (in kilolitres)** | **1,08,333.58** | **109,625.00** |
| **Total volume of water consumption (in kilolitres)** | **98,485.58** | **99,167.00** |
| **Water intensity per rupee of turnover** (Water consumed KL / turnover rupee crore) | **5.66** | **6.43** |
| **Water intensity** (Water consumed KL / Total manpower) | **2.30** | **2.11** |
| **Water discharge by destination and level of treatment (in kiloliters)** | | |
| (i) Into Surface water | | |
| - No treatment | - | - |
| - With treatment | - | - |
| (ii) Into Groundwater | | |
| - No treatment | - | - |
| - With treatment | - | - |
| (iii) Into Seawater | | |
| - No treatment | - | - |
| - With treatment | - | - |
| (iv) Sent to third-parties | | |
| - No treatment | 7,797.80 | 7,207.80 |
| - With treatment | - | - |
| (v) Others | | |
| - No treatment | - | - |
| - With treatment | - | - |
| **Total water discharged (in kilolitres)** | **7,797.80** | **7,207.80** |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

No independent assessment has been done by an external agency.

**2. Details of total Scope 3 emissions & its intensity:**

| Parameter | Unit | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| **Total Scope 3 emissions** (Break-up of the GHG into $CO_2$, $CH_4$, $N_2O$, HFCs, PFCs, $SF_6$, $NF_3$, if available) | - | - | - |
| **Total Scope 3 emissions per rupee of turnover** | - | - | - |
| **Total Scope 3 emission intensity** (optional) – the relevant metric may be selected by the entity | - | - | - |

**Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The Company is in the process to start data management for scope 3 emissions and hence it is not reported.

3. **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities:**

The Company, being a contractor, does not own any project and hence, is not required to take any EIA of the projects. It is working for various clients as EPC partner / construction partner and the respective clients undertake EIA studies and necessary approvals. It is ensured that necessary approval is taken before construction work starts.

In the overseas projects in Georgia, Saudi Arabia, the Company hired consultants in order to make the process compliant to the Statutory implications of the country. The clients obtain EIA approval/ clearances for these projects as per project country's legislation and compliances of the Funding agencies' E&S safeguard policies of World Bank and ADB etc. The Company as a contractor complies with the regulations.

4. **If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, details of the same as well as outcome of such initiatives:**

- 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.

- 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.

| S. No. | Initiative undertaken | Details of the initiative (Web-link, if any, may be provided along-with summary) | Outcome of the initiative |
|---|---|---|---|
| 1 | Biofuel (in place of diesel) Pilot being carried out in Pick and Carry Crane in Mumbai BLT project | 240l of Biofuel \| Tests for B50, B75 and B100 Completed – No reduction in Fuel Efficiency. | ~900 kg of $CO_2$ saved per year. |
| 2 | Installation of GPS enabled - Fuel Monitoring System | Remote monitoring of real time utilization of machineries, including live location, engine operation time, idling time, fuel level data.<br>Instrumental in right benchmarking for fuel consumption per engine hour.<br>Various customized reports can be generated through the dashboard. | Reduction in fuel consumption helped to save ₹ 36.55 Lakh in month. |
| 3 | Optimization of Air Fuel ratio in combustion | To attain 4%-5% reduction. | Minimization of Fuel consumption. |
| 4 | Waste management system getting improved | Various processes employed for diverting waste from landfill. | Waste to landfill has reduced by 53% in FY24 vis-à-vis FY21. |

5. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes, the Company has a disaster management plan and business continuity plan.

- All our project sites and manufacturing locations have a disaster management plan specific to plant locations and project sites. The plan enumerates various scenarios on which disaster can take place and in those conditions, how to deal with the same. It provides responsibility of various people in case of emergency situations and also the line of communication. The plan also gives details on resources available in the Company as well as in nearby industry so that as part of mutual aid, the same can be utilized.

- The Company has got a business continuity plan which provides guidance to deal with disasters for continuing the business and relates to with asset, people and security including IT security aspects.





6. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No adverse impact has been reported by any value chain partners. A separate Code of Conduct has been signed by all value chain partners which covers the need to comply with EHS regulations, labour practices, minimum wages, prohibition of child and forced labour etc. All vendors have signed the same and the audit is conducted to assess the same.

7. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

None. However, all supply chain participants are required to sign the form that outlines the need for compliance with laws and regulations, including environmental ones. The Company plans to evaluate the environmental implications of supply chain partners in the coming years.

## PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

### Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations:**

The Company is a member of 10 trade and industry chambers/associations.

b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

| S. No. | Name of the trade and industry chambers/ associations | Reach of trade and industry chambers/ associations (State/National) |
|---|---|---|
| 1 | Bombay Chamber of Commerce & Industry | State |
| 2 | Central Board of Irrigation and Power | National |
| 3 | Confederation of Indian Industry (CII) | National |
| 4 | Construction Federation of India (CFI) | National |
| 5 | EEPC India (Formerly Engineering Export Promotion Council) | National |
| 6 | Federation of Indian Chambers of Commerce and Industry | National |
| 7 | Federation of Indian Export Organisations (FIEO) | National |
| 8 | Indian Electrical and Electronics Manufacturers Association (IEEMA) | National |
| 9 | National Safety Council | National |
| 10 | Project Exports Promotion Council of India (PEPC) | National |

2. **Details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of the authority | Brief of the case | Corrective action taken |
|---|---|---|
| | Nil | |

There were no cases during the year.

### Leadership Indicators

1. **Details of public policy positions advocated by the entity:**

The Company engages with trade bodies and regulators for advocating public policy matters concerning Taxation, Governance & Administration, Economic Reforms and Energy Security affecting the industry as a whole. As and when the government has requested feedback from the industry, the Company has provided inputs through the industry association. The Company has been invited by stakeholders in public policy development as part of committees and task forces to share and utilize their domain expertise for the common welfare.

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

**Essential Indicators**

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|---|---|---|---|---|---|
| NA | | | | | |

The Company is not required to carry out Social Impact Assessment under laws, such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

The same is carried out by respective clients. The Company ensures the implementation of social impact assessment management plan as advised by the client.

2. **Information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

| S. No. | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount paid to PAFs in the FY (in INR) |
|---|---|---|---|---|---|---|
| NA | | | | | | |

3. **Describe the mechanisms to receive and redress grievances of the community:**

At EPC Project sites, project teams address the complaints or grievances by having grievance resolution team at project level. This includes project manager, representative from client and local representative and nodal GRC officer. A nodal GRC/ community Liaison Officer is also deployed to interact with the local community and address their concerns. Issues, which remain unresolved or require management intervention, are escalated to the respective business heads.

At project level, any aggrieved person under the project can complain verbally or through help line number, GRC complain box and email. At project level register for GRC case and their resolution with time is being maintained regularly in multilateral funding projects and others.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

| | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Directly sourced from MSMEs/ small producers | 9% | 9% |
| Directly from within India | 94% | 94% |

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:**

| Location | FY 2023-24 | FY 2022-23 |
|---|---|---|
| Rural | 28.11% | 32.88% |
| Semi-urban | 2.70% | 2.39% |
| Urban | 21.91% | 20.81% |
| Metropolitan | 47.28% | 43.92% |

**Leadership Indicators**

1. **Details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|---|---|
| NA | NA |

Social Impact Assessment is not carried out by the Company. The same is carried out by respective clients. The Company ensures the implementation of social impact assessment management plan.





2. **Information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No. | State | Aspirational District | Amount spent (in ₹) |
|---|---|---|---|
| 1 | Chhattisgarh | Bastar | 2,500,000 |

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

Our Sustainable procurement policy includes intent to purchase from suppliers comprising marginalized/vulnerable groups subjected to meeting other criteria as specified in procurement policy. Due to nature of business and bulk material requirements, there are very limited scope to procure from marginalized/vulnerable group and major sourcing done from large companies.

(b) **From which marginalized/vulnerable groups do you procure?**

None in the financial year.

(c) **What percentage of total procurement (by value) does it constitute?**

The Company bought few food items for canteens in the manufacturing facilities however volume is negligible. Due to nature of business, majority of items like Steel, Aluminum, Copper, Cement, Concrete etc. are sourced from Mid and large companies.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

For conducting the business of the Company, the Company does not use any intellectual property which is based on traditional knowledge.

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

Since the Company does not own or use any intellectual property based on traditional knowledge there are not adverse orders or disputes relating to usage of traditional knowledge.

6. **Details of beneficiaries of CSR Projects:**

| S. No. | CSR Project | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|---|---|---|---|
| 1 | Education | 9,052 | 100% |
| 2 | Employability | 516 | 100% |
| 3 | Heritage | 6,000+ | 100% |
| 4 | Community Development | 313,900 | 100% |

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner

**Essential Indicators**

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback:**

Complaints received through letter or an email from customer are recorded in complaint register. Responsible coordinator coordinates with all stakeholders to decide qualification of the complaint, followed by correction. A root cause analysis is conducted and defined Corrective Action and Preventive Action (CAPA) done to avoid future recurrences.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

| | As a percentage of total turnover |
|---|---|
| Environmental and Social parameters relevant to the Product | Not applicable as the Company does not have specific consumer product or product range. |
| Safe and responsible usage | |
| Recycling and/or safe disposal | |

3. **Number of consumer complaints in respect of the following:**

| | FY 2023-24 | | Remarks | FY 2022-23 | | Remarks |
|---|---|---|---|---|---|---|
| | Received during the year | Pending resolution at end of year | | Received during the year | Pending resolution at end of year | |
| Data privacy | - | - | - | - | - | - |
| Advertising | - | - | - | - | - | - |
| Cyber-security | - | - | - | - | - | - |
| Delivery of essential services | - | - | - | - | - | - |
| Restrictive Trade Practices | - | - | - | - | - | - |
| Unfair Trade Practices | - | - | - | - | - | - |
| Other Consumers | 34 | 3 | - | 37 | 3 | - |

4. **Details of instances of product recalls on account of safety issues:**

| | Number | Reasons for recall |
|---|---|---|
| Voluntary recalls | NIL | NA |
| Forced recalls | NIL | NA |

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, the Company has a Cyber Security Policy which is available on intranet and accessible to employees.

The Company follows the ISO/IEC 27001:2022 (Information security management systems -ISMS) framework and developed policies including cyber security based on ISMS framework.

The ISO/IEC 27001 standard provides guidance to companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining, and continually improving an information security management system.

6. **Details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services:**

Not Applicable

7. **Information relating to data breaches:**

a. **Number of instances of data breaches along-with impact:**

There was no data breach during FY 2023-24.

b. **Percentage of data breaches involving personally identifiable information of customers:**

As our business is B2B, we do not store any personally identifiable information data of customers/business.

c. **Impact if any of the data breaches:**

Not Applicable

**Leadership Indicators**

1. **Channels/platforms where information on products and services of the entity can be accessed (web link, if available):**

The details of the Company's business can be found on its website i.e. https://www.kecrpg.com.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services:**

The Company does not operate in B2C model. The Company gives training and conducts awareness sessions for its clients for the work done.





3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services:**

The Company is not involved directly in providing essential services, however it executes projects, supplies products and services to its clients such as Power utilities, Railways etc., which in turn inform consumers of any risk of disruption/discontinuation of their services.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief:**

**Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No, the Company does not display product information over and above what is mandated as per the law.

The Company carries out customer satisfaction survey through Customer feedback form from customer, through physical or digital means. Customers evaluate the performance and provide rating on parameters based on the following.

- P – Productivity
- Q - Quality
- C - Cost
- D - Delivery
- S - Safety
- M - Morale

Customer Satisfaction for FY 2023-24: 93.5%

# 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 stakeholders' 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. It strives to ensure compliance of law in true letter and spirit at all times.

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, 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 two Independent Woman Directors, 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, 2024, the Board of the Company comprised of eleven Directors, with eight Independent Directors including two Woman Directors, 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 Section 149 of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and that their names have been included in the Independent Directors databank maintained by the Indian Institute of Corporate Affairs. 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 Act and the SEBI Listing Regulations and are independent of the management of the Company. The Independent Directors on the Board are senior, highly competent individuals having vast experience in their respective fields. This brings an ideal blend of professionalism, knowledge and experience to the table.

Pursuant to Section 164(1) and (2) of the Act read with Rule 14 (1) of Companies (Appointment and Qualification of Directors), Rules, 2014, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI Listing Regulations, as amended from time to time.

M/s. Parikh Parekh & Associates, Practicing Company Secretaries has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/Ministry of Corporate Affairs or any such statutory authority as on March 31, 2024. The same was placed before the Board at its meeting held on May 07, 2024 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 and the SEBI Listing Regulations.

### 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, if any, 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 in the nature of Unpublished Price Sensitive Information ('UPSI'). In special and exceptional circumstances, additional item(s) on the agenda is/are taken up with due permission of the Chair and consent of all directors present at the meeting.

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, Laptops 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.

During the year under review, the Board met four times, of which one Board meeting held on May 03, 2023 was held 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 and the remaining three Board meetings were held physically in Mumbai on August 03, 2023, November 01, 2023 and January 30, 2024. The facility to participate in the meeting through video conferencing or other audio-visual means is made available to the Directors for all meetings. 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 during the year along with the attendance of each Director at the Board meetings/Annual General Meeting ("AGM"), their Directorship(s) and their Committee Membership(s)/Chairmanship(s) including the Company as on March 31, 2024 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 08, 2023 | Directorship(s)(1) | Committee Membership(s)(2) | Committee Chairmanship(s)(2) |
| **Promoter Director** | | | | | |
| Mr. Harsh V. Goenka, Chairman (DIN: 00026726) | 3 | Yes | 7 | - | - |
| **Executive Director** | | | | | |
| Mr. Vimal Kejriwal, Managing Director & CEO (DIN: 00026981) | 4 | Yes | 2 | 1 | - |
| **Non – Executive Director** | | | | | |
| Mr. Vinayak Chatterjee (DIN: 00008933) | 4 | Yes | 5 | 2 | 1 |
| **Independent Directors** | | | | | |
| Mr. A. T. Vaswani(3) (DIN: 00057953) | 4 | Yes | 3 | 4 | 4 |
| Mr. Dilip G. Piramal (DIN: 00032012) | 4 | Yes | 8 | 1 | - |
| Mr. G. L. Mirchandani(4) (DIN: 00026664) | - | N.A. | N.A. | N.A. | N.A. |
| Mr. M. S. Unnikrishnan (DIN: 01460245) | 4 | Yes | 2 | 1 | - |
| Ms. Neera Saggi(5) (DIN: 00501029) | N.A. | N.A. | 5 | 6 | 1 |
| Ms. Nirupama Rao (DIN: 06954879) | 4 | Yes | 4 | - | - |
| Mr. Ramesh D. Chandak(6) (DIN: 00026581) | 4 | Yes | 6 | 8 | 3 |
| Mr. S. M. Trehan (DIN: 00060106) | 4 | Yes | 1 | 2 | - |
| Mr. Vikram Gandhi (DIN: 05168309) | 2 | No | 1 | - | - |

*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. A.T. Vaswani resigned as a director w.e.f. April 11, 2024, end of day.*

*(4) Mr. G.L. Mirchandani resigned as a director w.e.f. July 15, 2023.*

*(5) Ms. Neera Saggi was appointed as an Additional Director (Non-Executive, Independent) w.e.f. March 27, 2024.*

*(6) Mr. Ramesh D. Chandak ceased to be a director on completion of his tenure on May 07, 2024, end of day.*

*(7) Mr. Vimal Bhandari (DIN: 00001318) and Dr. Shirish Sankhe (DIN: 10197152) were appointed as Additional Directors (Non-Executive, Independent) w.e.f. May 07, 2024.*

Details of Directorships held by Directors of the Company in other listed entities as on March 31, 2024, 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[1] | 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. M.S. Unnikrishnan | Kirloskar Brothers Limited | Independent Director |
| Ms. Neera Saggi | Adani Green Energy Limited | Independent Director |
| | GE T&D India Limited | Independent Director |
| | Honeywell Automation India 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 |
| | Ram Ratna Wires Limited | Independent Director |
| | Anand Rathi Wealth Limited | Independent Director |
| | Tribhovandas Bhimji Zaveri Limited | Independent Director |
| | R R Kabel Limited | Independent Director |
| Mr. S. M. Trehan | Nil | Nil |
| Mr. Vikram Gandhi | Nil | Nil |
| Mr. Vinayak Chatterjee | LTIMindtree Limited | Independent Director |
| | Apollo Hospitals Enterprise Limited[2] | Independent Director |
| | Indraprastha Medical Corporation Limited | Independent Director |

*Notes:*

*(1) Mr. Harsh V. Goenka ceased to be an Independent Director of Bajaj Electricals Limited, upon completion of second consecutive term on March 31, 2024.*

*(2) Mr. Vinayak Chatterjee ceased to be an Independent Director of Apollo Hospitals Enterprise Limited, upon completion of second consecutive term on March 31, 2024.*

### 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.

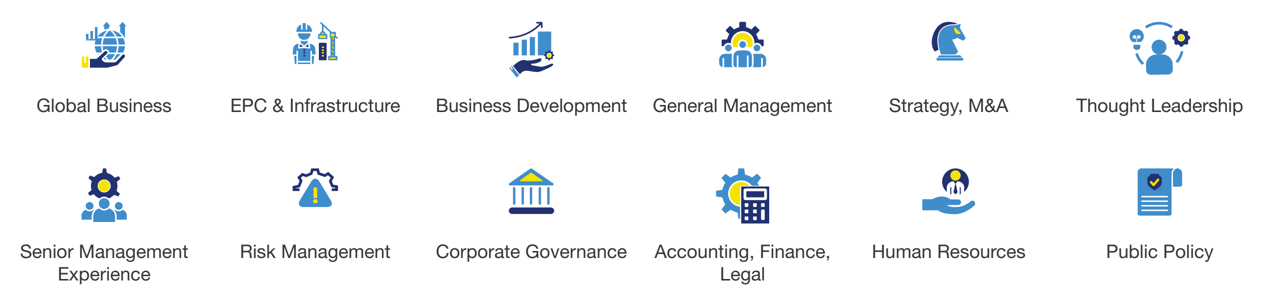
**Governance** – Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.





The skills/expertise/competencies of Directors as on March 31, 2024 have been further elaborated as under:

| Name of the Director | Skills/expertise/competence |
|---|---|
| **Mr. Harsh V. Goenka**<br>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**<br>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**<br>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**<br>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. M.S. Unnikrishnan**<br>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. Neera Saggi**<br>Independent Director | General Management, Thought Leadership, Senior Management Experience, EPC & Infrastructure, Public Policy |
| **Ms. Nirupama Rao**<br>Independent Director | Global Business, General Management, Thought Leadership, Human Resources, Public Policy |
| **Mr. Ramesh Chandak**<br>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**<br>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**<br>Independent Director | Business Development, General Management, Strategy, M&A, Thought Leadership, Senior Management Experience, Accounting, Finance, Legal |
| **Mr. Vinayak Chatterjee**<br>Non-Executive Director | Global Business, EPC & Infrastructure, Business Development, General Management, Thought Leadership, Senior Management Experience, Risk Management, Corporate Governance, 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 and who ensures implementation of the decisions of the Board and its various Committees.

### 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

The Board 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 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, bringing an independent judgement to bear on the Board's deliberations, 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 18, 2024, which was chaired by Mr. A. T. Vaswani, then Lead Independent Director wherein the Independent Directors *inter alia* discussed the following:

a. Evaluation of the performance of Non-Independent Director and the Board as a whole;

b. Evaluation of the performance of Chairperson of the Company, considering 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 perform its duties effectively and reasonably.

The suggestions received from the Independent Directors were discussed at the subsequent meeting of the Board and the action areas identified on the basis of the feedback from the evaluation process have been discussed and are being implemented.

### 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 various 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 enterprise risks associated and its mitigation plan, major litigations, major achievements, policy and procedures, Sustainability and 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. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. As a part of deeper engagement, the Board Members also interact with the senior management team on various critical issues having impact on the Company's operations and performance

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 2023-24 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 functions or divisions. Action taken/status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

### Details of Director(s)

In compliance with Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings, the brief resume, expertise in specific functional areas, disclosure of relationships between directors inter-se, details of Directorships and Membership in Committees of other companies (excluding foreign companies) and shareholding in the Company of the Director(s) proposed to be re-appointed are given in the Notice convening the ensuing Annual General Meeting.

### Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company, which 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 and 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 takes awareness initiatives for all employees covered under the Code on the various aspects of the Code through e-module at the time of them being covered under the Code and annually as well as periodic communication.

The Company utilizes a PAN based online tracking mechanism for monitoring of the trade in its securities by the Designated Person(s) and their immediate relatives to ensure detection of trade on weekly basis and take 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 through a user friendly digital platform. 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 its 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. 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.

## (A) Audit Committee

### Composition

The Audit Committee, as on March 31, 2024, comprised of 3 Independent Directors as its members, with requisite financial, legal and management expertise. The Committee composition was as under:

| Name of the Member | Position | Category |
|---|---|---|
| Mr. A. T. Vaswani[(1)] | Chairman | Independent Director |
| Mr. Ramesh Chandak[(2)] | Member | Independent Director |
| Mr. S. M. Trehan | Member | Independent Director |

***Note(s):***

*(1) Mr. A.T. Vaswani has ceased to be the Chairman/Member of the Committee and Mr. M. S. Unnikrishnan and Ms. Neera Saggi have been appointed as members w.e.f April 11, 2024.*

*(2) Appointed as Chairman of the Committee w.e.f. April 11, 2024*

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 Audit Committee were held on May 03, 2023, June 27, 2023, August 03, 2023, September 15, 2023, November 01, 2023, December 12, 2023, January 30, 2024 and March 26, 2024. As stipulated, the gap between two consecutive Audit Committee meetings did not exceed one hundred and twenty days.

These meetings of Audit Committee were attended by all the members of the Committee. The Chairman of the Audit Committee was present at the Eighteenth 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 Section 177 of the Act and Schedule II Part C of the SEBI Listing Regulations. The Committee acts as a link between the Statutory Auditors, 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 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 related party transactions.
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 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, as on March 31, 2024, comprised of 4 Independent Directors as its members. The Committee composition was as under:

| Name of the Member | Position | Category |
|---|---|---|
| Mr. S. M. Trehan | Chairman | Independent Director |
| Mr. A. T. Vaswani(1) | Member | Independent Director |
| Mr. Ramesh Chandak | Member | Independent Director |
| Ms. Nirupama Rao | Member | Independent Director |

***Note:***

*(1) Mr. A.T. Vaswani has ceased to be a Member of the Committee and Mr. M. S. Unnikrishnan has been appointed as a member in his place w.e.f. April 11, 2024.*

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 03, 2023, June 27, 2023 and March 26, 2024, and all the members of the Committee were present at the meetings. The Committee has also approved proposal(s) through circulation in case of exigencies.

The Chairman of the Nomination and Remuneration Committee was present at the Eighteenth 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.

Payment of Performance bonus/incentive is based on the performance of Company/individual across multiple parameters such as revenue, order book, profitability etc., as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

Details of remuneration paid to the Managing Director & CEO during financial year 2023-24

(₹ in Crore)

| Name | Salary and Allowance | Performance Bonus(1) | Perquisites(2) | Contribution to Provident and other Funds | Total(3) |
|---|---|---|---|---|---|
| Mr. Vimal Kejriwal | 7.17 | 1.78 | 0.37 | 0.08 | 9.40 |

***Note(s):***

*(1) Based on performance of financial year 2022-23.*

*(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 and 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 07, 2024, has approved the payment of commission to NEDs within the limits of 5% of net profits of the Company as approved by the Members at its Meeting held on July 23, 2019. 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 Boards' Report.

**Details of sitting fees and commission paid to Non-Executive Directors are given below:**

(₹ in Crore)

| Name of the Director | Financial Year 2023-24 | |
|---|---|---|
| | Sitting Fees | Commission(1) |
| Mr. Harsh V. Goenka | 0.03 | 2.36 |
| Mr. A. T. Vaswani | 0.11 | 0.16 |
| Mr. Dilip G. Piramal | 0.04 | 0.16 |
| Mr. G. L. Mirchandani | - | 0.04 |
| Mr. M. S. Unnikrishnan | 0.04 | 0.16 |
| Ms. Neera Saggi | Not Applicable | Not Applicable |
| Ms. Nirupama Rao | 0.06 | 0.16 |
| Mr. Ramesh Chandak | 0.11 | 0.16 |
| Mr. S. M. Trehan | 0.11 | 0.16 |
| Mr. Vikram Gandhi | 0.02 | 0.16 |
| Mr. Vinayak Chatterjee | 0.04 | 0.16 |

***Note:***

*(1) Commission for financial year 2023-24 is being paid in financial year 2024-25. Commission to Mr. Harsh V. Goenka is subject to approval of the Members at the ensuing AGM.*

The Non-Executive Directors are paid sitting fees of ₹ 1,00,000 for each Board meeting, ₹ 75,000 for Audit Committee meeting, ₹ 45,000 for Nomination and Remuneration Committee meeting, ₹ 35,000 for Sustainability and Corporate Social Responsibility Committee meeting and Risk Management Committee meeting, ₹ 25,000 for Stakeholders' Relationship Committee meeting and ₹ 5,000 is paid for Finance Committee 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, 2024:

| Name of the Director | No. of shares held |
|---|---|
| Mr. Harsh V. Goenka(1) | 5,042,917 |
| Secura India Trust (Mr. Harsh V. Goenka is a Trustee) | 101 |
| Nucleus Life 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. Vimal Kejriwal(2) | 875 |
| Mr. Ramesh Chandak(3) | 5 |

*(1) Holds the shares jointly with Mrs. Mala Goenka and Mr. Anant Vardhan Goenka.*

*(2) Holds as second holder jointly with his spouse Mrs. Sunita Kejriwal.*

*(3) Holds 130,555 shares each in capacity of Trustee of SAE Managers Welfare Trust, SAE Executives Welfare Trust and SAE Senior Officers Welfare Trust, apart from 5 shares held in individual capacity.*

The Company does not have any Stock Option Scheme.

**Particulars of Senior Management Personnel (SMP) and changes since the close of previous financial year:**

| Sr. No | Name | Designation/Position |
|---|---|---|
| 1 | Mr. Rajeev Aggarwal | Chief Financial Officer |
| 2 | Mr. Ganesh Srinivasan[1] | President – T&D |
| 3 | Mr. Neeraj Nanda | President – Emerging Businesses |
| 4 | Mr. Anand Kulkarni | Executive Director – Business Operations |
| 5 | Mr. Kaushal Kodesia | Executive Director – Railways |
| 6 | Mr. Manjit Singh Sethi | Executive Director – Cables |
| 7 | Mr. Nagesh Veeturi | Executive Director - Civil |
| 8 | Mr. Sanjeev Agarwal[2] | Executive Director – International (Transmission & Distribution) |
| 9 | Mr. Rajinder Gupta[2] | Chief Executive - T&D (India & Sri Lanka) |
| 10 | Mr. Milind Apte | Chief Human Resources Officer |
| 11 | Mr. Rakesh Kumar Gaur[2] | CEO-SAE Towers and ED T&D (Africa and CIS) |
| 12 | Mr. Mayank Agrawal | Chief Executive – Oil & Gas pipelines |
| 13 | Mr. Pankaj Kalani[2] | Chief Executive – Oil & Gas pipelines |
| 14 | Mr. Amit Kumar Gupta[3] | Company Secretary |

***Notes:***

*(1) Appointed as SMP*

*(2) Ceased to be SMP due to change in Reporting Matrix*

*(3) Resigned w.e.f. May 9, 2024*





## (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, 2024 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 Stakeholders' Relationship Committee was held on January 09, 2024. The 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 Eighteenth 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, transmission etc. is being looked after by Link Intime India Private Limited, Registrar and Share Transfer Agent.

### Name and Designation of the Compliance Officer

Mr. Amit Kumar Gupta, Company Secretary, acted as the Compliance Officer of the Company in terms of Regulation 6 of the SEBI Listing Regulations during FY 2023-24.

### Statement of Investors' Grievances

| | |
|---|---|
| No. of complaints pending at the beginning of the financial year 2023-24 | Nil |
| No. of complaints received during the financial year 2023-24 | 22 |
| No. of complaints resolved to the satisfaction of shareholders during the financial year 2023-24 | 22 |
| No. of complaints pending to be resolved at the end of the financial year 2023-24 | 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. The Committee composition as on March 31, 2024 was as under:

| Name of the Member | Position | Category |
|---|---|---|
| Mr. Ramesh Chandak | Chairman | Independent Director |
| Mr. A. T. Vaswani(1) | Member | Independent Director |
| Mr. S. M. Trehan | Member | Independent Director |
| Ms. Nirupama Rao | Member | Independent Director |

***Note:***

*(1) Mr. A.T. Vaswani has ceased to be a Member of the Committee and Ms. Neera Saggi has been appointed as a member w.e.f April 11, 2024.*

### Meetings

During the year under review, two meetings of the Committee were held on May 03, 2023 and March 26, 2024. The meetings were attended by all the members of the Committee.

### 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, 2024 is as under:

| Name of the Member | Position | Category |
|---|---|---|
| Mr. A.T. Vaswani (1) | Chairman | Independent Director |
| Mr. S. M. Trehan | Member | Independent Director |
| Mr. Ramesh Chandak | Member | Independent Director |

***Note:***

*(1) Mr. A.T. Vaswani has ceased to be the Chairman/Member of the Committee and Mr. M. S. Unnikrishnan has been appointed as the Chairman/Member in his place w.e.f. April 11, 2024.*

### Meetings:

During the year under review, two meetings of the Committee were held on September 05, 2023 and February 28, 2024 and the same were attended by all the members of the Committee. As stipulated, the gap between two consecutive Risk Management Committee meetings did not exceed the statutory timelines.

### Terms of Reference

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 and grant loan to subsidiary(ies), approves availing of various credit facilities within the overall borrowing limits as approved by shareholders of the Company and issues of urgent nature arising out of ordinary course of business of the Company.

The composition of the Committee as on March 31, 2024 was 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 |

***Note:***

*Mr. M. S. Unnikrishnan has been appointed as a member of the Committee w.e.f. April 11, 2024.*

### Meetings

During the year under review, six meetings of the Finance Committee were held on May 05, 2023, July 24, 2023, September 11, 2023, October 30, 2023, January 09, 2024 and February 16, 2024.

These meetings were attended by all the members of the Committee.

### 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 ₹ 25,000 Crore (Rupees Twenty Five Thousand Crore only);
   e) To approve initial and subsequent 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 and issuing parent company guarantees as may be required by the clients of the subsidiary (ies) and/or Joint Venture(s), within the overall limit of ₹ 7,000 Crore (Rupees Seven Thousand Crore only) and subject to recommendation of Managing Director & CEO or Chief Financial Officer, and to authorize 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 and with the authority to delegate the above to the Managing Director & CEO or Chief Financial Officer;

f) To invest in the equity shares or equity convertible instruments of the Bodies Corporate, *inter alia* 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 seventeen subsidiaries as on March 31, 2024, comprising of seven 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.

The Company has the following two unlisted material subsidiaries as on March 31, 2024, as per Regulation 16(1)(c) of SEBI Listing Regulations, the details of which are given as under:

| Particulars | Material Subsidiaries | |
|---|---|---|
| | **SAE Towers Holdings LLC** | **KEC Investment Holdings** |
| Date of Incorporation | November 8, 2006 | August 2, 2010 |
| Place of Incorporation | Delaware, Texas | Republic of Mauritius |
| Statutory Auditor* | Grant Thornton Bharat LLP | Morison (Mauritius) Chartered Certified Accountants |
| Date of Appointment | October 15, 2015 | August 30, 2010 |

**There is no requirement as per local law for Audit of SAE Towers Holdings LLC on standalone basis, however, the consolidated financials are being audited by Grant Thornton Bharat LLP for purpose of consolidating the financials with the Company.*

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, as on March 31, 2024, Mr. Ramesh Chandak, Independent Director of the Company was an Independent Member of the Managing Committee of SAE Towers Holdings LLC and as an Independent Director on the Board of KEC Investment Holdings.

### General Body Meetings

**Location and time of Annual General Meetings**

| Financial Year | Date | Time | Location |
|---|---|---|---|
| 2022-23 | August 08, 2023 | 03:00 pm | Held through Video Conferencing |
| 2021-22 | June 30, 2022 | 02:00 pm | |
| 2020-21 | August 04, 2021 | 04:00 pm | |

**Special Resolutions passed in the last three Annual General Meetings**

In AGM held on August 08, 2023, four Special Resolutions were passed as under:

1. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO of the Company with effect from April 01, 2024, to March 31, 2025.
2. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.
3. Enhancement of the Borrowing Limits of the Company.
4. To provide authority for creation of mortgage and/or charge on properties of the Company.

In AGM held on June 30, 2022, one Special Resolution was passed as under:

1. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.

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 of the Company with effect from April 01, 2022, to March 31, 2024.
2. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.

### Postal Ballot

There were no resolutions passed through Postal Ballot during FY 2023-24.





The Company has sought the approval of shareholders through notice of the Postal Ballot dated May 07, 2024 for the following proposals:

1. Appointment of Ms. Neera Saggi (DIN: 00501029) as an Independent Director
2. Appointment of Mr. Vimal Bhandari (DIN: 00001318) as an Independent Director
3. Appointment of Dr. Shirish Sankhe (DIN: 10197152) as an Independent Director
4. Re-appointment of Mr. Vikram Gandhi (DIN: 05168309) as an Independent Director for a second term
5. Re-appointment of Mr. M. S. Unnikrishnan (DIN: 01460245) as an Independent Director for a second term
6. Approval for Material Related Party Transactions with Al Sharif Group & KEC Limited Company, a Subsidiary of the Company

## III. DISCLOSURES

### Related Party Transactions

The Company has formulated a Policy on Related Party Transactions 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.

During the year, the Company obtained approval of its members at the AGM held on August 08, 2023, for entering into Material Related Party Transaction(s) upto ₹ 2,000 Crore during FY 2023-24 with Al Sharif Group & KEC Limited Company ('ASKEC'), subsidiary 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, Directors as well as External Stakeholders (Customers, Vendors, Suppliers, Outsourcing Partners, etc.) to voice their concerns or observations without fear, or raise reports to the designated officials of the Company, of instances of any unethical or unacceptable business practice or event of misconduct/unethical behaviors, actual or suspected fraud and violation of Company's Code of Conduct etc. The Policy provides for adequate safeguards against victimization of persons who avail such mechanism. To encourage employees to report any concerns and to maintain anonymity, the Policy provides a dedicated email id wherein the grievances or concerns can be reported to the Corporate Governance and Ethics Committee (CGEC), constituted for the administration and governance of the Policy. The Policy also facilitates direct access to the Chairman of the Audit Committee in appropriate or exceptional cases through a dedicated 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 https://www.kecrpg.com/policies

### Commodity price risk and hedging activities

Exposure of the Company to commodity and commodity risks throughout the financial year 2023- 24 were as under:

a) **Total exposure to commodities: ₹ 7,157 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 | 1,593 | 2,75,679 | - | - | - | - | - |
| Aluminium | 1,721 | 72,362 | - | - | 93 | - | 93 |
| Copper | 907 | 11,475 | - | - | 81 | - | 81 |

***Note:*** *The percentage of hedged exposure through commodity derivatives excludes 1,05,700 MTs of Steel, 7,479 MTs of Aluminium and 3,506 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. 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 2023-24 are given below:**

| Ratings | Instruments/Facilities | |
|---|---|---|
| | Long Term Facilities | Short Term Facilities |
| ICRA | AA-/ Negative | A1+ |
| CARE Ratings Ltd. | AA-/ Negative | 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 | 2.56 |
| | Other Services (Tax audit, Certification and reimbursement) | KEC International Limited | 0.60 |
| **TOTAL** | | | 3.16 |

### 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, one complaint was received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which was subsequently resolved.

### 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 discretionary 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 is entitled to maintain a Chairperson's office at the Company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.
- The Company's Financial Statements for the year ended March 31, 2024 are with unmodified audit opinion.
- The Internal Auditors report directly to the Audit Committee in all matters relating to Internal Audit.

During the year, neither the Company nor its Subsidiaries have provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

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 2023-24 was placed before the Board at its meeting held on May 07, 2024, and also forms part of this Annual Report.

## IV. MEANS OF COMMUNICATION

### Quarterly Results

As on March 31, 2024, the Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

The Company from time to time and as may be required, communicates with its investors through multiple channels of communications such as dissemination of information on





the website of the Stock Exchanges, the Annual Reports, Press Releases and uploading relevant information on its website.

The quarterly financial results are announced through Press Releases sent to leading media publications. The results along with the notes are furnished on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Regulation 33(3) of the SEBI Listing Regulations. The Company discloses all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the SEBI Listing Regulations including material information having bearing on the performance/operations of the Company and other price sensitive information. Information to Stock Exchanges is filed electronically on the online portals of BSE Limited i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India Ltd. i.e. NSE Electronic Application Processing System (NEAPS).

### Newspapers wherein financial results are being published

| Financial Results | Un-audited/ Audited | Newspapers |
|---|---|---|
| First Quarter | Un-audited | Business Standard, Free Press Journal and Nav Shakti |
| Second Quarter | Un-audited | Business Standard, Free Press Journal and Nav Shakti |
| Third Quarter | Un-audited | Business Standard, Free Press Journal and Nav Shakti |
| Fourth Quarter/ Full Year | Un-audited/ Audited | Business Standard, Free Press Journal and Nav Shakti |

The financial results are also displayed on the Company's website at https://www.kecrpg.com/quarterly-results

### 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 made available a Shareholders Handbook on its website www.kecrpg.com. Shareholders can refer to the same to know the various procedures for dematerialization, transmission of shares, claiming shares transferred to IEPF and unclaimed suspense account etc.

## V. GENERAL SHAREHOLDERS INFORMATION

| | |
|---|---|
| **Date, time and venue of Annual General Meeting** | Thursday, August 22, 2024 at 3:00 p.m. Through Video Conferencing |
| **Financial Year** | April 01 - March 31 |
| **Financial Calendar:** | |
| First quarter results | By second week of August 2024* |
| Second quarter results | By second week of November 2024* |
| Third quarter results | By second week of February 2025* |
| Results for the year ending March 2025 | By the end of May 2025* |
| Record Date for the payment of Dividend | Friday, August 09, 2024 |
| Dividend Payment Date | The dividend will be paid on or before Friday, September 20, 2024 |

** Tentative*

### Status of Listing on Stock Exchanges

The Equity Shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited and annual listing fees have been paid to both the stock exchanges.

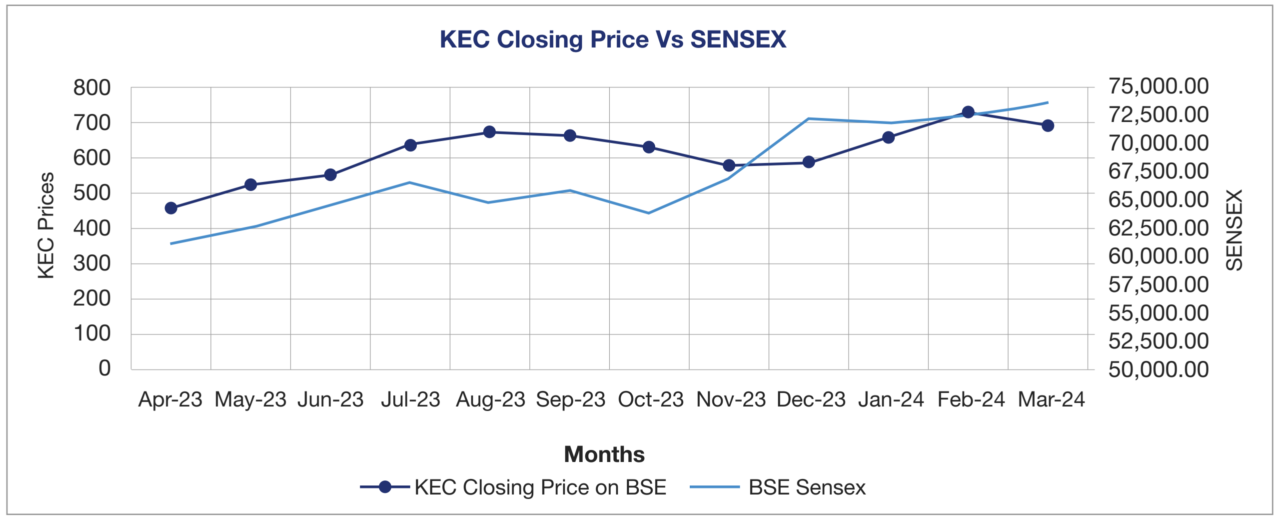
| Name and address of the Stock Exchanges | Stock Code |
|---|---|
| BSE Limited (BSE)<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai - 400 001 | 532714 |
| National Stock Exchange of India Limited (NSE)<br>Exchange Plaza, Plot No. C/1, G Block,<br>Bandra - Kurla Complex, Bandra (E), Mumbai - 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 2023 | 499.95 | 446.05 | 498.00 | 448.25 | 61,112.44 |
| May 2023 | 571.35 | 458.75 | 571.60 | 444.00 | 62,622.24 |
| June 2023 | 586.00 | 523.40 | 586.15 | 523.25 | 64,718.56 |
| July 2023 | 680.00 | 550.20 | 680.00 | 550.00 | 66,527.67 |
| August 2023 | 698.95 | 610.00 | 699.00 | 610.20 | 64,831.41 |
| September 2023 | 739.00 | 638.25 | 747.70 | 638.10 | 65,828.41 |
| October 2023 | 690.00 | 597.15 | 689.95 | 597.00 | 63,874.93 |
| November 2023 | 646.00 | 551.00 | 645.50 | 550.05 | 66,988.44 |
| December 2023 | 637.45 | 580.00 | 636.90 | 579.30 | 72,240.26 |
| January 2024 | 675.00 | 588.45 | 675.00 | 588.00 | 71,752.11 |
| February 2024 | 736.10 | 636.20 | 737.50 | 637.00 | 72,500.30 |
| March 2024 | 769.00 | 648.50 | 769.50 | 649.00 | 73,651.35 |

### 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: +91 8108116767
Fax: 022 - 49186060
Weblink: https://liiplweb.linkintime.co.in/rnthelpdesk/Service_Request.html

### 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. The Registrar and Share Transfer Agents have developed a web based application named 'SWAYAM' that empowers shareholders to access various services. This application can be accessed at https://swayam.linkintime.co.in

### Share Transfer System

The Stakeholders' Relationship Committee meets at least once a year and as an when necessary.

Pursuant to Regulation 40 of SEBI Listing Regulations, as amended from time to time, requests for transfer of securities held in physical form are not being processed with effect from April 1, 2021. 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 dematerializing 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.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities.

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 various SEBI Circulars, 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. Members holding shares in physical mode are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents.

The Company has obtained the annual certificate from a Company Secretary in Practice certifying that all share certificates/Letter of Confirmations have been issued within prescribed time from the date of lodgement for transmission, deletion of name, consolidation, renewal, 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, 2024:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares | % of Shareholding |
|---|---|---|---|---|
| 1-500 | 104,996 | 93.00 | 8,367,852 | 3.25 |
| 501-1,000 | 4,753 | 4.21 | 3,539,865 | 1.38 |
| 1,001-2,000 | 1,708 | 1.51 | 2,448,877 | 0.95 |
| 2,001-3,000 | 525 | 0.47 | 1,313,394 | 0.51 |
| 3,001-4,000 | 231 | 0.20 | 817,430 | 0.32 |
| 4,001-5,000 | 155 | 0.14 | 712,366 | 0.28 |
| 5,001-10,000 | 216 | 0.19 | 1,534,664 | 0.60 |
| 10,001 & above | 312 | 0.28 | 238,353,922 | 92.71 |
| **Total** | **112,896** | **100.00** | **257,088,370** | **100.00** |

## Categories of Shareholders as on March 31, 2024

| Category | No. of Shares Held | % of Shareholding |
|---|---|---|
| Promoters | 133,369,101 | 51.88 |
| Mutual Funds/UTI | 62,043,527 | 24.13 |
| Financial Institutions, Insurance Companies and Banks *(including Foreign Banks)* | 2,925,287 | 1.14 |
| Foreign Institutional Investors | 125 | 0.00 |
| Foreign Portfolio Investor | 32,016,807 | 12.45 |
| Foreign Companies | 46,425 | 0.02 |
| General Public | 20,521,609 | 7.98 |
| Non Resident Indians | 785,223 | 0.31 |
| Other Bodies Corporate | 1,355,903 | 0.53 |
| Clearing Members | 1,175 | 0.00 |
| Trusts | 9,051 | 0.00 |
| Foreign Nationals | 75 | 0.00 |
| Alternate Investment Funds | 1,457,281 | 0.57 |
| Hindu Undivided Family | 3,63,465 | 0.14 |
| Directors and Relatives | 1,112 | 0.00 |
| Investor Education and Protection Fund | 2,190,277 | 0.85 |
| NBFCs Registered with RBI | 1,921 | 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 for claiming the said shares. 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, 2023 | 172 | 101,805 |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | 11 | 2,100 |
| Shareholders to whom shares were transferred from the suspense account during the year | 11 | 2,100 |
| Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act | 31 | 11,190 |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2024 | 130 | 88,515 |

## 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, 2024, total Equity Shares representing 99.36% percent are held in dematerialised form.

## Outstanding GDRs/ADRs/Warrants or any convertible instruments or options, conversion date and likely impact on Equity

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments or options.

## Transfer of Unpaid/Unclaimed amounts and shares to Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company had sent a reminder to the shareholders at their address registered with the Company to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard were also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, were also uploaded on the Company's website www.kecrpg.com under the 'Investor' Tab.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends which were outstanding for more than 7 consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The details of unclaimed dividends and shares transferred to IEPF during the financial year 2023-24 are as follows:

| Dividend for the year | Amount of unclaimed dividend transferred (₹) | Number of shares transferred |
|---|---|---|
| 2015-16 (Interim Dividend) | 33,42,208 | 68,800* |

**11,190 Equity shares represent the shares which were lying in the Unclaimed Suspense Account of the Company and transferred to demat account of IEPF Authority, as 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 follow 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 |
|---|---|---|---|
| 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 07, 2028 |
| 2021-22 | June 30, 2022 | 200 | August 01, 2029 |
| 2022-23 | August 08, 2023 | 150 | September 07, 2030 |

### 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<br>Jhotwara Industrial Area<br>Jaipur - 302 012<br>Rajasthan | Butibori<br>B-190 Industrial Area<br>Butibori - 441 108<br>Maharashtra | Jabalpur<br>Deori, P. O. Panagarh<br>Jabalpur - 483 220<br>Madhya Pradesh |
| **Cables** | Mysuru<br>Hebbal Industrial Area Hootagalli, Belavadi Post<br>Mysuru - 571 186<br>Karnataka | Vadodara<br>Village: Godampura (Samlaya)<br>Taluka: Savli - 391 520<br>Gujarat | |
| **KEC Towers** | KEC Towers LLC[(1)]<br>Plot No 597-653<br>Dubai Investment Park – 2<br>Jebal Ali Industrial Area<br>Dubai – UAE | | |
| **SAE Towers** | SAE Towers Mexico S de RL de CV[(1)]<br>Arco Vial Saltillo-Nuevo Laredo Km. 24.1 C.P. 66050-79<br>Escobedo, N. L. Mexico | SAE Towers Brasil Torres de Transmissao Ltda[(1)]<br>R. Moacyr G. Costa, 15 - Jd. Piemont<br>Sul 32669-722,<br>Betim/MG, Brazil | |
| **Tower Testing Stations** | Jaipur<br>Jhotwara Industrial Area<br>Jaipur - 302 012,<br>Rajasthan | Butibori<br>B-215 Industrial Area<br>Butibori - 441 108,<br>Maharashtra | Jabalpur<br>Deori, P. O. Panagarh<br>Jabalpur - 483 220,<br>Madhya Pradesh |
| | SAE Towers Brasil Torres de Transmissao Ltda[(1)]<br>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, 2024, 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 7, 2024

# 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, 2024 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 7, 2024

# 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 - 400 030

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 – 400 030 (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, 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, 2024 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. | Harsh V. Goenka | 00026726 | January 12, 2006 |
| 2. | Vimal Kejriwal | 00026981 | April 01, 2015 |
| 3. | A. T. Vaswani | 00057953 | January 12, 2006 |
| 4. | Dilip G. Piramal | 00032012 | January 12, 2006 |
| 5. | M. S. Unnikrishnan | 01460245 | November 08, 2019 |
| 6. | Nirupama Rao | 06954879 | October 31, 2014 |
| 7. | Ramesh Chandak | 00026581 | December 26, 2005 |
| 8. | S. M. Trehan | 00060106 | October 30, 2012 |
| 9. | Vikram Gandhi | 05168309 | August 07, 2019 |
| 10. | Vinayak Chatterjee | 00008933 | December 06, 2021 |
| 11. | Neera Saggi | 00501029 | March 27, 2024 |

**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: F006488F000325281
PR No.: 723/2020

Mumbai
Date: 07.05.2024





# 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, 2024, 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, 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, 2024.

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: F000327F000325168
PR No.: 723/2020

Mumbai,
Date: 07.05.2024

# Independent Auditor's Report

To the Members of KEC International Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

1. We have audited the accompanying consolidated financial statements of KEC International Limited (hereinafter referred to as the "Parent Company") which includes the financial statements / financial information of the Parent Company's 39 branches at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia, financial statements/financial information of 34 jointly controlled operations consolidated on a proportionate basis and its 17 subsidiaries (Parent Company, branches, jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Notes 3.3 and 49 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2024, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the audited standalone/ consolidated financial statements/financial information of branches, jointly controlled operations and subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### BASIS FOR OPINION

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 16 and 17 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER PARAGRAPH

4. We draw attention to Note 62 of the consolidated financial statements, regarding the Parent Company's net exposure of ₹ 245 crores (including Afghanistan branch exposure) from its transmission line projects in Afghanistan as at March 31, 2024, which are kept on hold due to Force Majeure event where as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies.

   Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.





| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Estimation of construction contract revenue and related cost**<br><br>(Refer Notes 38 and 51 to the standalone financial statements)<br><br>The Company enters into engineering, procurement and construction contracts, which are complex in nature and generally extend over a period of 2 to 3 years. Contract prices are fixed / subject to price variance clauses.<br><br>Contract revenue is measured based on the proportion of contract costs incurred for work performed until the balance sheet date, relative to the estimated total contract costs. The recognition of revenue, therefore, rely on estimates in relation to total estimated costs and estimated contract price of each contract.<br><br>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.<br><br>We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has a consequential impact on revenue recognition. | Our procedures over the recognition of construction revenue included the following:<br><br>• Understood and evaluated the design and tested operating effectiveness of key internal financial controls, including those related to estimation of construction contract costs & contract price and review and approval thereof.<br><br>• Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers".<br><br>• For selected sample of contracts, performed the following procedures:<br><br>a) We obtained the percentage of completion calculations, agreed key contractual terms back by signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion.<br><br>b) For costs incurred to date, we verified relevant supporting documents and performed cut off procedures.<br><br>c) Variable consideration (variation/claims) is recognized by the management when its recovery is assessed to be highly probable. We have evaluated the management assessment by reviewing the contractual terms, client communications and past trends, wherever considered necessary.<br><br>d) Evaluated the reasonableness of key assumptions included in estimated total contract costs:<br><br>- For a selected sample of contracts, obtained the breakdown of estimated total contract costs and tested elements of the committed cost by obtaining executed purchase orders/agreements, customer confirmations /documents, evidence relating to variable consideration/claims.<br><br>- Evaluated reasonableness of management's judgements and assumptions by using past trends and comparing the movement in estimated total contracts costs from previous periods.<br><br>• Assessed the adequacy of presentation and related disclosures in the standalone financial statements.<br><br>Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable. |

*Notes 38 and 51 as described above are included in Notes 38 and 50 respectively to the consolidated financial statements.*

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of Trade Receivables and Contract Assets**<br><br>(Refer to Notes 10, 15 and 20 to the standalone financial statement)<br><br>Trade receivables and contract assets (other than that described in the Emphasis of matter paragraph above), are significant balances in the Company's standalone financial statements as at March 31, 2024 and assumptions used for estimating the expected credit loss on receivables is an area which is influenced by management's judgment.<br><br>The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward-looking estimates, with the customer.<br><br>Given the relative significance of these receivables to the standalone financial statements and judgement involved as well as the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter. | Our procedures towards recoverability of trade receivables involved the following:<br><br>• Evaluated the design and tested the operating effectiveness of key controls over the assessment of recoverability of receivables.<br><br>• For a selected sample of contracts, we made enquiries with the management and gained an understanding of the related contractual terms, collection history, basis of their assessment of collectability, realization plan, verified the carrying value of trade receivables.<br><br>• Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, contractual terms, project status, past history, subsequent realization, correspondence between the Company and their customers, ongoing litigations and disputes, if any, existing market conditions and forward-looking estimates, with the customer.<br><br>Based on the procedures performed above, no significant deviations were observed in respect of management's assessment of recoverability of trade receivables. |

*Notes 10, 15 and 20 as described above are included in Notes 11,16 and 20 respectively to the consolidated financial statements.*

6. The following Key Audit Matters were included in the audit report dated May 06, 2024, issued by an independent firm, containing an unmodified audit opinion on the consolidated financial statements of SAE Tower Holdings, LLC (SAE), a step-down subsidiary of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

| Key audit matter | How the other auditor addressed the key audit matter |
|---|---|
| **Impairment assessment of Goodwill and recognition and recoverability of Deferred tax assets**<br><br>Refer note 29 and 4 to the accompanying special purpose consolidated financial information.<br><br>As at 31 March 2024, the Group had reported goodwill aggregating to INR 245.69 crore and had deferred tax assets (DTA) aggregating to INR 314.34 crores on carried forward tax losses recognised by the Group's Brazilian subsidiary in earlier years.<br><br>The Group has performed annual impairment test for the goodwill as per the applicable accounting standard, Ind AS 36, Impairment of Assets, by determining the fair value of the Cash Generated Units (CGUs) to which the goodwill is allocated, using discounted cash flow method. Further, such future projections have also been used by the management to determine availability of future taxable profits for utilization of the DTA recognised as above within the time period allowed under the applicable Brazilian tax laws, as required under Ind AS 12, Income Taxes.<br><br>The determination of the recoverable value of CGUs and Deferred tax assets requires management to make significant estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill and/or Deferred tax assets. | Our audit in relation to impairment assessment of Goodwill and recoverability of DTA included, but were not limited to, the following procedures:<br><br>• Obtained an understanding from the management through detailed discussions on its impairment assessment of Goodwill and recognition of deferred tax asset process, and related assumptions used and estimates made by management.<br><br>• Evaluated design and operating effectiveness of the Group's key internal controls over the above mentioned business processes;<br><br>• Evaluated appropriateness of the accounting policies adopted by the Company in accordance with the applicable accounting standards (Ind AS 36 and Ind AS 12).<br><br>• Assessed appropriateness of the CGUs identified by the management to which goodwill is allocated.<br><br>• Traced the cash flow forecasts determined by the management to approved business plans, assessed the reasonability of the assumptions used in the forecasts with our understanding of the business and external market conditions, as relevant, and verified the historical trend of the past performance to evaluate consistency in such assumptions. |





| Key audit matter | How the other auditor addressed the key audit matter |
|---|---|
| As disclosed in Note 29, the management has determined that for the purpose of impairment testing of goodwill, the Group's entire business is considered as one CGU. Further, as disclosed in Note 4, the management has assessed that there is no time limit applicable under the Brazilian tax laws to set-off aforesaid business losses against future taxable profits.<br><br>Considering that goodwill balance and Deferred tax assets are significant to the consolidated financial information and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, assessment of appropriateness of carrying value of goodwill and deferred tax assets is considered as a key audit matter for the current year audit. | • Involved auditor's valuation experts to assess the appropriateness of the valuation methodology and assumptions considered by the management's expert to calculate the recoverable amounts of CGUs and also ensured the mathematical accuracy of these calculations.<br><br>• Evaluated the sensitivity analysis on the key assumptions used in future business projections to determine the estimation uncertainty in relation to possible variation in recoverable value of CGUs and availability of future taxable profits.<br><br>• Involved auditor's tax experts to evaluate the management's assessment of time period available for adjustment of such deferred tax assets as per applicable tax laws.<br><br>• Evaluated the appropriateness and adequacy of disclosures made in the special purpose consolidated financial information in relation to Goodwill and Deferred tax assets in accordance with the applicable accounting standards and regulations. |

*Notes 29 and 4 as described above are included in Notes 8 and 28 respectively to the consolidated financial statements.*

| Key audit matter | How the other auditor addressed the key audit matter |
|---|---|
| **Recoverability of Trade receivables**<br><br>(Refer Note 39, Financial risk management objectives and policies and Note 8, Trade receivables to the accompanying special purpose consolidated financial information.)<br><br>The Group's trade receivables amount to INR 363.60 crores as at 31 March 2024.<br><br>The Group has significant overdues from various customers for which expected credit loss provision is measured by the management using simplified approach in accordance with the requirements of Ind AS 109: Financial Instruments, which involves measuring the loss allowance equal to the lifetime expected credit losses.<br><br>For the purpose of aforesaid expected credit loss assessment, significant judgement is required by the management to estimate the timing and amount of realisation of these receivables basis the past history, customer profiles and consideration of other internal and external sources of information.<br><br>Given the relative significance of these receivables to the special purpose consolidated financial information and the nature and extent of audit procedures involved due to high estimation uncertainty of the accounting estimates, we determined recoverability of trade receivables to be a key audit matter for the current year audit. | Our audit in relation to recoverability of trade receivables involved, but was not limited to, the following procedures:<br><br>• Understood the process adopted by the management in determining the ECL provision for outstanding trade receivable and evaluated the appropriateness of models used and accounting policy adopted by the Group in accordance with Ind AS 109.<br><br>• Evaluated the design and operating effectiveness of the Group's key internal controls over the process of collection of trade receivables; follow up of overdue balances; assessing provisions towards doubtful receivables and controls relating to litigations;<br><br>• Tested the ageing of the trade receivable balances at year end on sample basis from the underlying source documents.<br><br>• Obtained an understanding of the basis of management's judgements about the recoverability of long outstanding trade receivable balances and evaluated the allowance for doubtful debts made by management for these balances with reference to correspondence between the Group and the debtors, the recovery plan and corroborated the inputs with our understanding of the matter and externally available information.<br><br>• Evaluated appropriateness of identification of different classes of debtors and tested the ECL model used by the management by tracing the information to source data and ensuring arithmetical accuracy.<br><br>• Considered payments received subsequent to year-end, past payment history and unusual patterns to identify potentially impaired balances. |

| Key audit matter | How the other auditor addressed the key audit matter |
|---|---|
| | • Obtained confirmation from attorney to ensure recoverability of the receivable amount in case of litigations.<br>• Evaluated the appropriateness and adequacy of disclosures made in the special purpose consolidated financial information related to trade receivables is in accordance with the applicable accounting standards and regulations. |

*Note 39 and 8 as described above is included in Notes 53, 11 and 16 to the consolidated financial statements.*

## OTHER INFORMATION

7. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

8. The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements/ financial information that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the the respective companies included in the Group or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of those respective companies included in the Group.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,





forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
    - valuate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Parent Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

15. From the matters communicated with those charged with governance, we determine those matters including those reported by the other auditors that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## OTHER MATTERS

16. We did not audit the financial statements/ financial information of 34 branches, 33 jointly controlled operations and 13 subsidiaries included in the consolidated financial statements of the Parent Company, which constitute total assets of ₹ 7,051 crores and net assets of ₹ 1,193 crores as at March 31, 2024, total revenue of ₹ 7,020 crores, total net profit after tax of ₹ 29 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 61 crores and net cash outflows amounting to ₹ 43 crores for the year then ended. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these branches, jointly controlled operations and subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information in so far as it relates to the aforesaid branches, jointly controlled operations and subsidiaries, is based solely on the report of such other auditors.

17. The financial statements/ financial information of 5 branches, 1 jointly controlled operation and 4 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 2,033 crores and net assets of ₹ 1,124 crores as at March 31, 2024, total revenue of ₹ 1,397 crores, total net profit after tax of ₹ 101 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 103 crores and net cash inflows amounting to ₹ 4 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements/ financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, jointly

controlled operation and subsidiaries located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Parent Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation, on account of loss incurred during the year by these branches, which are not material in relation to the operations of the Group.

Our opinion on the consolidated financial statements, and our 'Report on Other Legal and Regulatory Requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies incorporated in India, which are included in these Consolidated Financial Statements.

19. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Parent Company as on April 1, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Parent Company and subsidiary companies incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our remarks in paragraph 19(b) above on reporting under Section 143(3)(b) of the Act.

    (g) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Parent Company, its 39 branches and its 2 subsidiary companies which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.

    (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer Note 56 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2024 – Refer Note 36.4 to the consolidated financial statements in respect of such items as it relates to the Group.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund during the year by the Parent Company.

        iv. (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the branch auditors and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts of the consolidated financial statements, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of the branches or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of the branches or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 72 to the consolidated financial statements).

        (b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and to the branch auditors and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts of the consolidated financial statements, no funds (which are material either individually or in aggregate) have been received by the Parent Company or any of the branches or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of the branches or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 72 to the consolidated financial statements).

        (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, those performed by the branch auditors and the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or branch auditors or auditors of the subsidiaries, which are companies incorporated in India, notice that has caused us or branch auditor or auditors of the subsidiaries, which are companies incorporated in India, to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) of the Companies (Audit and Auditors) Rules, 2014 contain any material misstatement.

        v. The dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act. The subsidiary companies incorporated in India have not declared/ or paid any dividend during the year.

        vi. Based on our examination, which included test checks and that performed by the respective auditors of branches and subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Parent Company, its branches and subsidiary companies incorporated in India have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that: (a) in case of the Parent Company, the audit trail is not maintained in case of any changes by users with certain privileged access and for any direct database changes to its accounting software, and (b) in case of four branches, the respective branch auditors have not commented on the feature of recording audit trail (edit log) for the books of account maintained by these branches. During the course of our audit and basis the report of the branch auditors and the auditors of the subsidiary companies incorporated in India, except for the aforesaid instances, where the question of our commenting on whether the audit trail has been tampered with does not arise, we or the branch auditors or the auditors of subsidiary companies incorporated in India did not notice any instance of audit trail feature being tampered with.

20. The Parent Company have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Further, as the subsidiary companies which are incorporated in India are not public companies, the said provisions are not applicable.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

**Sarah George**
Partner
Membership Number: 045255
UDIN: 24045255BKGUEZ2806

Place: Mumbai
Date: May 07, 2024

# Annexure A to Independent Auditor's Report

Referred to in paragraph 19(g) of the Independent Auditor's Report of even date to the members of KEC International Limited on the consolidated financial statements as of and for the year ended March 31, 2024

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of the KEC International Limited (hereinafter referred to as "the Parent Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Parent Company which includes the internal financial controls over financial reporting of the Parent Company's 39 branches and its 2 subsidiary companies, which are companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Parent Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Parent Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company's internal financial controls system with reference to consolidated financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

6. A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.





### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

8. In our opinion, the Parent Company including 39 branches and its 2 subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### OTHER MATTERS

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 39 branches and 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and of such subsidiary companies incorporated in India. Our opinion is not modified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

**Sarah George**
Partner
Membership Number: 045255
UDIN: 24045255BKGUEZ2806

Place: Mumbai
Date: May 07, 2024

# Consolidated Balance Sheet

as at March 31, 2024

₹ in Crore

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-Current Assets** | | | |
| (a) Property, plant and equipment | 5 | 1,141.22 | 1,067.23 |
| (b) Right-of-use assets | 6 | 195.24 | 214.57 |
| (c) Capital work-in-progress | 7 | 13.92 | 11.45 |
| (d) Goodwill | 8 | 272.13 | 268.49 |
| (e) Intangible assets | 9 | 19.68 | 32.52 |
| | | **1,642.19** | **1,594.26** |
| (f) Financial assets | | | |
| (i) Investments | 10 | ★ | ★ |
| (ii) Trade receivables | 11 | 288.34 | 359.30 |
| (iii) Other financial assets | 12 | 61.94 | 76.20 |
| | | **350.28** | **435.50** |
| (g) Deferred tax assets (net) | 28 | 353.66 | 327.31 |
| (h) Non-current tax assets (net) | 13 | 294.06 | 268.03 |
| (i) Other non-current assets | 14 | 233.43 | 217.88 |
| **Total Non-Current Assets** | | **2,873.62** | **2,842.98** |
| **(2) Current Assets** | | | |
| (a) Inventories | 15 | 1,213.31 | 1,137.16 |
| (b) Financial assets | | | |
| (ii) Trade receivables | 16 | 4,136.62 | 4,281.67 |
| (iii) Cash and cash equivalents | 17 | 205.10 | 281.16 |
| (iv) Bank balances other than (iii) above | 18 | 68.18 | 63.00 |
| (v) Other financial assets | 19 | 148.51 | 164.61 |
| | | **4,558.41** | **4,790.44** |
| (c) Contract assets | 20 | 9,088.37 | 7,465.61 |
| (d) Current tax assets (net) | 21 | 179.89 | 53.16 |
| (e) Other current assets | 22 | 1,117.87 | 989.24 |
| **Total Current Assets** | | **16,157.85** | **14,435.61** |
| **Total Assets** | | **19,031.47** | **17,278.59** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 23 | 51.42 | 51.42 |
| (b) Other equity | 24 | 4,044.28 | 3,720.00 |
| **Total Equity** | | **4,095.70** | **3,771.42** |
| **Liabilities** | | | |
| **(1) Non-Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 25 | 252.86 | 493.16 |
| (ii) Lease liabilities | 26 | 148.14 | 163.17 |
| | | **401.00** | **656.33** |
| (b) Provisions | 27 | 24.56 | 24.12 |
| (c) Deferred tax liabilities (net) | 28 | - | 7.21 |
| (d) Other non-current liabilities | 29 | 0.43 | 0.45 |
| **Total Non-Current Liabilities** | | **425.99** | **688.11** |
| **(2) Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 30 | 3,559.46 | 2,701.29 |
| (ii) Lease liabilities | 31 | 24.57 | 25.75 |
| (iii) Trade payables | 32 | | |
| - total outstanding dues of micro and small enterprises | | 167.62 | 171.98 |
| - total outstanding dues other than micro and small enterprises | | 9,039.36 | 8,216.35 |
| (iv) Other financial liabilities | 33 | 29.69 | 54.17 |
| | | **12,820.70** | **11,169.54** |
| (b) Contract liabilities | 34 | 1,211.49 | 1,230.34 |
| (c) Other current liabilities | 35 | 281.36 | 216.76 |
| (d) Provisions | 36 | 95.15 | 94.44 |
| (e) Current tax liabilities (net) | 37 | 101.08 | 107.98 |
| **Total Current Liabilities** | | **14,509.78** | **12,819.06** |
| **Total Equity and Liabilities** | | **19,031.47** | **17,278.59** |

★ *less than rounding off norms adopted by the company.*

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024





# Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Crore

| | Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| **I** | **Revenue from operations** | 38 | 19,914.17 | 17,281.71 |
| **II** | **Other income** | 39 | 52.41 | 31.32 |
| **III** | **Total Income (I+II)** | | **19,966.58** | **17,313.03** |
| **IV** | **Expenses** | | | |
| | (i) Cost of materials consumed | 40 | 8,413.69 | 6,969.83 |
| | (ii) Changes in inventories of finished goods and work-in-progress | 41 | (5.70) | 98.77 |
| | (iii) Erection and sub-contracting expenses | 42 | 7,176.82 | 6,552.24 |
| | (iv) Employee benefits expense | 43 | 1,440.63 | 1,356.24 |
| | (v) Finance costs | 44 | 655.13 | 538.59 |
| | (vi) Depreciation and amortisation expense | 45 | 185.36 | 161.48 |
| | (vii) Other expenses | 46 | 1,674.16 | 1,474.90 |
| | **Total expenses** | | **19,540.09** | **17,152.05** |
| **V** | **Profit before tax (III-IV)** | | **426.49** | **160.98** |
| **VI** | **Tax expense :** | 47 | | |
| | (i) Current tax | | 114.10 | 121.74 |
| | (ii) Deferred tax | | (34.39) | (136.79) |
| | | | **79.71** | **(15.05)** |
| **VII** | **Profit for the year (V - VI)** | | **346.78** | **176.03** |
| **VIII** | **Other Comprehensive Income** | | | |
| | **A. Items that will not be reclassified to profit or loss** | | | |
| | (i) Remeasurement of defined benefit obligations | 54 | 2.46 | (0.75) |
| | (ii) Income tax relating to these items | 47.2 | (0.63) | 0.29 |
| | **B. Items that will be reclassified to profit or loss** | 24 | | |
| | (i) Exchange differences on translation of financial statements of foreign operations | | 32.46 | 83.39 |
| | (ii) Net gain/(losses) on cash flow hedges | | 31.11 | (11.04) |
| | (iii) Income tax relating to these items | 47.2 | (10.91) | 5.89 |
| | **Total Other Comprehensive Income** | | **54.49** | **77.78** |
| **IX** | **Total Comprehensive Income for the year (VII+VIII)** | | **401.27** | **253.81** |
| **X** | **Earnings per equity share (of ₹ 2 each)** | | | |
| | (i) Basic (in ₹) | 48 | 13.49 | 6.85 |
| | (ii) Diluted (in ₹) | | 13.49 | 6.85 |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

# Consolidated statement of changes in equity

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2024 Nos. | As at March 31, 2024 ₹ in crore | As at March 31, 2023 Nos. | As at March 31, 2023 ₹ in crore |
|---|---|---|---|---|
| **Equity Shares Outstanding at the beginning of the year** | **257,088,370** | **51.42** | **257,088,370** | **51.42** |
| Add: Changes in Equity Share capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the year | 257,088,370 | 51.42 | 257,088,370 | 51.42 |
| Add: Shares issued during the year | - | - | - | - |
| **Equity Shares Outstanding at the end of the year** | **257,088,370** | **51.42** | **257,088,370** | **51.42** |

## B. OTHER EQUITY

₹ in Crore

| Particulars | Reserves and Surplus | | | | | | | Other Comprehensive Income | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Capital Reserve on Consolidation | Securities Premium | Capital Redemption Reserve | Statutory Reserve | General Reserve | Retained Earnings | Effective portion of cash flow Hedges | Exchange differences on translation of foreign operations | Other items of other comprehensive income (Remeasurement of defined benefit obligations) | Total |
| **Balance as at April 01, 2022** | **84.98** | **0.04** | **86.75** | **14.28** | **3.08** | **191.72** | **3,146.26** | **8.36** | **31.12** | **1.93** | **3,568.52** |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2022** | **84.98** | **0.04** | **86.75** | **14.28** | **3.08** | **191.72** | **3,146.26** | **8.36** | **31.12** | **1.93** | **3,568.52** |
| Profit for the year | - | - | - | - | - | - | 176.03 | - | - | - | **176.03** |
| Other Comprehensive Income for the year | - | - | - | - | - | - | - | (8.23) | 86.47 | (0.46) | **77.78** |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **176.03** | **(8.23)** | **86.47** | **(0.46)** | 253.81 |
| **Transactions with owners in their capacity as owner** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | - |
| Increase on account of capital reduction of a subsidiary | - | - | - | - | - | - | 0.02 | - | - | - | **0.02** |
| Reduction on account of closure of subsidiary | - | - | - | - | - | - | 0.49 | - | - | - | **0.49** |
| Transfer to Statutory reserve | - | - | - | - | 1.36 | - | (1.36) | - | - | - | **-** |
| Dividends | - | - | - | - | - | - | (102.83) | - | - | - | **(102.83)** |
| **Balance as at March 31, 2023** | **84.98** | **0.04** | **86.75** | **14.28** | **4.44** | **191.72** | **3,218.61** | **0.13** | **117.59** | **1.47** | 3,720.00 |
| **Balance as at April 01, 2023** | **84.98** | **0.04** | **86.75** | **14.28** | **4.44** | **191.72** | **3,218.61** | **0.13** | **117.59** | **1.47** | 3,720.00 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | **-** |
| **Restated balance as at April 01, 2023** | **84.98** | **0.04** | **86.75** | **14.28** | **4.44** | **191.72** | **3,218.61** | **0.13** | **117.59** | **1.47** | 3,720.00 |
| Profit for the year | - | - | - | - | - | - | 346.78 | - | - | - | **346.78** |
| Other Comprehensive Income for the year | - | - | - | - | - | - | - | 23.22 | 29.15 | 1.83 | **54.20** |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **-** | **-** | **-** | **346.78** | **23.22** | **29.15** | **1.83** | 400.98 |
| **Transactions with owners in their capacity as owner** | | | | | | | | | | | |
| Increase on account of capital reduction of a subsidiary | - | - | - | - | - | (2.55) | 2.55 | - | - | - | **-** |
| Reduction on account of closure of subsidiary | - | - | - | - | - | - | 0.12 | - | 0.29 | - | **0.41** |
| Transfer to Statutory reserve | - | - | - | - | 3.18 | - | (3.18) | - | - | - | **-** |
| Dividends | - | - | - | - | - | - | (77.12) | - | - | - | **(77.12)** |
| **Balance as at March 31, 2024** | **84.98** | **0.04** | **86.75** | **14.28** | **7.62** | **189.17** | **3,487.76** | **23.35** | **147.03** | **3.30** | **4,044.28** |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For and on behalf of the Board of Directors**

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

**H. V. GOENKA**
Chairman
DIN: 00026726

**SARAH GEORGE**
Partner
Membership Number: 045255

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Place: Mumbai
Date: May 07, 2024





# Consolidated Cash Flow Statement

for the year ended March 31, 2024

₹ in Crore

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **PROFIT FOR THE YEAR AFTER TAX** | | **346.78** | | **176.03** |
| **Adjustments for:** | | | | |
| Income tax expense | 79.71 | | (15.05) | |
| Depreciation and amortisation expense | 185.36 | | 161.48 | |
| Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets | (3.26) | | (4.46) | |
| Loss on property, plant and equipment discarded & intangible assets derecognised | 2.64 | | 0.95 | |
| Finance costs | 655.13 | | 538.59 | |
| Interest income | (45.32) | | (23.20) | |
| Bad debts, loans and advances written off/written back (net) | 2.17 | | 17.66 | |
| Allowance for bad and doubtful debts, loans and advances (net of reversal) | 90.91 | | 32.80 | |
| Mark to market (gain)/loss on forward and commodity contracts | (7.69) | | 15.38 | |
| Net unrealised exchange loss/(gain) | 47.02 | | (46.44) | |
| | | **1,006.67** | | **677.71** |
| | | **1,353.45** | | **853.74** |
| **Changes in assets and liabilities** | | | | |
| **Changes in working capital:** | | | | |
| **Adjustments for (increase)/decrease in operating assets:** | | | | |
| Inventories | (71.90) | | (46.80) | |
| Trade receivables | 144.68 | | (1,194.60) | |
| Other financial assets | 60.14 | | (86.09) | |
| Contract assets | (1,645.80) | | (60.27) | |
| Other current assets | (132.73) | | 27.65 | |
| Other non-current assets | (9.30) | | (18.86) | |
| | | **(1,654.91)** | | **(1,378.97)** |
| **Adjustments for increase / (decrease) in operating liabilities:** | | | | |
| Trade payables | 807.99 | | 1,515.27 | |
| Other current liabilities | 83.88 | | 88.14 | |
| Contract liabilities | (25.79) | | (259.16) | |
| Other financial liabilities | (4.19) | | (4.76) | |
| Provisions | 2.83 | | 14.01 | |
| | | **864.73** | | **1,353.50** |
| **CASH FLOW GENERATED FROM OPERATIONS** | | **563.27** | | **828.27** |
| Taxes paid (net of refunds and interest on refunds) | | (252.13) | | (214.53) |
| **NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)** | | **311.14** | | **613.74** |
| **B. CASH FLOW FROM INVESTING ACTIVITIES** | | | | |
| Capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) | (237.38) | | (178.29) | |
| Proceeds from sale of property, plant and equipment | 3.80 | | 15.72 | |
| Proceeds/(purchase) of short-term investments (net) | - | | 12.64 | |
| Interest received | 15.70 | | 16.41 | |
| Bank balances (including non-current) not considered as Cash and cash equivalents (net) | (5.18) | | (8.69) | |
| | | **(223.06)** | | **(142.21)** |
| **NET CASH FLOW USED IN INVESTING ACTIVITIES (B)** | | **(223.06)** | | **(142.21)** |

# Consolidated Cash Flow Statement

for the year ended March 31, 2024

₹ in Crore

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Proceeds from other than short-term borrowings | 169.90 | | 381.51 | |
| Repayments of other than short-term borrowings | (414.14) | | (66.97) | |
| Repayment of lease obligations | (26.61) | | (30.09) | |
| Increase / (decrease) in short-term borrowings (net) | 852.19 | | (47.98) | |
| Finance costs paid | (648.85) | | (534.43) | |
| Dividend paid | (77.16) | | (102.85) | |
| | | **(144.67)** | | **(400.81)** |
| **NET CASH FLOW USED IN FINANCING ACTIVITIES (C)** | | **(144.67)** | | **(400.81)** |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | | **(56.59)** | | **70.72** |
| Cash and cash equivalents at the beginning of the year (Refer Note 17) | | 281.16 | | 207.63 |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | | (19.47) | | 2.81 |
| **Cash and cash equivalents at the end of the year (Refer Note 17)** | | **205.10** | | **281.16** |
| **Supplemental Information** | | | | |
| **Non Cash Transactions from Investing and Financing Activities:** | | | | |
| Acquisition of Right-of-Use assets | | 0.76 | | 0.21 |

### Reconciliation of liabilities arising from financing activities:

| Particulars | As at March 31, 2023 | Cash flows | Movement in lease liabilities | Foreign exchange movement | Interest expense | Interest paid | As at March 31, 2024 |
|---|---|---|---|---|---|---|---|
| Borrowings | 3,215.85 | 607.94 | - | 9.92 | 634.50 | (642.08) | **3,826.13** |
| Lease liabilities | 188.92 | (17.04) | 0.76 | 0.07 | 9.57 | (9.57) | **172.71** |
| **Total liabilities from financing activities** | **3,404.77** | **590.90** | **0.76** | **9.99** | **644.07** | **(651.65)** | **3,998.84** |

| Particulars | As at March 31, 2022 | Cash flows | Movement in lease liabilities | Foreign exchange movement | Interest expense | Interest paid | As at March 31, 2023 |
|---|---|---|---|---|---|---|---|
| Borrowings | 2,874.93 | 266.56 | - | 65.18 | 523.06 | (513.88) | **3,215.85** |
| Lease liabilities | 201.90 | (19.82) | (5.46) | 12.31 | 10.27 | (10.27) | **188.92** |
| **Total liabilities from financing activities** | **3,076.83** | **246.74** | **(5.46)** | **77.49** | **533.34** | **(524.16)** | **3,404.77** |

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## 1. GENERAL INFORMATION

KEC International Limited ("the Company") (CIN: L45200MH2005PLC152061) is a public limited company incorporated and domiciled in India. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company including its branches, jointly controlled operations and its subsidiaries (as detailed in note 3.3) is herein after together referred to as the 'Group'.

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

The Company's manufacturing footprint extends across three countries in addition to India. The Company has several international branch offices enabling diversified global footprint.

## 2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

### New standards adopted by the Group:

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12
- The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognized in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Group's accounting policy already complies with the now mandatory treatment.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

### 3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Summary of material accounting policies is as under:

**Operating Cycle**

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

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

### 3.3 Basis of consolidation

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

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

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

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

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

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

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

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

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

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

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

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

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





Notes
forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### 3.4 Revenue recognition

The Group derives revenue principally from following streams:

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

**3.4.1 Sale of products:**

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

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

**3.4.2 Construction contracts:**

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

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

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

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

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

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

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

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

#### 3.4.3 Sale of services:

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

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

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

#### 3.4.4 Other Operating Revenue:

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

### 3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group in exchange of control of the acquiree and fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally recognised in the Consolidated Statement of Profit and Loss as incurred.

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

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind *AS 12 Income Taxes and Ind AS 19 Employee Benefits* respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that Standard.

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

### 3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.5 above) less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

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

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

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

### 3.7 Interests in Jointly Controlled Operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the applicable Ind AS.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

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

### 3.8 Leasing

**As a lessee:**

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

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

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**Lease Liabilities:**

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

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

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

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

**Right-of-use assets**

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

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

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

**Short-term leases and leases of low-value assets**

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

**As a lessor:**

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

## 3.9 Foreign currency transactions

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

**3.9.1 Accounting for transactions and balances in foreign currencies**

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

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

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

Exchange differences on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in t he period in which they arise. except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.22 below for hedging accounting policies);






# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024


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

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

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Company is reclassified in the statement of profit and loss.

## 3.10 Borrowing costs

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

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

## 3.11 Employee benefits

**3.11.1 Long Term Employee Benefits :**

(a) Defined Contribution Plans:

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

(b) Defined Benefit Plans:

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

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

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

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

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

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

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

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

(c) Compensated absences:

Group has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

3.11.2 Short-term employee benefits:

Short term employee benefits such as Salaries, wages, short term compensated absences, bonus, ex gratia and performance linked rewards, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## 3.12 Taxation

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

3.12.1 Current tax

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to





Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

3.12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

3.12.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### 3.13 Property, plant and equipment

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

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

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

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

**Capital work-in-progress**

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

### 3.14 Intangible assets

**3.14.1 Intangible assets acquired separately**

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

**3.14.2 Intangible assets acquired in a business combination**

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

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

**3.14.3 Research and development costs**

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

**3.14.4 Derecognition of intangible assets**

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





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**3.14.5 Useful lives of intangible assets**

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

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

### 3.15 Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

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

### 3.16 Investment

The Group classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer 3.19)

### 3.17 Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares) are stated at the lower of cost and net realisable value. Cost of purchased material is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

### 3.18 Provisions and contingencies

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

The amount recognised as a provision is the management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

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

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

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

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

## 3.19 Financial instruments

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

Financial assets except trade receivables and financial liabilities are initially measured at fair value. Trade receivables are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

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

## 3.20 Classification and Measurement Financial Assets

### 3.20.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Effective interest method**

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

### 3.20.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

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

### 3.20.4 Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

### 3.20.5 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Group continues to recognise the asset to the extent of Group's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

## 3.21 Classification and Measurement Financial liabilities and equity instruments

### 3.21.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### 3.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

### 3.21.3 Financial liabilities

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

### 3.21.4 Financial liabilities subsequently measured at amortised cost

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

### 3.21.5 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group entity are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

### 3.20.6 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

## 3.22 Derivative financial instruments

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

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

### 3.23 Hedge accounting

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

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

#### 3.23.1 Cash flow hedges that qualify for hedge accounting

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

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

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

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

### 3.24 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

### 3.25 Segment reporting

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





Notes
forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

similar range, however the same may differ on Project to Project basis in the short term.

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

### 3.26 Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

### 3.27 Exceptional items:

Exceptional items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

### 3.28 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

## 4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Group’s accounting policies, which are described in Note 3, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

### 4.1 Classification of Joint Arrangement as a Jointly Controlled Operation

In terms of Ind AS 111, ‘Joint Arrangement’ the Company has classified its joint arrangements as jointly controlled operations in the Standalone Financial Statements of the Company as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 49 for the list of joint arrangements).

### 4.2 Revenue recognition for construction contracts

Refer note 3.4.2 and note 50.

### 4.3 Income Taxes

In preparing the consolidated financial statements, the Group recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

### 4.4 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group’s past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

| Particulars | Freehold Land | Buildings | Plant and Equipment | Erection Tools | Furniture and Fixtures | Vehicles | Office Equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | |
| **As at March 31, 2022** | **143.34** | **400.90** | **930.71** | **208.81** | **31.12** | **63.62** | **15.01** | **54.12** | **1,847.63** |
| Additions | - | 22.12 | 57.27 | 71.90 | 0.23 | 2.09 | 1.66 | 6.78 | 162.05 |
| Disposal | - | 1.50 | 25.62 | 13.29 | 4.01 | 4.41 | 1.82 | 6.75 | 57.40 |
| Adjustments | 5.80 | 16.39 | 13.08 | (0.10) | (0.46) | 1.15 | (0.24) | 0.55 | 36.17 |
| **As at March 31, 2023** | **149.14** | **437.91** | **975.44** | **267.32** | **26.88** | **62.45** | **14.61** | **54.70** | **1,988.45** |
| Additions | - | 13.94 | 66.26 | 123.17 | 0.43 | 6.18 | 0.92 | 11.79 | 222.69 |
| Disposal | - | 0.57 | 5.74 | 6.75 | 0.37 | 3.86 | 0.34 | 2.22 | 19.85 |
| Adjustments | 1.42 | 3.18 | 0.11 | 0.25 | (0.31) | 0.31 | 0.00 | (1.01) | 3.95 |
| **As at March 31, 2024** | **150.56** | **454.46** | **1,036.07** | **383.99** | **26.63** | **65.08** | **15.19** | **63.26** | **2,195.24** |
| **Accumulated depreciation:** | | | | | | | | | |
| **As at March 31, 2022** | - | **124.36** | **475.55** | **114.65** | **21.46** | **47.32** | **11.34** | **41.00** | **835.68** |
| Depreciation Expenses (Refer note 45) | - | 18.73 | 52.24 | 38.81 | 1.98 | 3.41 | 1.14 | 5.49 | 121.80 |
| Disposal | - | 1.47 | 16.11 | 13.23 | 3.90 | 4.24 | 1.79 | 6.07 | 46.81 |
| Adjustments | - | 4.65 | 5.00 | (0.15) | (0.47) | 1.12 | (0.24) | 0.64 | 10.55 |
| **As at March 31, 2023** | - | **146.27** | **516.68** | **140.08** | **19.07** | **47.61** | **10.45** | **41.06** | **921.22** |
| Depreciation Expenses (Refer note 45) | - | 19.51 | 59.89 | 53.50 | 1.71 | 3.14 | 1.18 | 7.03 | 145.96 |
| Disposal | - | 0.45 | 3.92 | 6.17 | 0.27 | 3.62 | 0.32 | 1.94 | 16.69 |
| Adjustments | - | 2.16 | 1.12 | (0.20) | 0.08 | (0.31) | (0.07) | 0.75 | 3.53 |
| **As at March 31, 2024** | - | **167.49** | **573.77** | **187.21** | **20.59** | **46.82** | **11.24** | **46.90** | **1,054.02** |
| **Net carrying amount** | | | | | | | | | |
| **As at March 31, 2023** | **149.14** | **291.64** | **458.76** | **127.24** | **7.81** | **14.84** | **4.16** | **13.64** | **1,067.23** |
| **As at March 31, 2024** | **150.56** | **286.97** | **462.30** | **196.78** | **6.04** | **18.26** | **3.94** | **16.37** | **1,141.22** |

**Note 5.1**

a) Freehold land at Mysore which was not held in the name of the Company as on March 31, 2023 has now been transferred in the name of the Company during the year ended March 31, 2024.

b) For details of Property, plant and equipment having gross carrying amount aggregating ₹ 773.69 crore (As at March 31, 2023 ₹ 560.20 crore), which are pledged as security for borrowings - Refer Notes 25 and 30.

**Note 5.2**

Adjustments represents foreign currency exchange translation adjustment on account of a branch, jointly controlled operations and foreign subsidiaries which have a different functional currency.

**Note 5.3**

Refer Note 56 (ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 51)

₹ in Crore

| Description | Buildings | Land | Plant & Machinery | Vehicles | Total |
|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | |
| **As at March 31, 2022** | **129.54** | **178.37** | **3.01** | **0.82** | **311.74** |
| Additions | 0.21 | - | - | - | **0.21** |
| Disposal | 10.59 | 0.53 | - | 0.13 | **11.25** |
| Adjustments (Refer Note 6.1) | 5.67 | 9.74 | 0.06 | - | **15.47** |
| **As at March 31, 2023** | **124.83** | **187.58** | **3.07** | **0.69** | **316.17** |
| Additions | 0.76 | - | - | - | **0.76** |
| Disposal | 0.08 | - | 2.22 | 0.69 | **2.99** |
| Adjustments (Refer Note 6.1) | 1.06 | 1.76 | 0.01 | - | **2.83** |
| **As at March 31, 2024** | **126.57** | **189.34** | **0.86** | **-** | **316.77** |
| **Accumulated Depreciation** | | | | | |
| **As at March 31, 2022** | **50.82** | **26.39** | **2.45** | **0.76** | **80.42** |
| Depreciation expense (Refer note 45) | 14.13 | 8.83 | 0.46 | 0.07 | **23.49** |
| Disposal | 5.10 | 0.54 | - | 0.14 | **5.78** |
| Adjustments (Refer Note 6.1) | 1.99 | 1.44 | 0.04 | - | **3.47** |
| **As at March 31, 2023** | **61.84** | **36.12** | **2.95** | **0.69** | **101.60** |
| Depreciation expense (Refer note 45) | 12.81 | 8.83 | 0.22 | - | **21.86** |
| Disposal | 0.08 | - | 2.22 | 0.69 | **2.99** |
| Adjustments (Refer Note 6.1) | 0.41 | 0.74 | (0.09) | - | **1.06** |
| **As at March 31, 2024** | **74.98** | **45.69** | **0.86** | **-** | **121.53** |
| **Net carrying amount** | | | | | |
| **As at March 31, 2023** | **62.99** | **151.46** | **0.12** | **-** | **214.57** |
| **As at March 31, 2024** | **51.59** | **143.65** | **-** | **-** | **195.24** |

**Note 6.1**

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

## NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening Balance** | **11.45** | **2.46** |
| Addition during the year | 229.38 | 174.72 |
| Capitalisation during the year | (227.02) | (165.79) |
| Effect of translation adjustment (gain)/loss | 0.11 | 0.06 |
| **Closing Balance** | **13.92** | **11.45** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## Note 7.1 CWIP ageing schedule

CWIP ageing schedule as at March 31, 2024

₹ in Crore

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 11.39 | 0.95 | 0.63 | 0.95 | **13.92** |
| Projects temporarily suspended | - | - | - | - | - |

CWIP ageing schedule as at March 31, 2023

₹ in Crore

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 9.38 | 1.12 | 0.95 | - | 11.45 |
| Projects temporarily suspended | - | - | - | - | - |

## Note 7.2 Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

| Particulars | To be completed in | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects temporarily suspended | - | - | - | - | - |
| **Total** | - | - | - | - | - |

## NOTE 8 - GOODWILL

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Balance at the beginning of the year** | 268.49 | 249.70 |
| Effect of foreign currency exchange difference recognised in other comprehensive income (OCI) | 3.64 | 18.79 |
| **Balance at the end of year** | **272.13** | **268.49** |

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount whenever there is any indication of impairment.

For the purpose of impairment testing, SAE's entire business is considered as one Cash Generating Unit.

The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of value in use are set out below :

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Discount rate | 11.55% to 15.49% | 11.59% to 13.43% |
| Terminal value growth rate | 3.00% | 3.00% |
| Period considered for discounting | 5 years | 5 years |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins at SAE level.

Based on the above, no impairment was identified as of March 31, 2024, as the recoverable amount of the CGU exceeded the carrying value.

## NOTE 9 - INTANGIBLE ASSETS

₹ in Crore

| Particulars | Brands (Refer Note 9.1) | Computer softwares | Non Compete Fees (Refer Note 9.3) | Customer Contracts | Total |
|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | |
| **As at March 31, 2022** | **240.00** | **88.87** | **0.58** | **4.44** | **333.89** |
| Additions | - | 3.74 | - | - | **3.74** |
| Disposal | - | 0.02 | - | - | **0.02** |
| Adjustments (Refer 9.2) | - | 0.72 | - | - | **0.72** |
| **As at March 31, 2023** | **240.00** | **93.31** | **0.58** | **4.44** | **338.33** |
| Additions | - | 4.32 | - | - | **4.32** |
| Disposal | - | 0.06 | - | - | **0.06** |
| Adjustments (Refer 9.2) | - | 0.35 | - | - | **0.35** |
| **As at March 31, 2024** | **240.00** | **97.92** | **0.58** | **4.44** | **342.94** |
| **Accumulated amortisation** | | | | | |
| **As at March 31, 2022** | **204.00** | **84.22** | **0.10** | **0.89** | **289.21** |
| Amortisation expense (Refer note 45) | 12.00 | 2.22 | 0.19 | 1.78 | **16.19** |
| Disposal | - | 0.01 | - | - | **0.01** |
| Adjustments (Refer 9.2) | - | 0.41 | - | - | **0.41** |
| **As at March 31, 2023** | **216.00** | **86.84** | **0.29** | **2.67** | **305.80** |
| Amortisation expense (Refer note 45) | 12.00 | 3.58 | 0.19 | 1.77 | **17.54** |
| Disposal | - | 0.03 | - | - | **0.03** |
| Adjustments (Refer 9.2) | - | (0.05) | - | - | **(0.05)** |
| **As at March 31, 2024** | **228.00** | **90.34** | **0.48** | **4.44** | **323.26** |
| **Net carrying amount** | | | | | |
| **As at March 31, 2023** | 24.00 | 6.47 | 0.29 | 1.77 | **32.52** |
| **As at March 31, 2024** | **12.00** | **7.58** | **0.10** | **-** | **19.68** |

### Note 9.1

Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The remaining amortisation period is 1 year (as at March 31, 2023 - 2 years).

### Note 9.2

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

**Note 9.3 :** Non Compete fees paid on acquisition of KEC Spur Infrastructure Private Limited.(formerly known as Spur Infrastructure Private Limited) are amortized on a straight line basis over the term of Non Compete agreement i.e. 3 years. The remaining amortisation period is 6 months. (as at March 31, 2023 - 1 year 6 months).

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 10 - INVESTMENTS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Non-current: | | |
| **Investment in equity shares ( at fair value through other comprehensive income)** | | |
| **Unquoted** | | |
| 4900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association | * | * |
| | * | * |
| Aggregate book value of unquoted investments | * | * |
| Aggregate provision for diminution in value of investments | - | - |

* less than rounding off norms adopted by the Group.

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Entity is concluded to be equal to cost.

## NOTE 11 - TRADE RECEIVABLES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current trade receivables - Unsecured** | | |
| (i) Considered good | 345.68 | 384.10 |
| (ii) Having significant increase in credit risk | - | - |
| (iii) Credit impaired | - | - |
| | **345.68** | **384.10** |
| Less: Allowance for bad and doubtful receivables (expected credit loss allowance)* | 57.34 | 24.80 |
| | **288.34** | **359.30** |

*** Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note - 53B.3)**

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | 11.15 |
| Add: Created during the year | 10.26 |
| Add: Transfer from current trade receivable | 7.52 |
| Less: Released during the year | 4.13 |
| **Balance as at March 31, 2023** | **24.80** |
| Add: Created during the year | 26.64 |
| Add: Transfer from current trade receivable | 12.14 |
| Less: Released during the year | 6.24 |
| **Balance as at March 31, 2024** | **57.34** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Note 11.1: Trade receivables (non current) ageing

**As at March 31, 2024**

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Non-Current Trade Receivable | | | | | | | |
| Undisputed – considered good | 134.39 | - | - | 19.40 | 88.93 | 99.72 | **342.44** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – Credit Impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | 3.24 | - | - | - | - | - | **3.24** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed – Credit Impaired | - | - | - | - | - | - | **-** |
| **Total** | **137.63** | **-** | **-** | **19.40** | **88.93** | **99.72** | **345.68** |

**As at March 31, 2023**

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Non-Current Trade Receivable | | | | | | | |
| Undisputed – considered good | 152.52 | - | 13.37 | 89.89 | 117.30 | 11.02 | **384.10** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – Credit Impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | - | - | - | - | - | - | **-** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed – Credit Impaired | - | - | - | - | - | - | **-** |
| **Total** | **152.52** | **-** | **13.37** | **89.89** | **117.30** | **11.02** | **384.10** |

## NOTE 12 -OTHER FINANCIAL ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Non-current | | |
| a) **Contractually reimbursable expenses (Considered good)** | 13.92 | 28.95 |
| b) **Security Deposits, Unsecured :** | | |
| Considered good | 48.02 | 47.25 |
| Having significant increase in credit risk | - | |
| Credit impaired | 0.17 | 0.76 |
| Less: Allowance for bad and doubtful security deposits (Refer Note 12.1) | 0.17 | 0.76 |
| | **48.02** | **47.25** |
| | **61.94** | **76.20** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Movement in the allowance for bad and doubtful security deposit (Expected Credit Loss)

Note 12.1

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **0.76** |
| Add: Created during the year | - |
| Less: Released during the year | - |
| **Balance as at March 31, 2023** | **0.76** |
| Add: Created during the year | - |
| Less: Released during the year | 0.59 |
| **Balance as at March 31, 2024** | **0.17** |

### NOTE 13 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax payments less provisions | 294.06 | 268.03 |
| | **294.06** | **268.03** |

### NOTE 14 - OTHER NON-CURRENT ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Capital Advances | 6.26 | 0.04 |
| (b) Balance with Government authorities | | |
| - Excise duty | 24.45 | 24.50 |
| - VAT Credit / WCT /Service tax receivables | 137.01 | 127.79 |
| - GST Receivable | 0.15 | 14.84 |
| - Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest | 47.09 | 28.57 |
| - Others (includes amounts towards judicial deposits) | 7.58 | 10.37 |
| | **216.28** | **206.07** |
| (c) Prepaid expenses | 10.89 | 11.77 |
| | **233.43** | **217.88** |

### NOTE 15 - INVENTORIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Inventories (lower of cost and net realisable value) | | |
| (a) Raw materials | | |
| (i) in stock | 815.99 | 754.24 |
| (ii) in-transit | 10.08 | 7.44 |
| | **826.07** | **761.68** |
| (b) Work-in-progress | 38.85 | 112.40 |
| (c) Finished goods | 291.27 | 212.02 |
| (d) Stores and spares | 41.58 | 37.19 |
| (e) Scrap | 15.54 | 13.87 |
| | **1,213.31** | **1,137.16** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### NOTE 16 - TRADE RECEIVABLES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade receivables - Unsecured (Refer notes 16.1, 16.2 and 53B.3) | | |
| (a) Considered good | 4,221.67 | 4,365.87 |
| (b) Having significant increase in credit risk | - | - |
| (c) Credit impaired | - | - |
| | **4,221.67** | **4,365.87** |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance)* | 85.05 | 84.20 |
| | **4,136.62** | **4,281.67** |

### *Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note 53B.3)

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **78.51** |
| Add: Created during the year | 20.27 |
| Less: Transfer to non current trade receivables | 7.52 |
| Less: Released during the year | 7.19 |
| Add: Exchange flactuation | 0.13 |
| **Balance as at March 31, 2023** | **84.20** |
| Add: Created during the year | 27.80 |
| Less: Transfer to non current trade receivables | 12.14 |
| Less: Released during the year | 14.40 |
| Add: Exchange flactuation | (0.41) |
| **Balance as at March 31, 2024** | **85.05** |

### Note 16.1: Transfer of financial assets

The Group has discounted trade receivables with an aggregate carrying amount of ₹ 321.29 crore ( ₹ 177.54 crores during the previous year ended March 31, 2023) with banks for cash proceeds of ₹314.87 crore during the current year (during the previous year ended March 31, 2023 is ₹ 175.47 crore). These arrangements are "non-recourse" to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2024. Amount charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 7.54 Crores. (During the previous year ₹2.07 crores)

Further, the Group has discounted certain trade receivables with the banks "with recourse" to the Company. The carrying amount of such receivables as at March 31, 2024 ₹ 29.70 crore (As at March 31, 2023 ₹ 68.05 crores) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 29.70 crore (As at March 31, 2023 ₹ 68.05 crore) are recognised as secured borrowings (Note 30). There are restriction on further selling and pledging of these receivables.

**Note 16.2** Receivable from related parties is ₹7.07 crore (As at March 31, 2023 ₹0.51 crore).

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Note 16.3: Trade receivables ageing

As at March 31, 2024

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed – considered good | 2,697.54 | 880.02 | 139.52 | 253.26 | 156.58 | 13.45 | **4,140.37** |
| Undisputed – Having significant increase in credit risk | - | 25.50 | 0.93 | 3.54 | 1.02 | 0.10 | **31.09** |
| Undisputed – Credit Impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | 6.69 | 0.28 | 0.05 | 0.26 | 3.88 | 16.10 | **27.26** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | 22.95 | **22.95** |
| Disputed – Credit Impaired | - | - | - | - | - | - | **-** |
| **Total** | **2,704.23** | **905.80** | **140.50** | **257.06** | **161.48** | **52.60** | **4,221.67** |

As at March 31, 2023

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed – considered good | 2,532.57 | 939.97 | 357.25 | 290.12 | 173.08 | 40.75 | **4,333.74** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – Credit Impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | 1.89 | 0.10 | 0.10 | 2.84 | 0.70 | 1.03 | **6.66** |
| Disputed – Having significant increase in credit risk | - | - | - | 2.52 | 4.71 | 18.24 | **25.47** |
| Disputed – Credit Impaired | - | - | - | - | - | - | **-** |
| **Total** | **2,534.46** | **940.07** | **357.35** | **295.48** | **178.49** | **60.02** | **4,365.87** |

### NOTE 17 - CASH AND CASH EQUIVALENTS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Balances with banks | | |
| (i) In current accounts | 113.96 | 239.77 |
| (ii) In deposit accounts | 82.46 | 34.09 |
| | **196.42** | **273.86** |
| (b) Cash on hand | 8.68 | 7.30 |
| | **205.10** | **281.16** |

**Note 17.1** There are restrictions on repatriations with regards to cash and cash equivalents as at March 31, 2024 of ₹ 1.50 crore (as at March 31, 2023, ₹ 7.49 crore)





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### NOTE 18 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Earmarked balances with banks - unpaid dividend accounts | 2.97 | 3.00 |
| (ii) Bank deposit with original maturity of more than 3 months but less than 12 months | 0.46 | 6.14 |
| (iii) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments. | 64.75 | 53.86 |
| | **68.18** | **63.00** |

### NOTE 19 - OTHER FINANCIAL ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Unsecured, considered good** | | |
| (i) Sundry Deposits | 57.27 | 93.91 |
| (ii) Interest accrued on fixed deposits | 2.38 | 0.14 |
| (iii) Insurance claims | 0.20 | 0.64 |
| (iv) Mark to market gain on forward and commodity contracts (Refer note 53C) | 39.79 | 14.96 |
| (v) Contractually reimbursable expenses | 48.87 | 54.96 |
| | **148.51** | **164.61** |

### NOTE 20 - CONTRACT ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Unsecured, considered good** | | |
| Amount due from customers for contract work | 6,488.12 | 4,859.17 |
| Retention Money | 2,643.53 | 2,614.39 |
| Less: Allowance for contract assets (Refer Note 20.1) | 43.28 | 7.95 |
| | **9,088.37** | **7,465.61** |

### Note 20.1 Movement in allowance on contract assets (expected credit loss allowance) (Refer note 53B.3)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening balance | 7.95 | 5.09 |
| Additions | 36.11 | 2.86 |
| Reversals | 0.78 | - |
| **Closing balance** | **43.28** | **7.95** |

The contract assets represents amounts due from customers, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when the invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer.

The contract liabilities represents advance from customers and amount due to customers, primarily relate to invoice raised on customers on achievement of milestones for which revenue is to be recognised over a period of time. (Refer note 34).

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 21 - CURRENT TAX ASSETS (NET)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax payments less provisions | 179.89 | 53.16 |
| | **179.89** | **53.16** |

## NOTE 22 - OTHER CURRENT ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances to suppliers | 246.92 | 158.22 |
| Less: Provision (Refer Note 22.2) | 1.88 | - |
| | **245.04** | **158.22** |
| Employee advances | 20.93 | 13.25 |
| VAT credit / WCT receivables | 134.31 | 187.85 |
| GST receivable | 480.96 | 417.30 |
| GST/Excise rebate receivable on exports | 56.77 | 42.87 |
| Prepaid expenses | 151.74 | 147.62 |
| Export benefits | 25.67 | 19.68 |
| Assets classified as held for sale (Refer Note 22.1) | 2.45 | 2.45 |
| | **1,117.87** | **989.24** |

### Note 22.1 - Details of assets classified as held for sale

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Leasehold Land at Jaipur [(Refer Note 22.1 (a)] | 2.45 | 2.45 |
| Total | **2.45** | **2.45** |

(a) The Company has signed a Memorandum of Understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2023 ₹ 9.41 crore) [(Refer note 35 (a)]. However, the title and possession of the land is yet to be transferred due to pending approvals from the regulatory authorities.

### Note 22.2 Movement in allowance Advances to suppliers

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | **-** | **-** |
| Additions | 1.88 | - |
| Reversals | - | - |
| **Closing balance** | **1.88** | **-** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 23 - SHARE CAPITAL

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Nos. | ₹ in crore | Nos. | ₹ in crore |
| **Authorised:** | | | | |
| **Equity Shares:** | | | | |
| Equity Shares of ₹2 each | 570,000,000 | 114.00 | 570,000,000 | 114.00 |
| **Preference Shares** | | | | |
| Redeemable Preference Shares of ₹ 100 each | 1,500,000 | 15.00 | 1,500,000 | 15.00 |
| **Issued, Subscribed and Paid-up** | | | | |
| **Equity Shares:** | | | | |
| Equity Shares of ₹ 2 each fully paid up | 257,088,370 | 51.42 | 257,088,370 | 51.42 |
| | **257,088,370** | **51.42** | **257,088,370** | **51.42** |

### Note 23.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

| Particulars | Nos. | ₹ in crore |
|---|---|---|
| Equity Shares Outstanding as at April 01, 2022 | 257,088,370 | 51.42 |
| Add: Shares issued during the year | - | - |
| Equity Shares Outstanding as at March 31, 2023 | 257,088,370 | 51.42 |
| Add: Shares issued during the year | - | - |
| **Equity Shares Outstanding as at March 31, 2024** | **257,088,370** | **51.42** |

### Note 23.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

| Sr. No. | Name of the shareholder* | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| | | No. of Shares Held | Percentage of Shares held | No. of Shares Held | Percentage of Shares held |
| 1 | Swallow Associates LLP | 67,756,616 | 26.36 | 67,756,616 | 26.36 |
| 2 | Summit Securities Limited | 28,171,543 | 10.96 | 28,171,543 | 10.96 |
| 3 | Instant Holdings Limited | 22,299,165 | 8.67 | 22,299,164 | 8.67 |
| 4 | HDFC Trustee Company Limited | 20,570,996 | 8.00 | 22,813,728 | 8.87 |

** Shares held in multiple folios have been combined*

**Note 23.3** The Company has only one class of Equity shares having face value of ₹ 2 each. Each holder of equity shares is entitled to one vote per equity share. The Company in its General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## Note 23.4 Shares held by promoters and promoter group at the end of the year

| Sr. No. | Promoter name | As at March 31, 2024 No. of Shares | % of total shares | % Change during the year | As at March 31, 2023 No. of Shares | % of total shares | % Change during the year |
|---|---|---|---|---|---|---|---|
| **Promoter** | | | | | | | |
| 1 | Harsh Vardhan Goenka | 5,042,917 | 1.96 | - | 5,042,917 | 1.96 | - |
| **Promoter Group** | | | | | | | |
| 2 | Anant Vardhan Goenka | 40,000 | 0.02 | - | 40000 | 0.02 | - |
| 3 | Mala Goenka | 50 | 0.00 | - | 50 | 0.00 | - |
| 4 | RG Family Trust (Mr.Anant Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 5 | AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 6 | Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 7 | Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 8 | Radha Anant Goenka | 10 | 0.00 | - | 10 | 0.00 | - |
| 9 | Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 1 | 0.00 | - | 1 | 0.00 | - |
| 10 | Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 1 | 0.00 | - | 1 | 0.00 | - |
| 11 | Secura India Trust (Mr.Harsh Vardhan Goenka is a Trustee) | 101 | 0.00 | - | 101 | 0.00 | 0.00% |
| 12 | Swallow Associates LLP | 67,756,616 | 26.36 | - | 67,756,616 | 26.36 | - |
| 13 | Summit Securities Limited | 28,171,543 | 10.96 | - | 28,171,543 | 10.96 | 0.03% |
| 14 | Instant Holdings Limited | 22,299,165 | 8.67 | - | 22,299,164 | 8.67 | 0.03% |
| 15 | Stel Holdings Limited | 5,011,891 | 1.95 | - | 5,011,891 | 1.95 | - |
| 16 | Carniwal Investments Limited | 2,970,981 | 1.16 | - | 2,970,981 | 1.16 | - |
| 17 | Chattarpati Apartments LLP | 1,790,785 | 0.70 | - | 1,790,785 | 0.70 | - |
| 18 | Ektara Enterprises LLP | 10 | 0.00 | - | 10 | 0.00 | - |
| 19 | Malabar Coastal Holdings LLP | 10 | 0.00 | - | 10 | 0.00 | - |
| 20 | Sofreal Mercantrade Pvt Ltd | 10 | 0.00 | - | 10 | 0.00 | - |
| 21 | Vayu Udaan Aircraft LLP | 10 | 0.00 | - | 10 | 0.00 | - |
| 22 | Sudarshan Electronics and TV Ltd | - | 0.00 | - | 1 | 0.00 | - |
| 23 | RPG Ventures Limited | 284,950 | 0.11 | - | 284,950 | 0.11 | - |
| 24 | Atlantus Dwellings and Infrastructure LLP | 10 | 0.00 | - | 10 | 0.00 | - |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 24 OTHER EQUITY

₹ in Crore

| Particulars | Reserves and Surplus: Capital Reserve | Capital Reserve on Consolidation | Securities Premium | Capital Redemption Reserve | Statutory Reserve | General 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 March 31, 2022** | 84.98 | 0.04 | 86.75 | 14.28 | 3.08 | 191.72 | 3,146.26 | 8.36 | 31.12 | 1.93 | 3,568.52 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2022** | 84.98 | 0.04 | 86.75 | 14.28 | 3.08 | 191.72 | 3,146.26 | 8.36 | 31.12 | 1.93 | 3,568.52 |
| Profit for the year | - | - | - | - | - | - | 176.03 | - | - | - | 176.03 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | - | (8.23) | 86.47 | (0.46) | 77.78 |
| **Total Comprehensive Income for the year** | - | - | - | - | - | - | 176.03 | (8.23) | 86.47 | (0.46) | 253.81 |
| **Transactions with owners in their capacity as owner** | - | - | - | - | - | - | - | - | - | - | - |
| Transfer to Statutory reserve | - | - | - | - | 1.36 | - | (1.36) | - | - | - | - |
| Dividends | - | - | - | - | - | - | (102.83) | - | - | - | (102.83) |
| **Balance as at March 31, 2023** | 84.98 | 0.04 | 86.75 | 14.28 | 4.44 | 191.72 | 3,218.61 | 0.13 | 117.59 | 1.47 | 3,720.00 |
| **Balance as at April 01, 2023** | 84.98 | 0.04 | 86.75 | 14.28 | 4.44 | 191.72 | ,218.61 | 0.13 | 117.59 | 1.47 | 3,720.00 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2023** | 84.98 | 0.04 | 86.75 | 14.28 | 4.44 | 191.72 | 3,218.61 | 0.13 | 117.59 | 1.47 | 3,720.01 |
| Profit for the year | - | - | - | - | - | - | 346.78 | - | - | - | 346.78 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | - | 23.22 | 29.15 | 1.83 | 54.20 |
| **Total Comprehensive Income for the year** | - | - | - | - | - | - | 346.78 | 23.22 | 29.15 | 1.83 | 400.98 |
| **Transactions with owners in their capacity as owner** | | | | | | | | | | | |
| Increase on account of capital reduction of a subsidiary | - | - | - | - | - | (2.55) | 2.55 | - | - | - | - |
| Reduction on account of closure of subsidiary | - | - | - | - | - | - | 0.12 | - | 0.29 | - | 0.41 |
| Transfer to Statutory reserve | - | - | - | - | 3.18 | - | (3.18) | - | - | - | - |
| Dividends | - | - | - | - | - | - | (77.12) | - | - | - | (77.12) |
| **Balance as at March 31, 2024** | 84.98 | 0.04 | 86.75 | 14.28 | 7.62 | 189.17 | 3,487.76 | 23.35 | 147.03 | 3.30 | 4,044.28 |

**Note (a)** Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.

**Note (b)** Capital Reserve on consolidation was created on acquisition of two subsidiaries, where the net assets were more than the consideration paid in earlier years

**Note (c)** Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.

**Note (d)** Capital Redemption Reserve was created upon redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.

**Note (e)** Statutory reserve pertains to the Joint Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Joint Operation. It also consists of Statutory reserve created at KEC Tower LLC, Dubai in accordance with UAE Company law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Subsidiary.

**Note (f)** General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Note (g)** Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

**Note (h)** The cashflow hedging reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cashflow hedges, as described in accounting policy note 3.22.

**Note (i)** Foreign currency translation reserve pertaining to exchange difference arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy note 3.8 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the foreign operation is disposed-off.

**Note (j)** Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 25 -BORROWINGS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Non-Current: | | |
| **Measured at amortised cost:** | | |
| I **Term loans*** | | |
| **From banks** | | |
| Secured [Refer Note 25.1 (a)] | 33.70 | 49.31 |
| Less : Current maturities of long-term debt (Refer Note 30.3) | (16.85) | (16.44) |
| | **16.85** | **32.87** |
| Unsecured [Refer Note 25.1 (b)] | 310.64 | 536.33 |
| Less : Current maturities of long-term debt (Refer Note 30.3) | (74.63) | (276.04) |
| | **236.01** | **260.29** |
| II **From Financial Institutions** | | |
| Secured [(Refer Note 25.1 (c)] | 200.00 | 200.00 |
| Less : Current maturities of long-term debt | (200.00) | - |
| | **-** | **200.00** |
| | **252.86** | **493.16** |

### Note 25.1 *Term loans

(a) **From banks: Secured**

(i) ₹ 33.70 crore (As at March 31, 2023 ₹49.31 crore) External Commercial Borrowing loan secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms are in three equal yearly instalments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

(b) **From banks: unsecured:**

(i) ₹ Nil (As at March 31, 2023 150 crore) loan repayment is in Two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.

(ii) ₹ Nil (As at March 31, 2023 ₹ 95.96 crore) pertains to a subsidiary at Brazil repayable in quaterly structured installments during 2024 to 2025. The rate was 19.15% p.a.

(iii) ₹ Nil (As at March 31, 2023 ₹ 69.00 crore) pertains to a subsidiary at Brazil repayable in quaterly structured instalments during from 2024 to 2025. The present rate of interest is 19.15% p.a. (previous year interest rate was 19.15% p.a).

(iv) ₹ Nil (As at March 31, 2023 ₹57.04 crore) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2023 to 2024. The interest rate were in ranges from 18.40% to 22.25% p.a.

(v) ₹166.80 crore (As at March 31, 2023 Nil) pertains to a subsidiary at Brazil repayable in quaterly structured instalments during 2026 to 2028. The present rate of interest at 8.65% p.a. These loans are repayable in Brazilian Real (BRL).

(vi) ₹30.82 crore (As at March 31, 2023 ₹164.33 crore) pertains to a subsidiary at Brazil repayable in quarterly structured installments during 2025 to 2027 and the present interest rate at 10.80% p.a (previous year 8.15% p.a). These loans are repayable in USD.

(vii) ₹38.39 crore (As at March 31, 2023 ₹Nil) pertains to a subsidiary at Brazil repayable in quarterly structured instalments during 2025 to 2026 and the present interest rate at 13.96% p.a. These loans are repayable in USD.

(viii) ₹74.63 crore (As at March 31, 2023 ₹Nil) - Refer Note 30.3 (iv) and (v)

(c) **From Financial Institutions**

Secured:

₹ 200 crore (As at March 31, 2023 ₹ 200 crore) Loan from a financial instution which is secured by security stated against Note 30.1.(i) Repayment will be on April 29, 2024 and September 24, 2024. The interest rates is 8.70% p.a. secured by security stated against Note 30.1(a)(i). Repayment is on April 29, 2024 and September 24, 2024. The interest rates are in the ranges from 8.46% to 8.87% p.a.

(d) As at March 31, 2024, the total borrowing of the Company stood at ₹ 3,812.32 crore (As at March 31, 2023 ₹3,194.45 crore). During the year, the Company was in compliance with all of its debt covenants for borrowings except for the debt covenant with respect to a long-term ECB loan amounting to ₹33.70 crore (As at March 31, 2023 ₹49.31 crore).The Company received condonation for such non compliance as at March 31, 2023 from the bank during the current year. The Management is confident of getting a condonation for non compliances of that covenant as at March 31, 2024. Further, the management do not believe that the same will have any material impact on these Financial Statements.





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 26 - LEASE LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current** | | |
| Lease liabilities (Refer note 51) | 148.14 | 163.17 |
| | **148.14** | **163.17** |

## NOTE 27 - PROVISIONS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current:** | | |
| **Provision for employee benefits** | | |
| - Gratuity, post employment benefits (Refer note 54) | 17.49 | 17.33 |
| - Compensated Absences (Refer note 54 ) | 3.69 | 2.31 |
| - Others (includes provision towards judicial deposits of a subsidiary) (Refer note 27.1) | 3.38 | 4.48 |
| | **24.56** | **24.12** |

## NOTE 27.1 PROVISION TOWARDS JUDICIAL DEPOSITS *

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | **4.48** | **3.18** |
| Additions | - | 0.99 |
| Reversals | 1.24 | - |
| Effect of translation adjustment (gain) / loss | 0.14 | 0.31 |
| **Closing balance** | **3.38** | **4.48** |

*These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.*

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### NOTE 28 - DEFERRED TAX LIABILITIES / ASSETS (NET)

### Note 28.1 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2024 are as follows:

₹ in Crore

| Particulars | Opening Balance (As at April 01,2023) | Recognised in Consolidated Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance (As at March 31,2024) |
|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets recognised in relation to :** | | | | | |
| Property, plant and equipment and Intangible assets | (33.75) | 5.16 | - | - | **(28.59)** |
| Undistributed earnings of joint operations | (10.80) | | - | - | **(10.80)** |
| Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years | - | 0.60 | - | - | **0.60** |
| Allowance for doubtful debts, loans and advances | 22.61 | 6.53 | - | - | **29.14** |
| Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI) | 0.69 | - | (0.26) | | **0.43** |
| Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years | 10.48 | 21.55 | - | - | **32.03** |
| Provision for expected loss on construction contracts, etc. | 4.93 | (0.97) | - | - | **3.96** |
| Right-of-use assets (net of lease liabilities) - (Refer Note 51) | 2.55 | (1.03) | - | - | **1.52** |
| Net (Gain) / Losses on Cash flow hedges | - | - | (7.89) | - | **(7.89)** |
| Exchange differences on translation of foreign joint operations | (3.92) | - | (3.02) | - | **(6.94)** |
| **Deferred Tax (Liabilities)/assets (net)** | **(7.21)** | **31.84** | **(11.17)** | **-** | **13.46** |

**Significant components of deferred tax assets (net) of subsidiaries are as follows :**

₹ in Crore

| Particulars | Opening Balance (As at April 01, 2023) | Recognised in Consolidated Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance (As at March 31, 2024) |
|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets recognised in relation to :** | | | | | |
| Property, plant and equipment and Intangible assets | (21.19) | 7.92 | - | (5.98) | **(19.25)** |
| Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss | 1.55 | (0.10) | - | (0.06) | **1.39** |
| Remeasurement of defined benefit obligations recognised through Other Comprehensive Income (OCI) | - | 0.37 | (0.37) | | **-** |
| Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years | 42.66 | (2.07) | - | 3.13 | **43.72** |
| Tax loss carry forward* | 310.97 | (3.57) | - | 6.94 | **314.34** |
| Other Assets and deferred expenses | (6.68) | - | - | 6.68 | **-** |
| **Deferred Tax (Liabilities)/assets (net)** | **327.31** | **2.55** | **(0.37)** | **10.71** | **340.20** |

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Note 28.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2023 are as follows :

₹ in Crore

| Particulars | Opening Balance (As at April 01, 2022) | Recognised in Consolidated Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance (As at March 31, 2023) |
|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets recognised in relation to :** | | | | | |
| Property, plant and equipment and Intangible assets | (38.21) | 4.46 | - | - | **(33.75)** |
| Undistributed earnings of joint operations | (34.80) | 24.00 | - | - | **(10.80)** |
| Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years | (0.06) | 0.06 | - | - | **-** |
| Allowance for doubtful debts, loans and advances | 20.48 | 2.13 | - | - | **22.61** |
| Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI) | 0.33 | - | 0.29 | 0.07 | **0.69** |
| Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years | 11.68 | (1.20) | - | - | **10.48** |
| Provision for expected loss on construction contracts, etc. | 5.12 | (0.19) | - | - | **4.93** |
| Right-of-use assets (net of lease liabilities) - (Refer Note 51) | 0.65 | 1.90 | - | - | **2.55** |
| Asset held for sale | 0.82 | (0.82) | - | - | **-** |
| Net (Gain) / Losses on Cash flow hedges | (2.80) | - | 2.80 | - | **-** |
| Exchange differences on translation of foreign joint operations | (7.01) | - | 3.09 | - | **(3.92)** |
| **Deferred tax (liabilities)/assets (net)** | **(43.80)** | **30.34** | **6.18** | **0.07** | **(7.21)** |

**Significant components of deferred tax assets (net) of subsidiaries are as follows :**

₹ in Crore

| Particulars | Opening Balance (As at April 01, 2022) | Recognised in Consolidated Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance (As at March 31, 2023) |
|---|---|---|---|---|---|
| **Deferred tax (liabilities)/assets in relation to :** | | | | | |
| Property, plant and equipment and Intangible assets | (15.01) | (4.06) | - | (2.12) | **(21.19)** |
| Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss | 1.85 | (0.01) | - | (0.29) | **1.55** |
| Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years | 33.56 | 6.99 | - | 2.11 | **42.66** |
| Tax loss carry forward* | 199.84 | 103.53 | - | 7.60 | **310.97** |
| Other Assets and deferred expenses | (6.11) | - | - | (0.57) | **(6.68)** |
| **Deferred Tax (Liabilities)/assets (net)** | **214.13** | **106.45** | **-** | **6.73** | **327.31** |

***Foot Note :***

*Deferred tax liabilities/ assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.*

** Recognised in view of confirmed profitable orders secured by an overseas subsidiary.*

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### NOTE 29 - OTHER NON CURRENT LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current:** | | |
| Deferred Government Grant* (Refer note 29.1) | 0.43 | 0.45 |
| | **0.43** | **0.45** |

*** Movement in deferred Government Grant**

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | 0.47 |
| Add: Received during the year | - |
| Less: Recognised as income during the year | - |
| Less: Disclosed as other current liabilities (Refer note - 35 ) | 0.02 |
| **Balance as at March 31, 2023** | 0.45 |
| Add: Received during the year | - |
| Less: Recognised as income during the year | - |
| Less: Disclosed as other current liabilities (Refer Note - 35 ) | 0.02 |
| **Balance as at March 31, 2024** | **0.43** |

Note 29.1: During the year ended March 31, 2022, the Group had received ₹ 0.50 crore towards government grant from Government of Rajasthan for setting up an Oxygen plant under Special package for Medical oxygen. The Group has amortised the grant based on useful life of the plant and recognised income for current year of ₹0.02 crore (previous year ₹ 0.02 crore) under other income (Refer Note No. 39). The balance amount of grant is shown as "Deferred Grant" in non-current liability ₹ 0.43 crore (previous year ₹ 0.45 crore) and other current liability of ₹ 0.02 crore (Refer Note 35). The Group doesn't have any unfulfilled conditions and other contingencies attached to the same.

### NOTE 30 - BORROWINGS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **I Loans repayable on demand** | | |
| **From Banks** | | |
| Secured [Refer Note 30.1 (a)] | 1,513.09 | 1,037.48 |
| Unsecured [Refer Note 30.1 (b)] | 112.05 | 86.10 |
| | **1,625.14** | **1,123.58** |
| **II Other short term borrowings** | | |
| **From Banks** | | |
| Secured [Refer Note 30.2 (a)] | 646.24 | 483.61 |
| Unsecured [Refer Note 30.2 (b)] | 898.40 | 505.44 |
| | **1,544.64** | **989.05** |
| **From Financial Institutions** | | |
| Unsecured [Refer Note 30.2 (c)] | **98.20** | **296.18** |
| **III Current Maturities of Long Term Borrowings** | | |
| **From banks** | | |
| Secured [Refer Note 25.1 (a)] | 16.85 | 16.44 |
| Unsecured [Refer Note 30.3] | 74.63 | 276.04 |
| | **91.48** | **292.48** |
| **From Financial Institutions** | | |
| Unsecured [Refer Note 25.1(c)] | 200.00 | - |
| | **200.00** | **-** |
| | **3,559.46** | **2,701.29** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**Note 30.1 : Loans repayable on demand from banks :**

(a) **Secured**

(i) ₹ 1,473.80 crore (As at March 31, 2023 ₹1,023.68 crore) obtained from consortium of banks which are secured by first pari passu charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second pari passu charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first pari passu charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 7.5% to 8.70% p.a. (previous year ranges from 5% to 8.70% p.a).

(ii) ₹ Nil (As at March 31, 2023 ₹ 13.80 crore), pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.

(iii) ₹ 11.36 crores (As at March 31, 2023 ₹ Nil) obtained for Bangladesh project & secured primarily by Hypothecation 2nd charge on pool of receivables against work orders executing in Bangladesh, secured by company through international bidding process & collateral given as SBLC in equivalent USD covering 110% of our proposed credit limit First Class Indian Bank. The interest rate is 10.26% p.a.

(iv) ₹27.93 crores (As at March 31, 2023 ₹ Nil) obtained for Malaysia project & secured by corporate guarantee. The interest rate is 3.75%+KLIBOR p.a.

(b) **Unsecured**

(i) ₹ Nil (As at March 31, 2023 ₹ 5.23 crore), pertain to subsidiary KEC Tower LLC. The interest rate is 8.16% p.a.

(ii) ₹ 79.29 crore (As at March 31, 2023 ₹ 80.87 crore) pertaining to a subsidiary at Brazil. The interest rate interest rate in the range of 8.67% to 15.57% p.a (previous year 17.60% p.a.).

(iii) ₹ 32.76 crore (As at March 31, 2023 ₹ Nil) pertaining to a subsidiary at Mexico. The interest rate interest rate in the range of 9.09% to 9.44% p.a.

**Note 30.2 : Other short-term borrowings**

(a) **From Banks-Secured**

(i) ₹ 597.52 crore (As at March 31, 2023 ₹ 415.21 crore) Packing Credit in Foreign Currency and Foreign Currency Non-Resident Account loans secured by security stated in Note 30.1(a) (i) above. The interest rates are in the ranges from 3.81% to 6.65% p.a. (previous year ranges from 3.81% to 6.22% p.a.)

(ii) ₹ 19.02 crore (As at March 31, 2023 ₹ Nil) Buyers credit secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 7.53% to 8.33% p.a.

(iii) ₹ Nil (As at March 31, 2023 ₹ 9.17 crore) Debtors bill discounting secured by assignment of certain book debt at Abu Dhabi projects. Interest rate ranges between 3.30% to 7.53% p.a.)

(iv) ₹ Nil crore (As at March 31, 2023 ₹ 15.68 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company.The interest rates were in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).

(v) ₹ 29.70 crore - (As at March 31, 2023 ₹ 43.55 crore) debtors bill discounting secured by assignment of certain book debt for Cable projects. The interest rates are in ranges from 8.00% to 8.50% p.a. (previous year rate ranges from 8.00% to 8.55% p.a.).

(b) **From Bank-unsecured**

(i) ₹ 24.04 crore (As at March 31, 2023 ₹16.95 crore) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 6.89% to 8.08 % p.a. (previous year interest rate ranges from 4.29% to 8.00 % p.a.)

(ii) ₹ 771 crore (As at March 31, 2023 ₹ 450 crore) short term loan from various banks carrying interest rates ranging from 7.90% to 8.55% p.a. (previous year interest rate ranges from 7.00% to 8.05 % p.a.)

(iii) ₹ 103.36 crore (As at March 31, 2023 ₹Nil) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 6.89% to 7.90 % p.a. (previous year interest rate ranges from 4.29% to 8.00 % p.a.)

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(iv) ₹ Nil crore (As at March 31, 2023 ₹ 38.49 crore) pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a. (previous year interest rate ranges between 6.87% to 7.25% p.a.)

(c) **From Financial Institutions**

**Unsecured:**

₹ 98.20 crore (As at March 31, 2023 ₹ 296.18 crore) being listed commercial papers which carries interest rate 8.40% p.a. (previous year interest rate ranges from 7.90% p.a. to 8.20% p.a.). Maturity for current year commercial paper is in the month June 2024 (previous year maturity ranges from 85 days to 90 days).

### Note 30.3 Current Maturities of Long Term Borrowings

(a) **From banks:**

**Unsecured:**

(i) ₹ Nil (As at March 31, 2023 ₹ 150 crore) Loan repaid in two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate was 6.80% p.a.

(ii) ₹ Nil (Previous year ₹69 crore) pertains to a subsidiary at Brazil repayable in quaterly structured instalments during from 2024 to 2025. The present rate of interest is 19.15% p.a. (previous year interest rates ranges from 11.65% to 17.89% p.a). These loans are repayable in Brazilian Real (BRL).

(iii) ₹ Nil (previous year ₹57.04 crore) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2023 to 2024. The present interest rate are in ranges from 18.40% to 22.25% p.a. These loans are repayable in Brazilian Real (BRL).

(iv) ₹ 50.08 crore (previous year ₹Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2025 to 2026. The present interest rate is from 13.96% p.a. These loans are repayable in Brazilian Real (BRL).

(v) ₹ 24.55 crore (previous year ₹ Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2026 to 2027. The present interest rate is 10.80% p.a. These loans are repayable in Brazilian Real (BRL).

Note 30.4 The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

### NOTE 31 - LEASE LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Current** | | |
| Lease liabilities (Refer note 51 ) | 24.57 | 25.75 |
| | **24.57** | **25.75** |

### NOTE 32 - TRADE PAYABLES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| (i) Total outstanding dues of micro and small enterprises (Refer Note 32.1) | 167.62 | 171.98 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | | |
| (a) Acceptances | 1,536.75 | 2,113.06 |
| (b) Others | 7,502.61 | 6,103.29 |
| | **9,039.36** | **8,216.35** |
| | **9,206.98** | **8,388.33** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Note 32.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) The principal amount remaining unpaid to supplier as at the end of accounting year | 142.78 | 153.04 |
| (b) The interest due thereon remaining unpaid to supplier as at the end of accounting year. | 5.41 | 3.17 |
| (c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year | - | - |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act. | 19.43 | 15.77 |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year | 5.90 | 0.71 |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure. | 24.84 | 18.94 |

### Note 32.2: Trade payable ageing schedule

**As at March 31, 2024**

₹ in Crore

| Particulars | Outstanding for following periods from due date of payments | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dispute Status | Unbilled | Not Due | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| Micro and Small enterprises | Disputed | - | - | - | - | - | - | **-** |
| | Undisputed | - | 35.30 | 125.67 | 5.38 | 1.02 | 0.25 | **167.62** |
| Other than Micro and Small enterprises | Disputed | - | - | - | 0.02 | 0.13 | 0.35 | **0.50** |
| | Undisputed | 1,829.12 | 2,683.62 | 2,324.75 | 407.57 | 116.60 | 140.45 | **7,502.11** |
| Acceptances | | - | 1,536.75 | - | - | - | - | **1,536.75** |
| **Total** | | **1,829.12** | **4,255.66** | **2,450.42** | **412.96** | **117.75** | **141.05** | **9,206.98** |

**As at March 31, 2023**

₹ in Crore

| Particulars | Outstanding for following periods from due date of payments | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Dispute Status | Unbilled | Not Due | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| Micro and Small enterprises | Disputed | - | - | - | - | - | - | **-** |
| | Undisputed | - | 82.99 | 48.02 | 18.84 | 12.41 | 9.72 | **171.98** |
| Other than Micro and Small enterprises | Disputed | - | - | - | - | 0.01 | 0.62 | **0.63** |
| | Undisputed | 1,442.48 | 3,306.56 | 868.66 | 246.54 | 97.57 | 140.85 | **6,102.66** |
| Acceptances | | - | 2,113.06 | - | - | - | - | **2,113.06** |
| **Total** | | **1,442.48** | **5,502.61** | **916.68** | **265.38** | **109.99** | **151.19** | **8,388.33** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 33 - OTHER FINANCIAL LIABILITIES

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Interest accrued but not due on borrowings | 13.80 | 21.39 |
| (b) | Interest accrued on acceptances | 0.26 | 0.25 |
| (c) | Unpaid / unclaimed dividends # | 2.97 | 3.00 |
| (d) | Payable towards purchase of property plant and equipment | 7.40 | 10.52 |
| (e) | Mark to market loss on forward and commodity contracts (Refer Note 53 C) | 1.94 | 15.91 |
| (f) | Directors' commission | 3.32 | 3.10 |
| | | **29.69** | **54.17** |

*# The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. There are no amounts required to be transferred to Investor educationa and protection fund as at balance sheet date.*

## NOTE 34 - CONTRACT LIABILITIES

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (i) | Amount due to customers for contract works | 131.05 | 245.75 |
| (ii) | Advance from customer | 1,065.29 | 967.84 |
| (iii) | Interest on customer advance | 15.15 | 16.75 |
| | | **1,211.49** | **1,230.34** |

## NOTE 35 - OTHER CURRENT LIABILITIES

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Advances against assets classified as held for sale [Refer note 22.1(a)] | 9.41 | 9.41 |
| (b) | Other payables | | |
| | - Statutory dues (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.) | 269.28 | 202.99 |
| | - Liability towards Corporate Social Responsibility (Refer note 60) | 2.65 | 4.34 |
| | - Deferred Government Grant (Refer note 29.1)* | 0.02 | 0.02 |
| | | **271.95** | **207.35** |
| | | **281.36** | **216.76** |

### * Movement in deferred Government Grant

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **0.02** |
| Less: Recognised as income during the year | 0.02 |
| Add: Transferred from other non current liabilities (Refer note 29) | 0.02 |
| **Balance as at March 31, 2023** | **0.02** |
| Less: Recognised as income during the year | 0.02 |
| Add: Transferred from other non current liabilities (Refer note 29) | 0.02 |
| **Balance as at March 31, 2024** | **0.02** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 36 - PROVISIONS

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **(a)** | **Provision for employee benefits** | | |
| | - Compensated absences (Refer note 54) | 38.49 | 37.22 |
| | - Gratuity, post employment benefits (Refer note 54) | 3.56 | 2.85 |
| | | **42.05** | **40.07** |
| **(b)** | **Provision - others :** | | |
| | - Warranty provisions (Refer Note 36.1) | 5.31 | 5.69 |
| | - Provision for litigation claims (Refer note 36.2 and note 36.3) | 27.32 | 21.38 |
| | - Provision for foreseeable losses on construction contracts (Refer note 36.4) | 20.47 | 27.30 |
| | | **53.10** | **54.37** |
| | | **95.15** | **94.44** |

### Note: 36.1 Warranty provisions

The Group bases its estimates of warranty cost on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The warranty provisions for various years are as follows:

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening balance | 5.69 | 3.11 |
| Additions | 9.01 | 1.84 |
| Utilisations /(reversals) | (9.53) | (0.02) |
| Effect of translation adjustment loss | 0.14 | 0.76 |
| **Closing balance** | **5.31** | **5.69** |

### Note: 36.2

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Opening balance | 21.38 | 19.78 |
| Additions | 10.25 | 2.99 |
| Less: Reversals | 4.40 | 1.78 |
| Effect of translation adjustment loss | 0.09 | 0.39 |
| **Closing balance** | **27.32** | **21.38** |

### Note: 36.3

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the Company. The same is challenged by the Company before Hon'ble Delhi High Court. The balance provision relate to various indirect tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Note 36.4 Movement in Provision for expected forseable losses on construction contracts

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | **27.30** | **25.29** |
| Additions | 6.15 | 20.86 |
| Less: Reversals | 12.84 | 18.90 |
| Effect of translation adjustment (gain) / loss | (0.14) | 0.05 |
| **Closing balance** | **20.47** | **27.30** |

Provision for forseable loss represents provision created towards unavoidable costs of meeting the obligations under the contract which exceeds the economic benefits expected to be received under it.

### NOTE 37 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax liabilities less payments | 101.08 | 107.98 |
| | **101.08** | **107.98** |

### NOTE 38 - REVENUE FROM OPERATIONS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Revenue from Contract with customers (Refer Note 50)** | | |
| (a) Sale of products | 2,943.86 | 2,253.47 |
| (b) Construction contracts revenue | 16,607.65 | 14,709.15 |
| (c) Sale of services | 43.83 | 34.18 |
| | **19,595.34** | **16,996.80** |
| **Other operating revenue** | | |
| - Scrap sales | 279.63 | 255.78 |
| - Export benefits and Others | 39.20 | 29.13 |
| | **318.83** | **284.91** |
| | **19,914.17** | **17,281.71** |





Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### NOTE 39 - OTHER INCOME

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| (a) Interest income earned on financial assets that are not designated at fair value through profit or loss: | | |
| (i) Bank deposits (at amortised cost) | 3.91 | 2.00 |
| (ii) Other financial assets carried at amortised cost | 14.03 | 14.19 |
| | **17.94** | **16.19** |
| (b) Other Interest Income | | |
| - Income tax refund | 27.38 | 7.01 |
| | **27.38** | **7.01** |
| (c) Government Grant (Refer Note 29.1) | 0.02 | 0.02 |
| (d) Other non-operating income | | |
| (i) Guarantee charges | 1.51 | 0.90 |
| (ii) Profit on sale of property, plant and equipment | 3.26 | 4.28 |
| (iii) Bad Debts Recovered | - | 0.41 |
| (iv) Miscellaneous income# | 2.30 | 2.51 |
| | **7.07** | **8.10** |
| | **52.41** | **31.32** |

*# It includes rent income on operating leases of ₹0.30 crore.(previous year ₹ 0.29 crore) [(Refer note 55 (B)]*

### NOTE 40 - COST OF MATERIALS CONSUMED

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Cost of materials consumed (including project bought outs) | 8,413.69 | 6,969.83 |
| | **8,413.69** | **6,969.83** |

### NOTE 41 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Opening stock** | | |
| Finished goods | 212.02 | 227.29 |
| Work-in-progress | 112.40 | 195.90 |
| | **324.42** | **423.19** |
| **Less: Closing stock** | | |
| Finished goods | 291.27 | 212.02 |
| Work-in-progress | 38.85 | 112.40 |
| | **330.12** | **324.42** |
| | **(5.70)** | **98.77** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 42 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Erection / construction materials consumed | 2,905.38 | 2,234.50 |
| Stores consumed | 167.60 | 210.41 |
| Sub-contracting expenses | 3,428.92 | 3,391.07 |
| Power, fuel and water charges | 53.13 | 79.38 |
| Construction transport | 148.05 | 151.00 |
| Machinery Hire charges | 276.59 | 268.58 |
| Others (Material Testing, Hire Labour, Security etc.) | 197.15 | 217.30 |
| | **7,176.82** | **6,552.24** |

## NOTE 43 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Salaries, wages and other allowances | 1,293.53 | 1,224.89 |
| Contribution to provident fund and other funds (Refer Note 54) | 44.32 | 39.70 |
| Staff welfare expenses | 102.78 | 91.65 |
| | **1,440.63** | **1,356.24** |

## NOTE 44 - FINANCE COSTS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Interest expense for financial liabilities not classified at FVTPL | 634.50 | 523.06 |
| Interest on Micro and Small Enterprise | 5.90 | 0.71 |
| Interest expense on lease liabilities | 9.57 | 10.27 |
| Other borrowing costs (processing fees, etc.) | 5.16 | 4.55 |
| | **655.13** | **538.59** |

## NOTE 45 :- DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Depreciation on property, plant and equipment (Refer Note 5) | 145.96 | 121.80 |
| Depreciation on Right of Use Assets (Refer Note 6) | 21.86 | 23.49 |
| Amortisation of intangible assets (Refer Note 9) | 17.54 | 16.19 |
| | **185.36** | **161.48** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 46 - OTHER EXPENSES

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Tools, non-erection stores and maintenance spares consumed | 40.42 | 22.70 |
| Power and fuel | 81.39 | 72.60 |
| Rent | 66.45 | 57.22 |
| Rates and taxes, excluding taxes on income (net) | 87.28 | 77.04 |
| Insurance | 118.93 | 112.23 |
| Bank (guarantee, letter of credit and other) charges | 141.39 | 117.16 |
| Commission | 41.31 | 38.84 |
| Freight and forwarding (net) | 371.54 | 369.05 |
| Repairs to buildings | 11.45 | 9.06 |
| Repairs to plant and equipment | 30.71 | 19.24 |
| Repairs - others | 21.08 | 18.14 |
| Travelling and conveyance | 129.72 | 115.39 |
| Payment to statutory auditors (net of Goods and Service tax input credit, where applicable) | | |
| -as auditors (for audit of financial statements and limited reviews) | 2.56 | 1.92 |
| -for tax audit | 0.08 | 0.08 |
| -for certification work | 0.47 | 0.80 |
| -for reimbursement of expenses | 0.05 | 0.02 |
| | **3.16** | **2.82** |
| Professional fees | 158.84 | 171.71 |
| Bad debts and loans written off | 23.41 | 28.38 |
| Less: Adjusted against allowance for bad and doubtful debts and loans | (21.24) | (10.72) |
| | **2.17** | **17.66** |
| Allowance for bad and doubtful debts, loans | 90.91 | 32.80 |
| Directors' fees | 0.56 | 0.70 |
| Loss on property, plant and equipment discarded | 2.64 | 0.95 |
| Net gain on foreign currency transactions (Refer note 46.2) | (5.89) | (28.19) |
| Corporate Social Responsibility (Refer note 60) | 13.18 | 14.04 |
| Miscellaneous expenses (Refer note 46.1) | 266.92 | 233.74 |
| | **1,674.16** | **1,474.90** |

**Note 46.1** : Miscellaneous expenses shown above include fees of ₹ 1.79 crore (Previous year ₹ 1.92 crore) paid to branch auditors, fees of ₹ 0.14 crore for auditors of joint operations (Previous year of ₹ 0.40 crore), fees of ₹ 2.89 crore for auditors of subsidiaries (Previous year ₹ 2.98 crore).

**Note 46.2** : Net gain on foreign currency transactions includes loss on derivative instruments ₹0.04 crore (previous year loss ₹5.48 crore)

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 47 - TAX EXPENSE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 125.97 | 117.84 |
| In respect of prior years | (11.87) | 3.90 |
| | **114.10** | **121.74** |
| **Deferred tax** | | |
| In respect of the current year | (42.22) | (112.79) |
| In respect of prior years | 7.83 | (24.00) |
| | **(34.39)** | **(136.79)** |
| **Total income tax expense recognised in the Consolidated Statement of Profit and Loss** | **79.71** | **(15.05)** |

### Note 47.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Consolidated Statement of Profit and Loss is as follows :

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Profit after exceptional items and before tax | **426.49** | **160.98** |
| | | |
| Indian Statutory income tax rate | 25.17% | 25.17% |
| Income tax expense | **107.35** | **40.52** |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | 4.31 | 2.32 |
| Corporate social responsibility expenditure | 3.33 | 3.53 |
| Tax effect of amounts taxable at lower tax rates/ different tax rates | (16.58) | (6.25) |
| Effect of different tax rates of subsidiaries operating in other jurisdictions | (23.65) | (43.22) |
| Foreign Tax credit not available | 11.86 | 9.36 |
| Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction | (1.51) | 0.02 |
| Tax effect due to business combination adjustment on account of merger and acquisition | (1.36) | (1.23) |
| | **83.75** | **5.05** |
| Adjustments recognised in the current year in relation to the current tax of prior years | (4.04) | (20.10) |
| **Income tax expense in the Consolidated Statement of Profit and Loss** | **79.71** | **(15.05)** |

The tax rate used for the financial years 2023-24 and 2022-23 reconciliations above is the corporate tax rate of 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.






# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024


### Note 47.2- Income tax recognised in other comprehensive income

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Deferred tax** | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| - Translation of foreign joint operations and subsidiaries | (3.02) | 3.09 |
| - Net gain on designated portion of hedging instruments | (7.89) | 2.80 |
| - Remeasurement of defined obligations | (0.63) | 0.29 |
| | **(11.54)** | **6.18** |
| **Total income tax recognised in other comprehensive income** | **(11.54)** | **6.18** |
| Bifurcation of the income tax recognised in other comprehensive income into : | | |
| - Items that will not be reclassified to profit or loss | (0.63) | 0.29 |
| - Items that will be reclassified to profit or loss | (10.91) | 5.89 |
| | **(11.54)** | **6.18** |

## NOTE 48 - EARNINGS PER SHARE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 (₹ Per Share) | For the Year ended March 31, 2023 (₹ Per Share) |
|---|---|---|
| (a) Basic earnings per share | 13.49 | 6.85 |
| (b) Diluted earnings per share | 13.49 | 6.85 |

### Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Profit for the year attributable to the equity share holders of the Company | 346.78 | 176.03 |
| Earnings used in the calculation of basic/diluted earnings per share | 346.78 | 176.03 |

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Weighted average number of equity shares for the purposes of basic/diluted earnings per share | 257,088,370 | 257,088,370 |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 49 - JOINT ARRANGEMENTS FOR EXECUTION OF THE PROJECTS

a) The Company has entered into the following joint venture agreements for execution of the construction projects (hereinafter referred as 'Jointly controlled operations'). Accounting for these entities is done in the standalone financial statements of the Company as per their respective ownership interest as per Joint venture agreements.

Details of the Group's Jointly Controlled Operations are as under:

| | Particulars | Principal place of busines | Ownership interest as per Joint venture agreements | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| i | Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 49 (b)(i)] | Saudi | 51.10% | 51.10% |
| ii | EJP KEC Joint Venture, South Africa | South Africa | 50.00% | 50.00% |
| iii | KEC – ASSB JV, Malaysia | Malaysia | 67.00% | 67.00% |
| iv | KEC – ASIAKOM – UB JV | India | 60.00% | 60.00% |
| v | KEC – ASIAKOM JV | India | 51.00% | 51.00% |
| vi | KEC – DELCO – VARAHA JV | India | 80.00% | 80.00% |
| vii | KEC – VARAHA – KHAZANA JV | India | 80.00% | 80.00% |
| viii | KEC – VALECHA – DELCO JV | India | 51.00% | 51.00% |
| ix | KEC – SIDHARTH JV | India | 80.00% | 80.00% |
| x | KEC – TRIVENI – KPIPL JV | India | 55.00% | 55.00% |
| xi | KEC – UNIVERSAL JV | India | 80.00% | 80.00% |
| xii | KEC – DELCO – DUTSAN JV | India | 51.00% | 51.00% |
| xiii | KEC – ANPR – KPIPL JV | India | 60.00% | 60.00% |
| xiv | KEC – PLR – KPIPL JV | India | 55.00% | 55.00% |
| xv | KEC – BJCL JV | India | 51.00% | 51.00% |
| xvi | KEC – KIEL JV | India | 90.00% | 90.00% |
| xvii | KEC – ABEPL JV | India | 90.00% | 90.00% |
| xviii | KEC – TNR INFRA JV | India | 51.00% | 51.00% |
| xix | KEC – SMC JV | India | 51.00% | 51.00% |
| xx | KEC – WATERLEAU JV | India | 51.00% | 51.00% |
| xxi | KEC – CCECC JV (RAILWAY) | India | 74.00% | 74.00% |
| xxii | KEC – CCECC JV (CIVIL) | India | 74.00% | 74.00% |
| xxiii | CCECC – KEC JV (CIVIL) | India | 98.50% | 98.50% |
| xxiv | LONGJIAN – KEC JV | India | 98.50% | 98.50% |
| xxv | MBPL – KEC JV | India | 49.00% | 49.00% |
| xxvi | VNC – KEC JV | India | 49.00% | 49.00% |
| xxvii | HCC – KEC CONSORTIUM | India | 49.00% | 49.00% |
| xxviii | KEC – VNC CONSORTIUM | India | 50.00% | 50.00% |
| xxix | KEC – SPML JV | | | |
| | a) KEC – SPML JV (Rayagada and Ganjam Project Civil) | India | 70.00% | 70.00% |
| | b) KEC - SPML JV (Nayagarh and Bargarh Project Civil ) | India | 95.00% | 95.00% |
| xxx | KEC – EMRAIL JV | India | 74.00% | 74.00% |
| xxxi | KEC – VNC JV ( Civil) | India | 50.00% | - |
| xxxii | KEC-VNC-EMRAIL JV (Railway) | India | 97.50% | - |
| xxxiii | KEC – VNC JV (Railway) | India | 98.00% | - |
| xxxiv | SPML INFRA LIMITED IN JV WITH KEC INTERNATIONAL LIMITED | India | 97.50% | - |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

b) (i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which hold 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation. In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

ii) The Group account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above. Accordingly, the Group has recognised its share in total income from operations ₹3,127.78 crore (for the year ended March 31, 2023 ₹2,280.49 crore), total expenditure (including tax) ₹ 2,972.27 crore (for the year ended March 31, 2023 ₹ 2,209.20 crore), total assets as at March 31, 2024 ₹ 2,649.88 crore (as at March 31, 2023 ₹ 2,083.08 crore) and total liabilities as at March 31, 2024 ₹2,208.57 crore (as at March 31, 2023 ₹ 1,805.99 crore) in Jointly Controlled Operations.

iii) Apart from the Joint Venture (JV) agreements disclosed above in note no. 49 (a) The Group has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Group has recognised revenue, expenses, assets and liabilities related to its own share of work in standalone financial statement and respective financial statement of these JVs are not considered for the purpose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

## NOTE 50 - REVENUE FROM CONTRACTS WITH CUSTOMERS

### Note 50.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the following major product lines and geographical regions:

₹ in Crore

| For the year ended March 31, 2024 | Transmission & Distribution | Railways | Civil | Cables | Solar | Oil & Gas | Total |
|---|---|---|---|---|---|---|---|
| **Geographical region:** | | | | | | | |
| - India | 3,484.56 | 3,326.96 | 5,525.83 | 1,462.13 | 410.30 | 656.53 | **14,866.31** |
| - UAE | 973.64 | - | - | 4.11 | - | - | **977.75** |
| - Brazil, Mexico & USA | 1,462.12 | - | - | - | - | - | **1,462.12** |
| - Geographies other than above | 5,244.75 | - | - | 156.85 | - | - | **5,401.60** |
| **Less: Inter-unit revenue** | | | | | | | |
| - India | 101.79 | 268.87 | 1,259.12 | 431.23 | - | 310.94 | **2,371.95** |
| - UAE | 206.02 | - | - | - | - | - | **206.02** |
| - Brazil, Mexico & USA | 52.96 | - | - | - | - | - | **52.96** |
| - Geographies other than above | 481.51 | - | - | - | - | - | **481.51** |
| Revenue from external customers | **10,322.79** | **3,058.09** | **4,266.71** | **1,191.86** | **410.30** | **345.59** | **19,595.34** |
| **Timing of revenue recognition** | | | | | | | |
| - At a point in time | 1,791.55 | - | 7.02 | 1,189.12 | - | - | **2,987.69** |
| - Over time | 8,531.25 | 3,058.09 | 4,259.70 | 2.72 | 410.30 | 345.59 | **16,607.65** |
| | **10,322.80** | **3,058.09** | **4,266.72** | **1,191.84** | **410.30** | **345.59** | **19,595.34** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| For the year ended March 31, 2023 | Transmission & Distribution | Railways | Civil | Cables | Solar | Oil & Gas | Total |
|---|---|---|---|---|---|---|---|
| **Geographical region:** | | | | | | | |
| - India | 2,375.38 | 3,916.47 | 4,313.15 | 1,469.71 | 4.74 | 511.29 | **12,590.74** |
| - UAE | 718.09 | - | - | 0.95 | 4.73 | - | **723.77** |
| - Brazil, Mexico & USA | 1,314.40 | - | - | - | - | - | **1,314.40** |
| - Geographies other than above | 4,934.91 | - | - | 122.24 | - | - | **5,057.15** |
| **Less: Inter-unit revenue** | | | | | | | |
| - India | 12.61 | 256.09 | 1,009.90 | 460.66 | - | 172.87 | **1,912.13** |
| - UAE | 192.87 | - | - | - | 4.73 | - | **197.60** |
| - Brazil, Mexico & USA | 41.17 | - | - | - | - | - | **41.17** |
| - Geographies other than above | 538.36 | - | - | - | - | - | **538.36** |
| Revenue from external customers | **8,557.77** | **3,660.38** | **3,303.25** | **1,132.24** | **4.74** | **338.42** | **16,996.80** |
| **Timing of revenue recognition** | | | | | | | |
| - At a point in time | 1,145.77 | - | 6.57 | 1,132.24 | 3.07 | - | **2,287.65** |
| - Over time | 7,412.00 | 3,660.38 | 3,296.68 | - | 1.67 | 338.42 | **14,709.15** |
| | **8,557.77** | **3,660.38** | **3,303.25** | **1,132.24** | **4.74** | **338.42** | **16,996.80** |

The Group recognised revenue amounting to ₹ 231.27 crore (for the year ended March 31, 2023, ₹ 500.04 crore) in the current reporting period that was included in the Amount due to customers for contract works balance i.e. contract liabilities as at March 31, 2023.

### Note 50.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2024 is ₹ 29,644 crore (as at year ended March 31, 2023, ₹ 30,951 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 70% to 80% of the transaction price allocated to unsatisfied contracts as of March 31, 2024 will be recognised as revenue during the next reporting period depending upon the progress on each contract. The remaining amount is expected to be recognised in subsequent years, largely in year 2. The amount disclosed above does not include variable consideration.

**Note 50.3** In case of EPC projects, where the goods are procured from a third party, the Group makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Group is significantly involved in designing and manufacturing the procured material and/or there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

**Note 50.4** Reconciliation of revenue recognized with contract price

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Contracted price as at opening of the year** | **30,951.41** | **23,715.83** |
| Add: New contracts entered during the year | 18,102.00 | 22,378.00 |
| Add/(Less): Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net) | 185.93 | 1,854.38 |
| Less: Revenue recognized during the year | (19,595.34) | (16,996.80) |
| **Contracted price as at end of the year** | 29,644.00 | 30,951.41 |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 51 - LEASES

₹ in Crore

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (i) | **The Balance sheet shows the following amounts relating to leases:** | | |
| | **Right of use assets** (Refer note 6) | | |
| | Buildings | 51.59 | 62.99 |
| | Plant & Machinery | - | 0.12 |
| | Vehicles | - | - |
| | Land | 143.65 | 151.46 |
| | | **195.24** | **214.57** |
| | **Lease liabilities** | | |
| | Current (Refer note 31) | 24.57 | 25.75 |
| | Non-current (Refer note 26) | 148.14 | 163.17 |
| | | **172.71** | **188.92** |

₹ in Crore

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (ii) | **Amounts recognised in statement of profit and loss** | | |
| | **Depreciation charge on Right of use assets (Refer note 6)** | | |
| | Buildings | 12.81 | 14.13 |
| | Plant & Machinery | 0.22 | 0.46 |
| | Vehicles | - | 0.07 |
| | Land | 8.83 | 8.83 |
| | | **21.86** | **23.49** |
| (iii) | Interest expense included in finance cost | 9.57 | 10.27 |
| (iv) | Expense relating to short-term leases (included in other expenses) | 81.39 | 57.22 |
| (v) | Expense relating to leases of low-value assets that are not shown above as short-term leases | - | - |
| (vi) | Expense relating to variable lease payments not included in lease liability | - | - |
| (vii) | Amount recognised in profit and loss arising from rent concessions (Refer note 53.1) - (gain) / loss | - | - |

(a) Total cash outflow for leases during current financial year is ₹ 26.61 crore (previous year ₹30.09 crore)

(b) Additions to the right of use assets during the current financial year is ₹ 0.76 crore (previous year ₹0.21 crore)

(c) There are no sale & leaseback transactions.

(d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.

(e) Short term leases are leases with a lease of 12 months or less. There are no leases of low value assets during the current year.

(f) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 5.88% (Previous year: 5.87%)

### Note 51.1

The Group has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 52 - CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 25 and 30 offset by cash and bank balances in Notes 17 and 18) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

### Gearing ratio

The gearing ratio at end of the reporting period is as follows :

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Debt * | A | 3,998.83 | 3,404.76 |
| Cash and cash equivalents | B | 205.10 | 281.16 |
| Net debt (C ) | C=A-B | 3,793.73 | 3,123.60 |
| Total equity | D | 4,095.70 | 3,771.42 |
| **Net debt to equity ratio (E)** | **E=C/D** | **0.93** | **0.83** |

** Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 25 and 30 and includes interest accrued thereon and lease liabilities as per Note 33 and 26.*

During the year ended March 31, 2024, the Group has distributed the final dividend of ₹3 per equity share for the year ended March 31, 2023 amounting to ₹ 77.12 crore.

The Board of directors, at their meeting held on May 07, 2024 recommended the final dividend of ₹4 per equity share for the year ended March 31, 2024, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 102.84 crore based on number of shares outstanding as at March 31, 2024.

## NOTE 53 DISCLOSURE AS PER IND AS 107

### A Fair Value Measurement

**I. Category-wise classification of financial assets and financial liabilities**

₹ in Crore

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| **Financial assets** | | | | | | |
| Non-current investment | | | | | | |
| - Investment in equity instruments | - | * | - | - | * | - |
| - Investment in commercial paper | - | - | - | - | - | - |
| Trade receivables | - | - | 4,424.96 | - | - | 4,640.97 |
| Cash and bank balances | - | - | 273.28 | - | - | 344.16 |
| Loans | - | - | - | - | - | - |
| Other financial assets | | | | | | |
| - Derivative instruments | | | | | | |
| i) Foreign currency forward contracts | 5.25 | 0.52 | - | 3.12 | 3.57 | - |
| ii) Over the counter (OTC) commodity derivative contracts % | - | 34.02 | - | - | 8.27 | - |
| - Others | - | - | 170.66 | - | - | 225.86 |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| **Financial liabilities** | | | | | | |
| Borrowings ( including interest accrued) | - | - | 3,826.12 | - | - | 3,215.84 |
| Lease Liabilities | | | 172.71 | | | 188.92 |
| Trade payables | - | - | 9,206.98 | - | - | 8,388.33 |
| Other financial liabilities | | | | | | |
| - Derivative instruments | | | | | | |
| i) Foreign currency forward contracts | 0.18 | 0.70 | - | 3.91 | 7.64 | - |
| ii) Over the counter (OTC) commodity derivative contracts | - | 1.06 | - | - | 4.36 | - |
| - Others | - | - | 13.95 | - | - | 16.87 |

** less than rounding off norms adopted by the group.*

*' FVPL - Fair Value Through Profit or Loss*

*' FVOCI - Fair Value Through Other Comprehensive Income*

**II. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)**

₹ in Crore

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Fair Value | Carrying Amount | Fair Value | Carrying Amount |
| **Non-current financial assets** | | | | |
| Trade receivables | 288.34 | 288.34 | 359.30 | 359.30 |
| Other Financial Assets | 61.94 | 61.94 | 76.20 | 76.20 |
| **Non current financial liabilities** | - | - | - | - |
| Borrowings | 252.86 | 252.86 | 493.16 | 493.16 |
| Lease liabilities | 148.14 | 148.14 | 163.17 | 163.17 |

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

**III. Assets and liabilities which are measured at FVPL or FVOCI**

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities are measured on a recurring basis at the end of each reporting period.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

| | Financial assets/ financial liabilities | Fair values as at March 31, 2024 | Fair values as at March 31, 2023 | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|---|
| 1) | Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships) | Asset ₹ 5.25 | Asset ₹ 3.12 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 2) | Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships) | Liability ₹ 0.18 | Liability ₹ 3.91 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 3) | Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts) | Asset ₹ 0.50 | Asset ₹ 3.57 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 4) | Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts) | Liability ₹ 0.58 | Liability ₹ 7.44 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 5) | Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using foreign currency forward contracts) | Asset ₹ 0.02 | Asset NIL | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 6) | Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using foreign currency forward contracts) | Liability ₹ 0.12 | Liability ₹ 0.20 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 7) | Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Asset ₹ 34.02 | Asset ₹ 8.27 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 8) | Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Liability ₹ 1.06 | Liability ₹ 4.36 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate. |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## B Financial risk management

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

### Note 53B. 1 Market risk

The Group seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Group has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates [refer Notes 53B.1(a) and 53B.1(b) below] and commodity prices (refer Note 53C below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the price risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors .

**(a) Foreign currency risk management**

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

Following is the foreign currency exposure of the Group :

₹ in Crore

| Particulars | USD | BRL | EUR | SAR | AED | Others | Total |
|---|---|---|---|---|---|---|---|
| **As at March 31, 2024** | | | | | | | |
| Assets | 2,039.88 | 208.25 | 685.88 | 1,347.18 | 433.98 | 716.08 | **5,431.25** |
| Less: Hedged through forward contracts | 94.11 | - | 344.15 | - | - | - | **438.26** |
| **Net Assets (i)** | **1,945.77** | **208.25** | **341.73** | **1,347.18** | **433.98** | **716.08** | **4,992.99** |
| Liabilities | (1,526.68) | (567.65) | (235.99) | (610.54) | (443.48) | (299.45) | **(3,683.79)** |
| Less: Hedged through forward contracts | - | - | (0.19) | - | - | (4.28) | **(4.47)** |
| **Net Liabilities (ii)** | **(1,526.68)** | **(567.65)** | **(235.80)** | **(610.54)** | **(443.48)** | **(295.17)** | **(3,679.32)** |
| **Net exposure (i)+(ii)** | **419.09** | **(359.40)** | **105.93** | **736.64** | **(9.50)** | **420.91** | **1,313.67** |
| **As at March 31, 2023** | | | | | | | |
| Assets | 2,516.57 | 225.81 | 500.34 | 729.48 | 320.66 | 902.27 | **5,195.13** |
| Less: Hedged through forward contracts | 227.48 | - | - | - | - | 262.21 | **489.69** |
| **Net Assets (i)** | **2,289.09** | **225.81** | **500.34** | **729.48** | **320.66** | **640.06** | **4,705.44** |
| Liabilities | (1,579.05) | (710.95) | (23.03) | (341.53) | (309.96) | (342.73) | **(3,307.25)** |
| Less: Hedged through forward contracts | - | - | - | - | - | (4.12) | **(4.12)** |
| **Net Liabilities (ii)** | **(1,579.05)** | **(710.95)** | **(23.03)** | **(341.53)** | **(309.96)** | **(338.61)** | **(3,303.13)** |
| **Net exposure (i)+(ii)** | **710.04** | **(485.14)** | **477.31** | **387.95** | **10.70** | **301.45** | **1,402.31** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Sensitivity for above net exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of foreign operations whose Functional currency is other than INR.

5% appreciation / depreciation in the foreign currency will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

| Exposure to currencies | Change in rate | Impact on profit before tax | | Impact on equity | |
|---|---|---|---|---|---|
| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| USD | +5% | 15.18 | 25.59 | 5.77 | 9.91 |
| | -5% | (15.18) | (25.59) | (5.77) | (9.91) |
| BRL | +5% | - | - | (17.97) | (24.26) |
| | -5% | - | - | 17.97 | 24.26 |
| EUR | +5% | 5.06 | 24.09 | 0.24 | (0.22) |
| | -5% | (5.06) | (24.09) | (0.24) | 0.22 |
| SAR | +5% | (0.24) | (0.22) | 37.07 | 19.62 |
| | -5% | 0.24 | 0.22 | (37.07) | (19.62) |
| AED | +5% | 3.00 | 4.93 | (3.48) | (4.40) |
| | -5% | (3.00) | (4.93) | 3.48 | 4.40 |
| Others | +5% | 16.95 | 8.66 | 4.09 | 6.41 |
| | -5% | (16.95) | (8.66) | (4.09) | (6.41) |

**(b) Interest rate risk management**

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. While most of the Group's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR.

Group's rupee borrowings are linked to variability in Bank MCLR rate, repo rate and T bill rates.

The Group's exposures to interest rates changes at the end of the reporting period are as follows :

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Variable rate instruments | 1,931.66 | 1,260.32 |
| Fixed rate instruments | 1,880.66 | 1,934.13 |
| | **3,812.32** | **3,194.45** |

### Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's:

Profit for the year ended March 31, 2024 would decrease/increase by ₹9.66 crore (for the year ended March 31, 2023: decrease/increase by ₹6.30 crore ). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**(c) Commodity price risk**

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

### Note 53B.2 Liquidity risk management

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

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crore

| Particulars | Less than 1 year | 1-3 Years | 3-5 Years | More than 5 years | Total | Carrying Amount |
|---|---|---|---|---|---|---|
| As at March 31, 2024 | | | | | | |
| Borrowings | 3,667.58 | 249.62 | - | - | **3,917.20** | **3,826.12** |
| Lease liabilities | 23.43 | 44.61 | 31.63 | 164.70 | **264.37** | **172.71** |
| Trade payables | 9,206.98 | - | - | - | **9,206.98** | **9,206.98** |
| Other financial liabilities | 15.89 | - | - | - | **15.89** | **15.89** |
| **Total** | **12,913.88** | **294.23** | **31.63** | **164.70** | **13,404.44** | **13,221.70** |
| **As at March 31, 2023** | | | | | | |
| Borrowings | 2,775.39 | 398.15 | 165.84 | - | **3,339.38** | **3,215.84** |
| Lease liabilities | 22.05 | 52.61 | 38.67 | 166.06 | **279.39** | **188.92** |
| Trade payables | 8,388.33 | - | - | - | **8,388.33** | **8,388.33** |
| Other financial liabilities | 32.78 | - | - | - | **32.78** | **32.78** |
| **Total** | **11,218.55** | **450.76** | **204.51** | **166.06** | **12,039.88** | **11,825.87** |

The Group has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 8,764.18 crore as at March 31, 2024 (₹ 9,180.70 crore as at March 31, 2023).

### Note 53B.3 Credit risk management

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

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

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

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

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

Refer Note No. 11, 12, 16 and 20 for ECL provisioning and its movement on financial assets carried at amortised cost

**Company estimates the following provision matrix at the reporting date.**

| Particulars | Expected Credit Loss ( ECL)% | |
|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 |
| Not Due | 0.01% to 0.86% | 0.04% to 1.00% |
| From 0 to 6 Months | 0.03% to 1.66% | 0.15% to 3.75% |
| 6 Months to 1 Year | 0.85% to 10.50% | 0.35% to 15.50% |
| 1 Year to 2 year | 4.85% to 32.00% | 0.90% to 50.00% |
| 2 year to 3 year | 10.00% to 65.00% | 10.00% to 80.00% |
| More than 3 year | 22.50% to 100.00% | 25.00% to 100.00% |

**Concentration risk:** As at the year ended March 31, 2024, none of the customers exceed 10% of the Group's total trade receivables. As at year ended March 31, 2023, one of the customer exceed 10% of the Group's total trade receivables.

In addition the Group is exposed to credit risk in relation to financial guarantees given by the Group on behalf of its jointly controlled operations (net of Company's share). The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2023 is ₹ 303.21 crores (as at March 31, 2023; ₹ 245.10 crore). These financial guarantees have been issued to the banks / customers on behalf of the jointly controlled operations under the agreements entered into by the jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Group considers the likelihood of any claim under the guarantee as remote.

**Cash and cash equivalents:**

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

**Other Bank Balances:**

Other bank balances are held with bank and financial institution counterparties with good credit rating.

**Derivatives:**

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

**Other financial assets:**

Other financial assets are neither past due nor impaired.





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### Note 53C Derivative Financial instruments

The Group has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing the foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Group mainly uses forward contracts to manage the foreign currency risk.

**(a) The following table details the non deignated foreign currency (FC) forward contracts, outstanding at the end of the reporting period.**

| Outstanding contracts | Foreign currency (FC in Crore) | | Nominal amounts (₹ in Crore) | | Change in fair value assets /(liabilities) (₹ in Crore) | |
|---|---|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Sell USD/INR** | | | | | | |
| Less than 1 year | 1.13 | 2.77 | 94.11 | 227.48 | (0.07) | 2.40 |
| **Sell EURO/ USD** | | | | | | |
| Less than 1 year | 0.33 | - | 29.70 | - | 0.38 | - |
| **Sell EURO/ INR** | | | | | | |
| Less than 1 year | 3.83 | 2.93 | 344.15 | 262.21 | 3.69 | (3.01) |
| **Buy EURO/ INR** | | | | | | |
| Less than 1 year | 0.00 | 0.29 | 0.19 | 25.90 | (0.00) | 0.07 |
| **Buy JPY/INR** | | | | | | |
| Less than 1 year | 7.77 | 18.88 | 4.28 | 11.65 | 0.17 | (0.26) |
| **BUY EUR/SAR** | | | | | | |
| Less than 1 year | 0.11 | - | 9.67 | - | (0.03) | - |
| **Buy USD/ BRL** | | | | | | |
| Less than 1 year | 1.09 | 0.19 | 90.71 | 15.42 | (0.14) | 0.86 |
| **Buy EUR/ BRL** | | | | | | |
| Less than 1 year | 1.06 | - | 88.78 | - | 1.07 | - |
| | | | | **Total** | **5.07** | **0.06** |

The line-items in the balance sheet that include the above instruments are "Other financial assets" and "Other financial liabilities".

For the year ended March 31, 2024, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Consolidated Statement of Profit and Loss is ₹6.28 crore (for the year ended March 31, 2023 : ₹ 10.46 crore).

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**(b) The Group has designated the following forward contracts as cash flow hedges which are outstanding as under:**

| Outstanding contracts | Foreign currency (FC in Crore) | | Nominal amounts (₹ in Crore) | | Change in fair value assets (liabilities) (₹ in Crore) | |
|---|---|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Sell USD/INR** | | | | | | |
| Less than 1 year | 3.40 | 7.29 | 283.56 | 599.00 | (0.04) | (6.38) |
| **Buy USD/INR** | | | | | | |
| Less than 1 year | 2.26 | 1.20 | 188.43 | 98.60 | (0.10) | (0.17) |
| **Sell EUR/INR** | | | | | | |
| Less than 1 year | 0.13 | 1.80 | 11.68 | 160.84 | (0.04) | 1.62 |
| | | | | **Total** | **(0.18)** | **(4.93)** |

**The line-items in the balance sheet that include the above instruments are " Other Financial Assets" and "Other financial Liabilities"**

The effect of cash flow hedge in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in Crore

| Year | Risk Hedged | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in statement of profit and loss (loss)/ gain | Amount reclassified from cash flow hedging reserve to statement of profit and (loss) / gain | Closing Balance | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|---|---|---|
| March 31, 2024 | Foreign exchange risk | (5.02) | 9.60 | 0.05 | (4.86) | **(0.24)** | Revenue |
| | Less Deferred tax on above | (1.26) | 2.42 | 0.01 | (1.22) | **(0.06)** | |
| | **Net Balance** | **(3.76)** | **7.18** | **0.04** | **(3.64)** | **(0.18)** | |
| March 31, 2023 | Foreign exchange risk | 4.17 | (17.51) | (0.08) | (8.24) | **(5.02)** | Revenue |
| | Less Deferred tax on above | 1.05 | (4.41) | (0.02) | (2.07) | **(1.27)** | |
| | **Net Balance** | **3.12** | **(13.10)** | **(0.06)** | **(6.17)** | **(3.75)** | |

Amount lying in Cash flow hedge reserve will be reclassified to Consolidated Statement of Profit and Loss account within 12 months.





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**(C) 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) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Type | Aluminium | Copper | Zinc | Lead | Aluminium | Copper | Zinc | Lead | Aluminium | Copper | Zinc | Lead |
| **As at March 31, 2024** | Less than 1 year | Buy | 9.18 | 1.77 | 1.17 | - | 765.81 | 147.84 | 97.64 | 9.98 | 29.43 | 3.61 | 0.15 | (0.23) |
| **As at March 31, 2023** | Less than 1 year | Buy | 3.98 | 1.61 | 0.88 | 0.03 | 320.31 | 129.50 | 70.81 | 2.08 | 1.84 | 1.98 | 0.03 | (0.05) |
| | Less than 1 year | Sell | (0.25) | - | 0.09 | - | (20.10) | - | 6.95 | - | 0.08 | - | 0.06 | - |

The effect of cash flow hedge in the Consolidated Statement of Profit and Loss and other comprehensive income is as follows:

₹ in Crore

| Year | Risk hedged | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Hedge ineffectiveness recognised in statement of profit and loss | Amount reclassified from cash flow hedging reserve to statement of profit and loss | Cloisng Balance | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|---|---|---|
| **March 31, 2024** | Commodity price risk | 5.14 | 42.59 | (2.71) | (13.54) | **31.48** | Cost of materials consumed |
| | Less Deferred Tax on above | 1.26 | 10.98 | (0.72) | (3.57) | **7.95** | |
| | **Net Balance** | **3.88** | **31.60** | **(1.99)** | **(9.96)** | **23.53** | |
| **March 31, 2023** | Commodity price risk | 6.99 | (56.76) | (1.20) | (53.71) | **5.14** | Cost of materials consumed |
| | Less Deferred Tax on above | 1.76 | (14.80) | (0.31) | (13.99) | **1.29** | |
| | **Net Balance** | **5.23** | **(41.96)** | **(0.89)** | **(39.72)** | **3.84** | |

Amount lying in Cash flow hedge reserve will be reclassified to Consolidated Statement of Profit and Loss account within 12 months.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 54 EMPLOYEE BENEFIT PLANS

### Brief description of the plans

1 **Defined contribution plans**

(A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes yearly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(B) Provident Fund

The Group makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore, Vadodara & employees of a subsidiary KEC SPUR Infrastructure Private Limited. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(C) Employees' State Insurance Corporation

The Group makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(D) Foreign Defined Contribution Plan

All eligible employees at Overseas subsidiaries are entitled under Foreign Defined Pension Fund. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

(E) Provident Fund related to KEC International, Malaysia SDN BHD

The Company makes contribution to local authorities in Malaysia in relation to the Malaysian citizens who are on the rolls of KEC International, Malaysia SDN BHD. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

2 **Defined Benefit Plans**

(A) Gratuity

(i) **Company, its Jointly Controlled Operations in India & KEC SPUR Infrastructure Private Limited**

The Company, its jointly controlled operations (JCO) (i.e. CCECC-KEC JV, Longjian-KEC JV, KEC CCECC JV & VNC - KEC JV) & subsidiary in India (i.e. KEC SPUR Infrastructure Private Limited - KEC Spur) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of the Gratuity scheme of the Company/JCOs in India/KEC Spur or as per payment of the Gratuity Act, 1972 whichever is higher. Vesting occurs upon completion of four years & 240 days of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

(ii) **Jointly Controlled operation in Saudi (Al Sharif JV)**

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan i.e. End Service Benefit plan, (akin to gratuity) covering eligible employees. The benefits payable are as under:

| | |
|---|---|
| For Service less than 5 years | 1/2 * Service * Applicable salary |
| For Service more than 5 years | First Five Years: 1/2 * Service * Applicable Salary<br>Beyond 5 Years: Service * Applicable Salary |

The present value of the above defined benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2024.





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

(iii) **Overseas subsidiaries - SAE Towers México, S. de R.L. de C.V. (SAE Towers Mexico)**

The subsidiaries have an unfunded retirement benefit and severance benefit plan, as per the requirement of Local Federal Labor Law. The benefit consists of amount to be paid to employees in case of death, disability and separation from the subsidiaries, according to the Articles 49, 50 and 162 of the Local Federal Labor Law.

(iv) **Overseas subsidiary - KEC International, Malaysia SDN BHD (KEC Malaysia)**

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

(v) **Overseas subsidiary - KEC Tower LLC & KEC EPC LLC**

The overseas subsidiary at Dubai i.e. KEC Tower LLC & KEC EPC LLC have an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits are payable on completion of 1 year of service & are as under:

| | |
|---|---|
| For Service less than 5 years | 21 /30 * applicable salary * no. of years of service |
| For Service more than 5 years | 1* applicable Salary * no. of years of service |

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2024.

(B) Provident Fund

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

The above defined plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. |
| Interest rate risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**Details of defined contribution plan**

The Group has recognised following amounts in the statement of profit and loss:

₹ in Crore

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Superannuation Fund | 0.82 | 1.86 |
| Provident Fund | 5.11 | 5.31 |
| Employees' Pension Scheme | 9.34 | 8.86 |
| Employees' State Insurance Corporation | 0.16 | 0.12 |
| Admin charges - PF, ESIC | 1.21 | 0.96 |
| Foreign Defined Contribution Plan (Provident fund) | 3.50 | 2.18 |
| **Total** | **20.14** | **19.29** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**Details of defined benefit plan**

(A) Gratuity

₹ in Crore

| | | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| **I** | | **Components of defined benefit cost** | | |
| | 1 | Current service cost | 11.74 | 8.71 |
| | 2 | Past service cost | - | 0.14 |
| | 3 | Interest cost on defined benefit obligation (Net) | 1.08 | 0.34 |
| | **A** | **Total expenses included in Statement of Profit and Loss (P&L)** | 12.81 | 9.19 |
| | 4 | Actuarial changes arising from changes in demographic assumptions | (2.41) | 1.85 |
| | 5 | Actuarial changes arising from changes in financial assumptions | 2.50 | (4.10) |
| | 6 | Actuarial changes arising from changes in experience adjustments | (1.54) | 2.21 |
| | 7 | Return on Plan Assets (excluding interest income) | (1.02) | 0.79 |
| | **B** | **Total recognized in Other Comprehensive Income (OCI)** | (2.46) | 0.75 |
| | **C** | **Total defined benefit cost recognized in P&L and OCI** | 10.35 | 9.94 |
| **II** | | **Actual Contribution and Benefits Payments for the year** | | |
| | 1 | Actual Benefits Payments | (7.23) | (6.86) |
| | 2 | Actual Contributions | 9.91 | 3.93 |
| **III** | | **Net asset/(liability) recognized in the Balance Sheet** | | |
| | 1 | Present Value of Defined Benefit Obligations | (74.09) | (66.26) |
| | 2 | Fair Value of Plan Assets | 57.40 | 49.92 |
| | 3 | Exchange fluctuation on account of conversion of Jointly Controlled operations | (4.36) | (3.84) |
| | 4 | Net asset / (liability) recognized in the Balance Sheet | (21.05) | (20.18) |
| **IV** | | **Change in Present Value of Defined Benefit Obligation during the year** | | |
| | 1 | Present Value of Defined Benefit Obligation as at the beginning of the year | 66.26 | 60.51 |
| | 2 | Plan Liability acquired during the year | - | - |
| | 3 | Current Service Cost | 11.74 | 8.71 |
| | 4 | Past Service Cost | - | 0.14 |
| | 5 | Interest Cost | 4.77 | 3.80 |
| | 6 | Benefits paid including direct payment | (7.23) | (6.86) |
| | 7 | Actuarial changes arising from changes in demographic assumptions | (2.41) | 1.85 |
| | 8 | Actuarial changes arising from changes in financial assumptions | 2.50 | (4.10) |
| | 9 | Actuarial changes arising from changes in experience adjustments | (1.54) | 2.21 |
| | 10 | Present Value of Defined Benefit Obligations as at the end of the year | 74.09 | 66.26 |
| **V** | | **Change in Fair Value of Plan Assets during the year** | | |
| | 1 | Plan Assets as at the beginning of the year | 49.92 | 50.17 |
| | 2 | Plan Assets acquired during the year | - | - |
| | 3 | Interest Income | 3.72 | 3.47 |
| | 4 | Actual Company Contributions | 9.91 | 3.93 |
| | 5 | Benefits paid | (7.23) | (6.86) |
| | 6 | Expected return on Plan Assets (excluding interest income) | 1.08 | (0.79) |
| | 7 | Plan Assets as at the end of the year | 57.40 | 49.92 |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

| | | Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| **VI-A** | | **Actuarial Assumptions (Considered for the Company) (Funded)** | | | |
| | 1 | Discount Rate | | 7.20% | 7.40% |
| | 2 | Expected Return on plan assets | | 7.20% | 7.40% |
| | 3 | Salary escalation Rate | | 9.00% | 8.00% |
| | 4 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 5 | Disability | | 5% of Mortality Rate | |
| | 6 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 21.00% | 23.00% |
| | | | 31-44 years | 17.00% | 13.00% |
| | | | 45 years and above | 11.00% | 6.00% |
| **VI-B** | | **Actuarial Assumptions (Considered for Jointly Controlled Operation in Al Sharif JV (Sudi)) (Unfunded)** | | | |
| | 1 | Discount Rate | | 4.90% | 5.10% |
| | 2 | Salary escalation Rate | | 7.00% | 7.00% |
| | 3 | Mortality Table | | **Implicit in Withdrawal** | |
| | 4 | Disability | | **Implicit in Withdrawal** | |
| | 5 | Withdrawal ( Rate of Employee Turnover) | Managers (M0 to M6) | 12.00% | 10.00% |
| | | | Others | 12.00% | 10.00% |
| **VI-C** | | **Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV) (Unfunded)** | | | |
| | 1 | Discount Rate | | 7.20% | 7.50% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 7.50% | 7.50% |
| | | | 31-44 years | 7.50% | 7.50% |
| | | | 45 years and above | 7.50% | 7.50% |
| **VI-D** | | **Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV (Unfunded)** | | | |
| | 1 | Discount Rate | | 7.30% | 7.60% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 7.50% | 7.50% |
| | | | 31-44 years | 7.50% | 7.50% |
| | | | 45 years and above | 7.50% | 7.50% |
| **VI-E** | | **Actuarial Assumptions (Considered for Jointly Controlled Operation VNC KEC JV (Unfunded)** | | | |
| | 1 | Discount Rate | | 7.30% | 7.60% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 17.00% | 17.00% |
| | | | 31-44 years | 12.00% | 12.00% |
| | | | 45 years and above | 11.00% | 11.00% |
| **VI-F** | | **Actuarial Assumptions (Considered for Jointly Controlled Operation KEC-CCECC JV (Unfunded)** | | | |
| | 1 | Discount Rate | | 7.30% | 7.50% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 17.00% | 17.00% |
| | | | 31-44 years | 12.00% | 12.00% |
| | | | 45 years and above | 11.00% | 11.00% |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

| | Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| **VI-G** | **Actuarial Assumptions (Considered for KEC SPUR Infrastructure Private Limited) (Funded)** | | | |
| 1 | Discount Rate | | 7.20% | 7.20% |
| 2 | Expected Return on plan assets | | 7.20% | 7.20% |
| 3 | Salary escalation Rate | | 9.00% | 8.00% |
| 4 | Mortality Table | | **Indian Assured Lives Mortality(IALM) (2006-08) (modified) Ult** | |
| 5 | Disability | | **5% of Mortality rate** | |
| 6 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 15.00% | 10.00% |
| | | 31-44 years | 15.00% | 10.00% |
| | | 45 years and above | 15.00% | 10.00% |
| **VI-H** | **Actuarial Assumptions (Considered for overseas subsidiary at Mexico) (Unfunded)** | | | |
| 1 | Discount Rate | | 9.38% | 9.16% |
| 2 | Salary escalation Rate | | 5.50% | 5.50% |
| 3 | Mortality Table | | **EMSSA 09** | |
| 4 | Disability Table | | **ACTIMSS** | |
| 5 | Withdrawal ( Rate of Employee Turnover) | | 30.00% | 30.00% |
| **VI-I** | **Actuarial Assumptions (Considered for overseas subsidiary at Malaysia) (Unfunded)** | | | |
| 1 | Discount Rate | | 3.90% | 4.10% |
| 2 | Salary escalation Rate | | 0.00% | 0.00% |
| 3 | Mortality Table | | **Mortality Studies of Malaysian Assured Lives from 2011 to 2015** | |
| 4 | Disability | | **5% of Mortality rate** | |
| 5 | Withdrawal ( Rate of Employee Turnover) | Managers | 10.00% | 10.00% |
| | | Others | 15.00% | 15.00% |
| **VI-J** | **Actuarial Assumptions (Considered for overseas subsidiary - KEC Tower LLC, Dubai) (Unfunded)** | | | |
| 1 | Discount Rate | | 5.20% | 5.20% |
| 2 | Salary escalation Rate | | 6.00% | 6.00% |
| 3 | Mortality Table | | **Implicit in withdrawal** | |
| 4 | Disability | | **Implicit in withdrawal** | |
| 5 | Withdrawal ( Rate of Employee Turnover) | Involuntary | 5.00% | 0.00% |
| | | Voluntary | 5.00% | 5.00% |
| **VI-K** | **Actuarial Assumptions (Considered for overseas subsidiary - EPC LLC, Dubai) (Unfunded)** | | | |
| 1 | Discount Rate | | 4.90% | 4.90% |
| 2 | Salary escalation Rate | | 8.00% | 7.00% |
| 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| 4 | Disability | | **5% of Mortality Rate** | |
| 5 | Withdrawal (Rate of Employee Turnover) | Involuntary | 11.00% | 12.00% |
| | | Voluntary | 11.00% | 12.00% |
| **VII** | The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors. | | | |
| **VIII** | **The major categories of Plan Assets of the Company as a percentage of the total plan assets** | | | |
| | Equity | | 0.33% | 4.43% |
| | Debt | | 52.30% | 53.12% |
| | Money Market Investments | | 47.37% | 42.45% |
| **IX** | **The major categories of Plan Assets of the subsidiary KEC SPUR Infrastructure Private Limited as a percentage of the total plan assets** | | | |
| | Equity | | 0.00% | 0.00% |
| | Debt | | 100.00% | 100.00% |
| | Money Market Investments | | 0.00% | 0.00% |
| | Mutual Fund | | 0.00% | 0.00% |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **X** | **Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2024 - ₹ 8.20 crore** | | |
| **XI** | **Contribution expected to be paid to the Plan of the Subsidiary, KEC SPUR Infrastructure Private Limited during the year ended March 31, 2024 - ₹0.05 crore** | | |
| **XII** | **Weighed Average duration of the Plan** | | |
| | Considered for the Company | 6 years | 6 years |
| | Considered for Joint Operation in Al Sharif JV | 7 years | 7 years |
| | Considered for Jointly Controlled Operation - CCECC-KEC JV | 10 years | 10 years |
| | Considered for Jointly Controlled Operation - Longjian-KEC JV | 11 years | 11 years |
| | Considered for Jointly Controlled Operation - VNC-KEC JV | 8 years | 8 years |
| | Considered for Jointly Controlled Operation - KEC - CCECC JV | 9 years | 9 years |
| | Considered for Subsidiary - KEC SPUR Infrastructure Private Limited | 6 years | 6 years |
| | Considered for Subsidiary - KEC International, Malaysia SDN BHD | 11 years | 11 years |
| | Considered for Subsidiary - SAE Towers Mexico S de RL de CV | 8 years | 8 years |
| | Considered for Subsidiary - KEC Tower LLC | 13 years | 16 years |
| | Considered for Subsidiary - KEC EPC LLC | 7 years | 7 years |

₹ in Crore

| | Maturity profile of defined benefit obligation | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 1 | Year 1 | 10.64 | 7.57 |
| 2 | Year 2 | 18.71 | 11.09 |
| 3 | Year 3 | 12.71 | 9.80 |
| 4 | Year 4 | 11.97 | 10.77 |
| 5 | Year 5 | 13.02 | 11.75 |
| 6 | Next 5 years | 66.70 | 59.92 |

| | Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation) | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| A. | Discount rate | | |
| | Discount rate - 50 basis points | 80.80 | 71.12 |
| | Discount rate + 50 basis points | 76.23 | 66.89 |
| B. | Salary increase rate | | |
| | Salary rate - 50 basis points | 74.97 | 67.03 |
| | Salary rate + 50 basis points | 79.03 | 70.86 |
| **Demographic assumptions sensitivity analysis** | | | |
| C. | Withdrawal Rate | | |
| | Withdrawal Rate - 100 basis points | 75.53 | 66.28 |
| | Withdrawal Rate + 100 basis points | 74.00 | 65.27 |

**Sensitivity analysis method**

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

XIII The following table shows a breakdown of the defined benefit obligation and plan assets of the Company:

₹ in Crore

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Gratuity | | | | | |
| | (A) Present value of obligation | (B) Fair value of plan assets | (C) Total liability = (A) - (B) | (A) Present value of obligation | (B) Fair value of plan assets | (C) Total liability = (A) - (B) |
| Company | 58.29 | 56.84 | **1.45** | 54.22 | 49.44 | **4.78** |
| Al Sharif JV | 12.95 | - | **12.95** | 10.24 | - | **10.24** |
| CCECC-KEC JV | 0.45 | - | **0.45** | 0.31 | - | **0.31** |
| Longjian-KEC JV | 0.51 | - | **0.51** | 0.41 | - | **0.41** |
| VNC-KEC JV | 0.02 | - | **0.02** | 0.05 | - | **0.05** |
| KEC-CCECC JV | 0.02 | - | **0.02** | 0.13 | - | **0.13** |
| SAE Towers Mexico | 3.72 | - | **3.72** | 3.18 | - | **3.18** |
| KEC Malaysia | 0.05 | - | **0.05** | 0.04 | - | **0.04** |
| KEC Tower LLC | 1.48 | - | **1.48** | 1.01 | - | **1.01** |
| EPC LLC | 0.46 | - | **0.46** | 0.12 | - | **0.12** |
| KEC Spur | 0.50 | 0.56 | **(0.06)** | 0.39 | 0.48 | **(0.09)** |
| | **78.45** | **57.40** | **21.05** | **70.10** | **49.92** | **20.18** |

** Jointly Controlled Operations have been incorporated during the year ended March 31, 2024.*

(B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

₹ in Crore

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Company's contribution to the provident fund | 11.44 | 9.81 |

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

| Particulars | | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|
| a. | Approach used | Deterministic | Deterministic |
| b. | Discount Rate | 7.20% | 7.40% |
| c. | Attrition Rate | | |
| | Upto 30 years | 21.00% | 23.00% |
| | 31 - 44 years | 17.00% | 13.00% |
| | 45 years and above | 11.00% | 6.00% |
| d. | Weighted Average Yield | 7.40% | 6.90% |
| e. | Weighted Average YTM | 7.40% | 6.90% |
| f. | Reinvestment Period on Maturity | 5 years | 6 years |
| g. | Mortality Rate | Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate | |

3 **Long term/short term employee benefits (Compensated Absences)**

The long/short term employee benefit covers the Group's liability for sick and earned leave.

The amount of the provision is ₹42.18 crore (as at 31st March, 2023 ₹39.53 crore).





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 55 RELATED PARTY DISCLOSURES

**Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:**

(A) Details of related parties with whom transactions have taken place

**Key Management Personnel (KMP)**

Mr. H. V. Goenka- Chairman

Mr. Vimal Kejriwal - Managing Director and CEO

Mr. Rajeev Aggarwal - Chief Financial Officer

Mr. A. T. Vaswani - Non-Executive Director (upto April 11, 2024)

Mr. D. G. Piramal - Non-Executive Director

Mr. G.L. Mirchandani - Non-Executive Director (upto July 15, 2023)

Ms. Nirupama Rao - Non-Executive Director

Mr. R. D. Chandak - Non-Executive Director

Mr. S. M. Trehan - Non-Executive Director

Mr.Vinayak Chatterjee - Non-Executive Director

Mr. Vikram Gandhi - Non-Executive Director

Mr. M. S. Unnikrishnan - Non-Executive Director

Ms. Neera Saggi - Non-Executive Director (w.e.f. March 27, 2024)

**Post - Employment benefit plan**

KEC International Limited Employees' Group Gratuity Scheme

KEC International Limited - Provident Fund

KEC International Limited Superannuation Scheme

**Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place**

CEAT Limited

B. N. Elias & Co. LLP

Palacino Properties LLP

RPG Life Sciences Limited

RPG Enterprises Limited

Raychem RPG Private Limited

Ceat Speciality Tyres Limited

Harrisons Malayalam Limited

Spencer and Company Limited

Zensar Technologies Limited

Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)

Summit Securities Limited (holds 10.96 percent Equity Shares of the Company)

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 55 RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

**(B) Transactions with the Related Parties**

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total |
| **Sale of Products** | **-** | **5.50** | **-** | 5.50 | **-** | **0.63** | **-** | 0.63 |
| CEAT Limited | - | 4.80 | - | **4.80** | - | 0.42 | - | **0.42** |
| Raychem RPG Private limited | - | - | - | **-** | - | 0.21 | - | **0.21** |
| RPG Life Sciences Limited | - | 0.71 | - | **0.71** | - | - | - | |
| **Construction contracts revenue** | **-** | **18.97** | **-** | **18.97** | **-** | **6.30** | **-** | **6.30** |
| RPG Life Sciences Limited | - | 18.97 | - | **18.97** | - | 6.00 | - | **6.00** |
| CEAT Limited | - | - | - | **-** | - | 0.30 | - | **0.30** |
| Sale of services | - | 0.06 | - | **0.06** | - | 0.10 | - | **0.10** |
| CEAT Limited | - | 0.06 | - | **0.06** | - | 0.10 | - | **0.10** |
| Services received | - | 42.64 | - | **42.64** | - | 37.13 | - | **37.13** |
| Raychem RPG Private limited | - | | - | **-** | - | - | - | **-** |
| CEAT Limited | - | 4.79 | - | **4.79** | - | 4.90 | - | **4.90** |
| RPG Enterprises Limited | - | 37.83 | - | **37.83** | - | 32.23 | - | **32.23** |
| Breach Candy Hospital Trust | - | | - | **-** | - | - | - | **-** |
| Harrisons Malayalam Limited | - | 0.02 | - | **0.02** | - | - | - | **-** |
| **Rent Income** | **-** | **0.30** | **-** | **0.30** | **-** | **0.29** | **-** | **0.29** |
| CEAT Limited | - | 0.02 | - | **0.02** | - | 0.02 | - | **0.02** |
| RPG Life Sciences Limited | - | 0.06 | - | **0.06** | - | 0.06 | - | **0.06** |
| Summit Securities Limited | - | 0.06 | - | **0.06** | - | 0.06 | - | **0.06** |
| RPG Enterprises Limited | - | 0.16 | - | **0.16** | - | 0.15 | - | **0.15** |
| **Purchase of goods** | **-** | **7.19** | **-** | **7.19** | **-** | **10.00** | **-** | **10.00** |
| Harrisons Malayalam Limited | - | 0.05 | - | **0.05** | - | 0.03 | - | **0.03** |
| CEAT Limited | - | 0.10 | - | **0.10** | | - | | |
| Raychem RPG Private limited | - | 7.05 | - | **7.05** | - | 9.97 | - | **9.97** |
| **Rent & maintenance charges paid** | **-** | **4.84** | **-** | **4.84** | **-** | **4.59** | **-** | **4.59** |
| Palacino Properties LLP | - | 0.29 | - | **0.29** | - | 0.28 | - | **0.28** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total |
| Spencer and Company Limited | - | 4.55 | - | **4.55** | - | 4.31 | - | **4.31** |
| **Compensation to Key Management Personnel** | | | | | | | | |
| **Mr.Vimal Kejriwal - Managing Director & CEO** | **9.40** | **-** | **-** | **9.40** | **8.69** | **-** | **-** | **8.69** |
| short-term employee benefits (including Bonus and value of perquisites) | 9.32 | - | - | **9.32** | 8.28 | - | - | **8.28** |
| post-employment benefits # $ | 0.08 | - | - | **0.08** | 0.41 | - | - | **0.41** |
| **Mr. Rajeev Aggarwal - Chief Financial Officer** | **4.51** | **-** | **-** | **4.51** | **4.15** | **-** | **-** | **4.15** |
| short-term employee benefits (including Bonus and value of perquisites) | 4.43 | - | - | **4.43** | 4.04 | - | - | **4.04** |
| post-employment benefits # $ | 0.08 | - | - | **0.08** | 0.11 | - | - | **0.11** |
| **Sitting fees & Commission paid to Non-Executive Directors** | **4.24** | **-** | **-** | **4.24** | **4.14** | **-** | **-** | **4.14** |
| Mr. H. V. Goenka | 2.39 | - | - | **2.39** | 2.41 | - | - | **2.41** |
| Mr. A. T. Vaswani | 0.27 | - | - | **0.27** | 0.23 | - | - | **0.23** |
| Mr. D. G. Piramal | 0.20 | - | - | **0.20** | 0.17 | - | - | **0.17** |
| Mr. G.L. Mirchandani | 0.04 | - | - | **0.04** | 0.17 | - | - | **0.17** |
| Ms. Nirupama Rao | 0.22 | - | - | **0.22** | 0.18 | - | - | **0.18** |
| Mr. R. D. Chandak | 0.27 | - | - | **0.27** | 0.24 | - | - | **0.24** |
| Mr. S. M. Trehan | 0.27 | - | - | **0.27** | 0.24 | - | - | **0.24** |
| Mr. Vinayak Chatterjee | 0.20 | - | - | **0.20** | 0.17 | - | - | **0.17** |
| Mr. Vikram Gandhi | 0.18 | - | - | **0.18** | 0.16 | - | - | **0.16** |
| Mr. M. S. Unnikrishnan | 0.20 | - | - | **0.20** | 0.17 | - | - | **0.17** |
| **Purchase of Fixed Assets** | **-** | **-** | **-** | **-** | **-** | **0.16** | **-** | **0.16** |
| Zensar Technologies Limited | - | - | - | **-** | - | 0.16 | - | **0.16** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | For the year ended March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total |
| **Payments made/expenses incurred on behalf of related party** | **-** | **1.79** | **-** | **1.79** | **-** | **-** | **-** | **-** |
| RPG Life Sciences Limited | - | - | - | **-** | - | - | - | **-** |
| RPG Enterprises Limited | - | - | - | **-** | - | - | - | **-** |
| Summit Securities Limited | - | - | - | **-** | - | - | - | **-** |
| Zensar Technologies Limited | - | - | - | **-** | - | - | - | **-** |
| CEAT Limited | - | 1.79 | - | **1.79** | - | - | - | **-** |
| Raychem RPG Private limited | - | | - | **-** | - | - | - | **-** |
| **Advance Received for project Execution** | **-** | **19.66** | **-** | **19.66** | **-** | **-** | **-** | - |
| CEAT Limited | - | 19.66 | - | **19.66** | - | - | - | - |
| Payments made/expenses incurred by related party | **-** | **-** | **-** | **-** | **-** | **1.16** | **-** | **1.16** |
| CEAT Limited | - | - | - | | - | 1.16 | - | **1.16** |
| **Contribution made** | **-** | **-** | **21.31** | **21.31** | **-** | **-** | **13.25** | **13.25** |
| KEC International Limited Employee's Gratuity Fund | - | - | 8.90 | **8.90** | - | - | 2.50 | **2.50** |
| KEC International Limited Provident Fund | - | - | 11.44 | **11.44** | - | - | 9.81 | **9.81** |
| KEC International Limited Superannuation Fund | - | - | 0.97 | **0.97** | - | - | 0.94 | **0.94** |

*★ less than rounding off norms adopted by the Group*

*# excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Group.*

*$ Including PF and other benefits.*





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**(C) Balances outstanding as at the year end**

₹ in Crore

| Balances | As at March 31, 2024 | | | | As at March 31, 2023 | | | |
|---|---|---|---|---|---|---|---|---|
| | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total |
| **Amount receivable** | **-** | **7.07** | **-** | **7.07** | **-** | **0.51** | **-** | **0.51** |
| RPG Life Sciences Limited | - | 3.37 | - | **3.37** | - | - | - | **-** |
| Palacino Properties LLP | - | 0.09 | - | **0.09** | - | 0.37 | - | **0.37** |
| B. N. Elias & Co. LLP | - | 0.01 | - | **0.01** | - | 0.04 | - | **0.04** |
| CEAT Limited | - | 0.89 | - | **0.89** | - | 0.09 | - | **0.09** |
| Spencer and Company Limited | - | 2.70 | - | **2.70** | - | 0.01 | - | **0.01** |
| **Amount Payable** | **3.68** | **26.68** | **-** | **30.36** | **3.44** | **0.96** | **-** | **4.41** |
| RPG Enterprises Limited | - | 0.28 | - | **0.28** | - | 0.36 | - | **0.36** |
| Raychem RPG Private limited | - | 5.16 | - | **5.16** | - | 0.57 | - | **0.57** |
| CEAT Limited | - | 20.16 | - | **20.16** | - | 0.03 | - | **0.03** |
| Palacino Properties LLP | - | 1.08 | - | **1.08** | - | - | - | **-** |
| Mr. H. V. Goenka | 2.36 | - | - | **2.36** | 2.36 | - | - | **2.36** |
| Mr. A. T. Vaswani | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. D. G. Piramal | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. G.L. Mirchandani | 0.04 | - | - | **0.04** | 0.12 | - | - | **0.12** |
| Ms. Nirupama Rao | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. R. D. Chandak | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. S. M. Trehan | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. Vinayak Chatterjee | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. Vikram Gandhi | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |
| Mr. M. S. Unnikrishnan | 0.16 | - | - | **0.16** | 0.12 | - | - | **0.12** |

*Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.*

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 56 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

### (i) Contingent Liabilities #

Claims against the Group not acknowledged as debt:

₹ in Crore

| Sr. No | Particulars | Relating to various years comprise in the period | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| 1 | Sales Tax /Value Added Tax* (Tax/Penalty/Interest) | 1994-2021 | 47.22 | |
| | | 1994-2021 | | 30.40 |
| 2 | Excise Duty * (Tax/Penalty/Interest) | 2008-2018 | 11.83 | |
| | | 2008-2018 | | 11.86 |
| 3 | Service Tax * (Tax/Penalty/ Interest) | 2008-2016 | 4.05 | |
| | | 2008-2016 | | 4.05 |
| 4 | Entry Tax* (Tax/Penalty/Interest) | 2010-2012 | 0.31 | |
| | | 2010-2012 | | 0.31 |
| 5 | Goods & Services Tax (Tax/Penalty/Interest) | 2018-2021 | 0.27 | |
| | | 2018-2021 | | 0.12 |
| 6 | (i) Income Tax matters of the Company mainly on disallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc. | A.Y 2020-21<br>A.Y 2021-22 | 3.96 | |
| | | A.Y 2015-16<br>A.Y 2016-17<br>A.Y 2017-18<br>A.Y. 2018-19 | | 42.05 |
| | (ii) Income Tax matters at overseas unit/s of the Company** | 2002-2021 | 11.21 | |
| | | 2002-2021 | | 17.64 |
| | (iii) Income Tax matters of a jointly controlled operation (Company's share)** | 2013-2017 | 4.39 | |
| | | 2013-2017 | | 4.39 |
| | (iv) Income tax matter of a subsidiary | A.Y. 2022-23 | 0.04 | - |
| 7 | Customs Duty^ | 1995-1996 | 0.60 | |
| | | 1995-1996 | | 0.60 |
| 8 | Civil Suits^^ | | 38.57 | |
| | | | | 27.24 |
| 9 | Guarantees excluding financial guarantees :-<br>Surety bonds obtained by Company's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts. | | 508.31 | 612.78 |

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

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

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

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

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

*#Excluding financial guarantees referred to in Note 53B.3*

### (ii) Commitments

₹ in Crore

| Sr. No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 1 | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 74.37 | 58.96 |
| 2 | Derivative related commitments | Refer Notes 53C | |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 57 SEGMENT REPORTING

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

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

(b) Others: It comprises of sale of cables."

### Summarized segment information based on business segment and geographical segment are as follows:

(a) **Business segment**

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| **(i) Segment revenue (Revenue from Operations)** | | |
| EPC | 18,699.99 | 16,127.35 |
| Others | 1,645.42 | 1,615.02 |
| Less: Inter-segment revenue | (431.24) | (460.66) |
| **Net Segment Revenue** | **19,914.17** | **17,281.71** |
| **(ii) Segment Results (before finance cost, depreciation and amortisation expense and other income)** | | |
| EPC | 1,113.78 | 747.77 |
| Others | 100.79 | 81.96 |
| **Total Segment Results** | **1,214.57** | **829.73** |
| Add/(less) : | | |
| Other income | 52.41 | 31.32 |
| Finance cost | (655.13) | (538.59) |
| Depreciation and amortisation expense | (185.36) | (161.48) |
| **Profit before exceptional item and tax** | **426.49** | **160.98** |
| **Less: Tax expense** | | |
| Current tax | 114.10 | 121.74 |
| Deferred tax | (34.39) | (136.79) |
| **Profit for the period** | **346.78** | **176.03** |
| **(iii) Other segment information:** | | |
| **1. Segment assets** | | |
| EPC | 18,129.89 | 16,263.32 |
| Others | 901.58 | 1,015.27 |
| **Total Segment Assets** | 19,031.47 | 17,278.59 |
| **2. Segment liabilities** | | |
| EPC | 14,069.28 | 12,594.90 |
| Others | 866.49 | 912.27 |
| **Total Segment Liabilities** | **14,935.77** | **13,507.17** |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**(b) Information about geographical areas are as under :**

₹ in Crore

| Particulars | Revenue fromExternal customers | | Non-current assets | |
|---|---|---|---|---|
| | Year ended March 31, 2024 | Year ended March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| India | 12,744.14 | 10,869.99 | 1,251.10 | 1,160.98 |
| United Arab Emirates (UAE) | 781.24 | 533.52 | 249.78 | 255.77 |
| Brazil, Mexico and USA | 1,429.02 | 1,311.27 | 512.32 | 515.57 |
| Geographies other than above | 4,959.77 | 4,566.93 | 156.48 | 147.86 |
| **Total** | **19,914.17** | **17,281.71** | **2,169.68** | **2,080.18** |

**Information about major customers**

During the year ended March 31, 2024 and March 31, 2023, revenue arising from any single customer in India is not contributing to more than 10% of the Group's revenue.

No other customer outside India, individually contributed 10% or more to the Group's revenue for the year ended March 31, 2024 and for the year ended March 31, 2023.

## NOTE 58 – DISCLOSURE PURSUANT TO IND AS 1 – "PRESENTATION OF FINANCIAL STATEMENTS"

The details of amounts which are expected by the Group to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade Receivables | 1,090.31 | 551.68 |
| Contract Assets | 103.47 | 300.53 |
| Contract Liabilities | 255.3 | 296.44 |
| Trade Payables | 129.27 | 219.19 |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 59 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO DIVISION II TO SCHEDULE III TO THE COMPANIES ACT, 2013

### NOTE 59.1

**As at March 31, 2024**

| Name of the entities Consolidated in Financial Statements | Net Assets i.e. Total Assets - Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount (₹ in Crore) | As % of Consolidated Profit or Loss | Amount (₹ in Crore) | As % of Consolidated OCI | Amount (₹ in Crore) | As % of Consolidated TCI | Amount (₹ in Crore) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| **KEC International Limited** (Including jointly controlled operations & branches) | 99.51 | 4,075.51 | 42.54 | 147.53 | 75.78 | 41.29 | 47.06 | 188.82 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| 1 KEC Power India Private Limited | 0.01 | 0.39 | 0.00 | 0.01 | - | - | 0.00 | 0.01 |
| 2 KEC Spur Infrastructure Private Limited | 3.08 | 125.98 | 11.25 | 39.03 | (0.01) | (0.01) | 9.73 | 39.03 |
| **Foreign** | | | | | | | | |
| 1 RPG Transmission Nigeria Limited, Nigeria | 0.00 | 0.06 | (0.00) | (0.00) | (0.21) | (0.12) | (0.03) | (0.12) |
| 2 KEC Global FZ – LLC - Ras UL Khaimah, UAE | - | - | - | - | - | - | - | - |
| 3 KEC Investment Holdings, Mauritius | 0.00 | 0.05 | (0.05) | (0.17) | - | - | (0.04) | (0.17) |
| 4 KEC Global Mauritius, Mauritius (upto September 24, 2023) | 0.00 | 0.00 | (0.09) | (0.32) | 0.53 | 0.29 | (0.01) | (0.03) |
| 5 KEC International (Malaysia) SDN BHD | 0.95 | 39.06 | 2.57 | 8.90 | 3.37 | 1.84 | 2.68 | 10.74 |
| 6 KEC Tower LLC | 8.28 | 338.93 | 34.38 | 119.23 | 4.40 | 2.40 | 30.31 | 121.63 |
| 7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note) | 15.82 | 648.03 | 9.94 | 34.47 | 16.15 | 8.80 | 10.78 | 43.26 |
| **Sub Total:** | **127.64** | **5,228.01** | **100.55** | **348.67** | **100.00** | **54.48** | **100.47** | **403.17** |
| Consolidation Adjustment | (27.64) | (1,132.31) | (0.54) | (1.90) | - | - | (0.47) | (1.90) |
| **Total:** | **100.00** | **4,095.70** | **100.00** | **346.78** | **100.00** | **54.49** | **100.00** | **401.27** |

***Footnote :***

*The information has been furnished based on the Audited Consolidated Financial Statements of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional*

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

*information for SAE Group based on the information considered in the Audited Consolidated Financial Statements of SAE Group are as under:*

**As at March 31, 2024**

| Name of the entities Consolidated in Financial Statements | Net Assets i.e. Total Assets - Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets of KEC Group | Amount (₹ in Crore) | As % of Consolidated Profit or Loss of KEC Group | Amount (₹ in Crore) | As % of Consolidated OCI of KEC Group | Amount (₹ in Crore) | As % of Consolidated TCI of KEC Group | Amount (₹ in Crore) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1 SAE Towers Holdings LLC, Delaware (USA) | 39.90 | 1,634.32 | - | - | 16.15 | 8.80 | 2.19 | 8.80 |
| 2 SAE Towers Ltd, Delaware (USA) | 0.37 | 15.24 | (1.85) | (6.42) | - | - | (1.60) | (6.42) |
| 3 SAE Towers Brazil Subsidiary Company LLC, Delaware (USA) | 0.00 | 0.00 | - | - | - | - | - | - |
| 4 SAE Towers Mexico Subsidiary Company LLC, Delaware (USA) | 0.00 | 0.02 | - | - | - | - | - | - |
| 5 SAE Towers Construcao Ltda, Brazil | - | - | - | - | - | - | (0.01) | - |
| 6 SAE Towers Brazil Torres de Transmission Ltda, Brazil | 2.42 | 98.96 | 3.92 | 13.60 | - | - | 3.39 | 13.60 |
| 7 SAE Towers Mexico S de RL de CV, Mexico | 3.96 | 162.31 | 8.81 | 30.56 | - | - | 7.61 | 30.56 |
| 8 SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico | 0.44 | 18.04 | - | - | - | - | - | - |
| 9 KEC Engineering & Construction Servcices S de RL de CV (Mexico) | (0.08) | (3.33) | - | - | - | - | - | - |
| Less: Net effect of Intra group elimination | (31.19) | (1,277.54) | (0.94) | (3.26) | - | - | (0.81) | (3.26) |
| **Total** | **15.82** | **648.03** | **9.94** | **34.47** | **16.15** | **8.80** | **10.78** | **43.26** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**NOTE 59.2**

**As at March 31, 2023**

| Name of the entities Consolidated in Financial Statements | Net Assets i.e. Total Assets - Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of Consolidated Net Assets | Amount (₹ in Crore) | As % of Consolidated Profit or Loss | Amount (₹ in Crore) | As % of Consolidated OCI | Amount (₹ in Crore) | As % of Consolidated TCI | Amount (₹ in Crore) |
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| **Parent** | | | | | | | | |
| **KEC International Limited** | 105.10 | 3,963.83 | 102.40 | 180.25 | 39.60 | 30.80 | 83.16 | 211.05 |
| (Including jointly controlled operations & branches) | | | | | | | | |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| 1 KEC Power India Private Limited | 0.01 | 0.38 | 0.01 | 0.01 | - | - | 0.01 | 0.01 |
| 2 KEC Spur Infrastructure Private Limited | 2.31 | 86.96 | 25.06 | 44.12 | 0.12 | 0.10 | 17.42 | 44.22 |
| **Foreign** | | | | | | | | |
| 1 RPG Transmission Nigeria Limited, Nigeria | 0.00 | 0.17 | (0.00) | (0.00) | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 KEC Global FZ – LLC - Ras UL Khaimah, UAE | - | - | 0.14 | 0.24 | (0.62) | (0.48) | (0.09) | (0.24) |
| 3 KEC Investment Holdings, Mauritius | 0.00 | 0.03 | (0.11) | (0.19) | - | - | (0.08) | (0.19) |
| 4 KEC Global Mauritius, Mauritius | 0.00 | 0.03 | (0.07) | (0.13) | (0.55) | (0.43) | (0.22) | (0.56) |
| 5 KEC International (Malaysia) SDN BHD | 0.75 | 28.32 | 8.53 | 15.02 | (0.70) | (0.55) | 5.70 | 14.47 |
| 6 KEC Tower LLC | 5.76 | 217.30 | 35.25 | 62.06 | 4.18 | 3.25 | 25.73 | 65.31 |
| 7 SAE Towers Holdings LLC, Delaware (USA) (Refer below note) | 13.85 | 522.31 | (113.14) | (199.15) | 58.06 | 45.15 | (60.69) | (154.00) |
| **Sub Total** | **127.78** | **4,819.33** | **58.07** | **102.23** | **100.09** | **77.84** | **70.95** | **180.07** |
| Consolidation Adjustment | (27.78) | (1,047.91) | 41.93 | 73.80 | (0.09) | (0.06) | 29.05 | 73.74 |
| **Total** | **100.00** | **3,771.42** | **100.00** | **176.03** | **100.00** | **77.78** | **100.00** | **253.81** |

***Footnote :***

*The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:*

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

As at March 31, 2023

| | Name of the entities Consolidated in Financial Statements | Net Assets i.e. Total Assets - Total Liabilities | | Share in Profit or Loss | | Share in Other Comprehensive Income (OCI) | | Share in Total Comprehensive Income (TCI) | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of Consolidated Net Assets of KEC Group | Amount (₹ in Crore) | As % of Consolidated Profit or Loss of KEC Group | Amount (₹ in Crore) | As % of Consolidated OCI of KEC Group | Amount (₹ in Crore) | As % of Consolidated TCI of KEC Group | Amount (₹ in Crore) |
| 1 | SAE Towers Holdings LLC, Delaware (USA) | 40.51 | 1,527.96 | - | - | 58.06 | 45.15 | 17.79 | 45.15 |
| 2 | SAE Towers Ltd, Delaware (USA) | 0.57 | 21.37 | 0.30 | 0.53 | - | - | 0.21 | 0.53 |
| 3 | SAE Towers Brazil Subsidiary Company LLC, Delaware (USA) | 0.00 | 0.00 | - | - | - | - | - | - |
| 4 | SAE Towers Mexico Subsidiary Company LLC, Delaware (USA) | 0.00 | 0.01 | - | - | - | - | - | - |
| 5 | SAE Towers Construcao Ltda, Brazil | - | - | - | - | - | - | (0.01) | - |
| 6 | SAE Towers Brazil Torres de Transmission Ltda, Brazil | 0.14 | 5.34 | (123.07) | (216.64) | - | - | (85.36) | (216.64) |
| 7 | SAE Towers Mexico S de RL de CV, Mexico | 3.41 | 128.59 | 10.73 | 18.89 | - | - | 7.44 | 18.89 |
| 8 | SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico | 0.43 | 16.24 | 0.16 | 0.28 | - | - | 0.11 | 0.28 |
| 9 | KEC Engineering & Construction Servcices S de RL de CV (Mexico) | (0.08) | (2.99) | - | - | - | - | - | - |
| Less: | Net effect of Intra group elimination | (31.13) | (1,174.21) | (1.26) | (2.21) | - | - | (0.87) | (2.21) |
| **Total** | | **13.85** | **522.31** | **(113.14)** | **(199.15)** | **58.06** | **45.15** | **(60.69)** | **(154.00)** |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

## NOTE 60 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ in Crore

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Gross amount required to be spent by the Company during the year | 13.18 | 14.04 |
| (b) | Amount approved by Board to be spent during the year | 13.18 | 14.04 |
| (c) | Amount spent during the year (in cash) on: | | |
| (i) | Construction/acquisition of any asset | - | - |
| (ii) | on purposes other than (i) above* | 10.52 | 9.70 |

*Includes ₹ 10.42 crore (Previous year ₹ 9.62 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ 0.10 crore (Previous year ₹ 0.08 crore) towards Impact assessment.

**A. Details of ongoing CSR Projects under Section 135(6) of the Act**

₹ in Crore

| Balance as at April 01, 2023 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at March 31, 2024 | |
|---|---|---|---|---|---|---|
| With the Company | In separate CSR Unspent Account | | From the Company's bank account | From Separate CSR Unspent Account | With the Company | In separate CSR Unspent Account |
| 4.34 | - | 7.87 | 5.22 | 4.34 | 2.65* | - |

(₹ in crore)

| Balance as at April 01, 2022 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at March 31, 2023 | |
|---|---|---|---|---|---|---|
| With the Company | In separate CSR Unspent Account | | From the Company's bank account | From Separate CSR Unspent Account | With the Company | In separate CSR Unspent Account |
| 3.13 | - | 13.71 | 9.37 | 3.13 | 4.34* | - |

* ₹ 2.65 crore as at March 31, 2024 (Previous year ₹ 4.34 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.

**A. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects**

₹ in Crore

| Balance unspent as at April 01, 20223 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2024 |
|---|---|---|---|---|
| - | - | 5.31 | 5.31 | - |

₹ in Crore

| Balance unspent as at April 01, 2022 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2023 |
|---|---|---|---|---|
| - | - | 0.33 | 0.33 | - |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

**NOTE 61** - Commercial papers (CP) raised by the Company are unsecured and short-term in nature ranging between sixty one days to Ninety days. These CP are having a Credit Rating of CRISIL A1+ and IND A1+ and are listed on BSE Limited. During the year ended March 31, 2024, the Company has redeemed CP on the relevant due date.

**NOTE 62** - The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies [Asian Development Bank (ADB), USAID and World Bank]. During the year, the Company has realized outstanding amounts pursuant to the settlement with USAID of ₹ 148 crores and partial payments from the World Bank of ₹ 133 crores. Subsequent to the year end an amount of ₹ 109 crores has been realized from the World Bank in April 2024. ADB has also communicated to resolve the outstanding payments and has appointed a third-party agency, United Nations Office for Project Services, for verification of the physical work. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of March 31, 2024, the Company has a net exposure of ₹ 245 crore (translated at period end exchange rate), including exposure of Afghanistan branch after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking making or receiving payment under the bank guarantees.

**NOTE 63** – The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, the Group can adequately source the funding required at mentioned branches and Jointly Controlled Operation.

### NOTE 64 - DETAILS OF BENAMI PROPERTY HELD:

No proceedings have been initiated on or are pending against any of the entities in the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### NOTE 65 - WILFUL DEFAULTER:

None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

### NOTE 66 - RELATIONSHIP WITH STRUCK OFF COMPANIES:

| Sr. No. | Name of the struck off company | Nature of transaction with the struck off company | Relationship with the struck off company | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 |
|---|---|---|---|---|---|
| 1 | King'Sbourn Globel Export India Private Limited. | Trade payables | NA | - | 0.03 |
| 2 | Anamika Infratech Private Limited | Trade payables | NA | - | 0.03 |
| 3 | Om Sairam Engicon Private Limited | Trade payables | NA | - | 0.01 |
| 4 | Koushalya Power Construction Private Limited | Trade payables | NA | - | 0.01 |
| 5 | Srs Software Solutions Private Limited | Trade payables | NA | 0 | 0 |
| 6 | J. K. Cement -Rj | Trade payables | NA | 0.03 | 0.42 |
| 7 | Kprs Engineering Private Limited | Trade payables | NA | 0.02 | 0.04 |
| 8 | King'Sbourn Globel Export India Pvt | Trade receivables | NA | 0.02 | - |
| 9 | Popular Stock And Share Services Private Limited | Shares held by struck off company | NA | - | - |
| 10 | Ushdev Securities Limited | Shares held by struck off company | NA | - | - |
| 11 | Gnk Investments Private Limited | Shares held by struck off company | NA | - | - |
| 12 | Badri Sarraf Finance And Mutual Benefit Company Limited | Shares held by struck off company | NA | - | - |
| 13 | Pegasus Mercantile Private Limited | Shares held by struck off company | NA | - | - |
| 14 | Highlands Garments Private Limited | Shares held by struck off company | NA | - | - |
| 15 | Aggarwal Securities Private Limited | Shares held by struck off company | NA | - | - |
| 16 | Lakhan Pal Brothers Private Limited | Shares held by struck off company | NA | - | - |





# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024

### NOTE 67 – DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

### NOTE 68 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

### NOTE 69 - UNDISCLOSED INCOME:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### NOTE 70 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET:

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

### NOTE 71 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken.

**NOTE 72** - The Company nor its branches or subsidiaries which are companies incorporated in India, has advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of the branches or such subsidiaries (Ultimate Beneficiaries), or

(b) Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company nor its branches or subsidiaries which are companies incorporated in India, has received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company or any of the branches or such subsidiaries:

(a) Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries), or

(b) Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

# Notes

**forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2024**

**NOTE 73** – Previous period figures have been regrouped / recasted / reclassified wherever necessary.

**NOTE 74** – The Group has approved its financial statements in its board meeting dated May 07, 2024.

Signatures to Notes 1 to 74 which form an integral part of the consolidated financial statements.

In terms of our report attached

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**
Partner
Membership Number: 045255

Place: Mumbai
Date: May 07, 2024

**For and on behalf of the Board of Directors**

**RAJEEV AGGARWAL**
Chief Financial Officer

**AMIT KUMAR GUPTA**
Company Secretary

Place: Mumbai
Date: May 07, 2024

**H. V. GOENKA**
Chairman
DIN: 00026726

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581





## FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

### PART "A": SUBSIDIARIES

₹ in Crore

| Sr. No. | Name of Subsidiary Company | Reporting Currency | Share Capital | Reserves & surplus | Total Assets | Total Liabilities (excluding Capital and Reserves) | Investments (except in case of Investment in the Subsidiaries) | Turnover ** | Profit/ (Loss) before Taxation ** | Provision for Taxation ** | Profit/ (Loss) after Taxation ** | Proposed Dividend (excluding dividend paid) | % of Shareholding (either directly or through subsidiaries) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | SAE Towers Holdings LLC, USA* | INR | 1,529.19 | 105.13 | 1,692.46 | 58.13 | - | - | - | - | - | - | 100% |
| | | USD(000) | 183,356.01 | 12,606.08 | 202,932.55 | 6,970.46 | - | - | - | - | - | - | |
| 2 | SAE Towers Ltd, USA* | INR | 16.69 | (1.45) | 19.03 | 3.79 | - | 301.28 | (8.13) | (1.71) | (6.42) | - | 100% |
| | | USD(000) | 2,001.00 | (173.61) | 2,281.75 | 454.35 | - | 36,360.00 | (979.30) | (205.65) | (773.65) | - | |
| 3 | SAE Towers Brazil Subsidiary Company LLC, USA* | INR | - | 0.00 | 0.00 | - | - | - | - | - | - | - | 100% |
| | | USD(000) | - | 0.00 | 0.00 | - | - | - | - | - | - | - | |
| 4 | SAE Towers Mexico Subsidiary Holding Company LLC, USA* | INR | - | 0.02 | 0.02 | - | - | - | - | - | - | - | 100% |
| | | USD(000) | - | 1.82 | 1.82 | - | - | - | - | - | - | - | |
| 5 | SAE Towers Construcao Ltda, Brazil* | INR | - | - | - | - | - | - | - | - | - | - | 100% |
| | | USD(000) | - | - | - | - | - | - | - | - | - | - | |
| 6 | SAE Towers Brasil Torres de Transmissao Ltda, Brazil* | INR | 604.17 | (505.21) | 809.48 | 710.51 | - | 794.02 | 20.11 | 6.51 | 13.60 | - | 100% |
| | | USD(000) | 72,442.68 | (60,576.42) | 97,059.79 | 85,193.53 | - | 95,826.67 | 2,421.38 | 784.17 | 1,637.20 | - | |
| 7 | SAE Towers Mexico S de RL de CV, Mexico* | INR | 184.14 | (21.82) | 438.74 | 276.43 | - | 650.79 | 46.96 | 16.40 | 30.56 | - | 100% |
| | | USD(000) | 22,078.75 | (2,616.86) | 52,607.04 | 33,145.15 | - | 78,540.63 | 5,655.08 | 1,975.37 | 3,679.72 | - | |
| 8 | SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico* | INR | - | 18.04 | 22.11 | 4.07 | - | - | - | - | - | - | 100% |
| | | USD(000) | - | 2,162.63 | 2,650.64 | 488.01 | - | - | - | - | - | - | |
| 9 | KEC Engineering & Construction Services S de RL de CV, Mexico* | INR | - | (3.33) | (3.29) | 0.04 | - | - | - | - | - | - | 100% |
| | | USD(000) | - | (398.78) | (393.92) | 4.86 | - | - | - | - | - | - | |
| 10 | KEC Investment Holdings, Mauritius | INR | 954.64 | 34.77 | 989.47 | 0.05 | - | - | (0.17) | - | (0.17) | - | 100% |
| | | USD(000) | 114,465.63 | 4,169.65 | 118,641.21 | 5.93 | - | - | (20.15) | - | (20.15) | - | |
| 11 | KEC Global Mauritius, Mauritius | INR | - | 0.00 | (0.00) | (0.00) | - | - | (0.32) | - | (0.32) | - | 100% |
| | | USD(000) | - | - | - | - | - | - | (2.50) | - | (2.50) | - | |
| 12 | KEC International (Malaysia) SDN.BHD, Malaysia | INR | 1.73 | 37.33 | 124.93 | 85.87 | - | 120.84 | 11.68 | 2.78 | 8.90 | - | 100% |
| | | MYR(000) | 1,021.74 | 21,098.87 | 102,356.38 | 80,235.76 | - | 70,048.72 | 8,445.03 | 1,540.20 | 6,904.84 | - | |
| 13 | RPG Transmission Nigeria Limited, Nigeria | INR | 0.21 | (0.15) | 0.06 | 0.00 | - | - | (0.00) | - | (0.00) | - | 100% |
| | | Naira(000) | 10,000.00 | (260.39) | 9,739.61 | - | - | - | (50.00) | - | (50.00) | - | |

₹ in Crore

| Sr. No. | Name of Subsidiary Company | Reporting Currency | Share Capital | Reserves & surplus | Total Assets | Total Liabilities (excluding Capital and Reserves) | Investments (except in case of Investment in the Subsidiaries) | Turnover ** | Profit/ (Loss) before Taxation ** | Provision for Taxation ** | Profit/ (Loss) after Taxation ** | Proposed Dividend (excluding dividend paid) | % of Shareholding (either directly or through subsidiaries) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 14 | Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refer Note 3) | INR | 3.65 | 405.81 | 1,196.02 | 786.56 | - | 1,456.06 | 169.86 | 22.76 | 147.10 | - | 51.10% |
| | | SAR(000) | 3,000.00 | 265,247.12 | 859,524.99 | 591,277.87 | - | 941,315.64 | 111,740.85 | 14,704.36 | 97,036.49 | - | |
| 15 | KEC Towers LLC, Dubai, UAE | INR | 126.04 | 125.24 | 621.95 | 370.67 | - | 588.83 | 65.63 | - | 65.63 | - | 100% |
| | | AED(000) | 63,173.50 | 47,704.4 | 274,174.04 | 163,296.18 | - | 261,166.01 | 28,122.40 | | 28,122.40 | | |
| 16 | KEC EPC LLC, Dubai, UAE (Refer Note 1) | INR | 0.62 | 87.65 | 437.27 | 349.01 | - | 770.17 | 53.60 | - | 53.60 | - | 100% |
| | | AED(000) | 300.00 | 38,469.51 | 251,150.71 | 212,381.20 | | 341,248.81 | 24,218.43 | - | 24,218.43 | - | |
| 17 | KEC Power India Private Limited, India | INR | 0.22 | 0.17 | 0.40 | 0.01 | - | - | 0.02 | 0.01 | 0.01 | - | 100% |
| 18 | KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastrucutre Private Limited) (Refer Note 2) | INR | 0.30 | 125.68 | 629.54 | 503.56 | - | 624.12 | 52.60 | 13.57 | 39.03 | - | 100% |

*The figures reported above are without considering elimination*

*Exchange rates as at year end considered for conversion:*

*1 USD = ₹ 83.40*

*1 AED = ₹ 22.694*

*1 NAIRA = ₹ 0.0588*

*1 SAR = ₹ 22.221*

*1 MYR = ₹ 17.633*

** Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC*

*** Average exchange rates for the year considered for conversion (actual entry rate during the year)*

*Footnotes:*

1 *KEC EPC LLC, Step down Subsidiary, was incorporated on October 06, 2021.*

2 *The Company on Octobter 13, 2021 acquired 100% equity shares of KEC Spur Infrastructure Private Limited thereby making it a wholly owned subsidiary of the Company.*

3 *KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Ltd. Co.', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is "Subsidiary" of the Company under the Companies Act, 2013. In terms of Indian Accounting Standard (Ind AS- 111) the financials of Al Sharif JV continues to be forming part of standalone accounts due to Joint Operation Control between the shareholders.*

4 *The liquidation process of KEC Global Mauritius has been completed and the said entity has been dissolved effective September 24, 2023.*

5 *There are no Subsidiaries which have been incorporated or sold during the year.*





## PART "B" : ASSOCIATES AND JOINT VENTURES

₹ in Crore

| Name of Associates / joint ventures | | RP Goenka Group of Companies Employees Welfare Association |
|---|---|---|
| 1. | Latest audited balance sheet date | 31/03/2024 |
| 2. | Shares of Associate / joint ventures held by the company on the year end | |
| | No. | - |
| | Amount of Investment in Associates / joint ventures | - |
| | Extend of Holding % | 49 |
| 3. | Description of how there is significant influence | By virtue of shareholding |
| 4. | Reason why the associate / joint ventures is not consolidated | Refer foot note no-1 |
| 5. | Net worth attributable to Shareholding as per latest audited Balance Sheet | - |
| 6. | Profit / Loss for the year | - |
| | i. Considered in Consolidation | No |
| | ii. Not considered in Consolidation | - |

The figures reported above are without considering elimination

***Footnotes:***

1. *As there are significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, the carrying value of the Group's interest in the Associate are not considered in the consolidated financial statements.*
2. *There are no associates or joint ventures which have been incorporated, liquidated or sold during the year.*

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

# Independent Auditor's Report

To the Members of KEC International Limited

## REPORT ON THE AUDIT OF THE 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, 2024, 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 material accounting policy information and other explanatory information in which are included the financial statements / financial information for the year ended on that date audited by the branch auditors of the Company's 39 branches located at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia and financial statements/financial information of 34 jointly controlled operations consolidated on a proportionate basis (refer Notes 4.1 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/financial information 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, 2024, 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 Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER

4. We draw attention to Note 63 of the standalone financial statements, regarding the Company's net exposure of ₹ 245 crores (including Afghanistan branch exposure) from its transmission line projects in Afghanistan as at March 31, 2024, which are kept on hold due to Force Majeure event where as per management, the probability of resumption of work is considered as remote. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies.

   Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the 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 construction contract revenue and related cost**<br><br>(Refer Notes 38 and 51 to the standalone financial statements)<br><br>The Company enters into engineering, procurement and construction contracts, which are complex in nature and generally extend over a period of 2 to 3 years. Contract prices are fixed / subject to price variance clauses.<br><br>Contract revenue is measured based on the proportion of contract costs incurred for work performed until the balance sheet date, relative to the estimated total contract costs. The recognition of revenue, therefore, rely on estimates in relation to total estimated costs and estimated contract price of each contract.<br><br>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.<br><br>We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has a consequential impact on revenue recognition. | Our procedures over the recognition of construction revenue included the following:<br><br>• Understood and evaluated the design and tested operating effectiveness of key internal financial controls, including those related to estimation of construction contract costs & contract price and review and approval thereof.<br><br>• Assessed the appropriateness of the revenue recognition accounting policies in line with Ind AS 115 "Revenue from Contracts with Customers".<br><br>• For selected sample of contracts, performed the following procedures:<br><br>a) We obtained the percentage of completion calculations, agreed key contractual terms back by signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion.<br><br>b) For costs incurred to date, we verified relevant supporting documents and performed cut off procedures.<br><br>c) Variable consideration (variation/claims) is recognized by the management when its recovery is assessed to be highly probable. We have evaluated the management assessment by reviewing the contractual terms, client communications and past trends, wherever considered necessary.<br><br>d) Evaluated the reasonableness of key assumptions included in estimated total contract costs:<br><br>- For a selected sample of contracts, obtained the breakdown of estimated total contract costs and tested elements of the committed cost by obtaining executed purchase orders/agreements, customer confirmations /documents, evidence relating to variable consideration/claims.<br><br>- Evaluated reasonableness of management's judgements and assumptions by using past trends and comparing the movement in estimated total contracts costs from previous periods.<br><br>• Assessed the adequacy of presentation and related disclosures in the standalone financial statements.<br><br>Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable. |

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Recoverability of Trade Receivables and Contract Assets**<br><br>(Refer to Notes 10,15 and 20 to the standalone financial statement)<br><br>Trade receivables and contract assets (other than that described in the Emphasis of matter paragraph above), are significant balances in the Company's standalone financial statements as at March 31, 2024 and assumptions used for estimating the expected credit loss on receivables is an area which is influenced by management's judgement.<br><br>The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward-looking estimates, with the customer.<br><br>Given the relative significance of these receivables to the standalone financial statements and judgement involved as well as the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter. | Our procedures towards recoverability of trade receivables involved the following:<br><br>• Evaluated the design and tested the operating effectiveness of key controls over the assessment of recoverability of receivables.<br><br>• For a selected sample of contracts, we made enquiries with the management and gained an understanding of the related contractual terms, collection history, basis of their assessment of collectability, realization plan, verified the carrying value of trade receivables.<br><br>• Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, contractual terms, project status, past history, subsequent realization, correspondence between the Company and their customers, ongoing litigations and disputes, if any, existing market conditions and forward-looking estimates, with the customer.<br><br>Based on the procedures performed above, no significant deviations were observed in respect of management's assessment of recoverability of trade receivables. |

## OTHER INFORMATION

6. The 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 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 and presentation 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 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.

    - Obtain sufficient appropriate audit evidence regarding the financial information of the branches and jointly controlled operations which are included in the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 including those reported by the other auditors 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 MATTERS

14. We did not audit the financial statements / financial information of 34 branches and 33 jointly controlled operations included in the standalone financial statements of the Company, whose financial statements / financial information reflect total assets of ₹ 4,650 crores and net assets of ₹ 379 crores as at March 31, 2024, total revenues of ₹ 4,828 crores, total net loss after tax of ₹ 53 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 32 crores for the year ended March 31, 2024 and net cash inflows amounting to ₹ 18 crores for the year then ended. The financial statements/ financial information of these branches and jointly controlled operations have been audited by branch auditors and other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial statements in so far as it relates to the amounts and disclosures included in respect of these branches and

jointly controlled operations, is based solely on the reports of such branch auditors and other auditors.

15. The financial statements/ financial information of 5 branches and 1 jointly controlled operation located outside India, included in the standalone financial statements, which constitute total assets of ₹ 20 crores and net liabilities of ₹ 196 crores as at March 31, 2024, total revenue from operations of ₹ 38 crores, total net loss after tax of ₹ 18 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 18 crores and net cash outflows amounting to ₹ 6 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements/ financial information of such branches/ jointly controlled operation located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited the conversion adjustments, if any, 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 operation located outside India, 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 in relation to the operations of 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 the reports of the other auditors except for the matters stated in paragraph 17(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended).

    (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 the financial information / financial statements received from branches and the 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 April 1, 2024, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

    (g) With respect to the maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 17(b) above on reporting under Section 143(3)(b) of the Act.

    (h) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and its branches, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The 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. The Company has made provision in the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Note 36.3 to the standalone financial statements in respect of such items as it relates to the Company, its branches and jointly controlled operations.

        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 to us and to the branch auditors that, to the best of its knowledge and belief, other than as disclosed in the notes to these standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of the branches 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 or any of the branches ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer Note 9.7 to the standalone financial statements);

        (b) The management has represented to us and to the branch auditors that, to the best of its knowledge and belief, other than as disclosed in the notes to these standalone financial statements, no funds have been received by the Company or any of the branches from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of the branches 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 9.7 to the standalone financial statements); and

        (c) Based on such audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the branch auditors, nothing has come to our or branch auditors notice that has caused us or branch auditors 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.

        vi. Based on our examination, which included test checks and that performed by the respective auditors of branches, the Company and its branches have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software, except that: (a) in case of the Company, the audit trail is not maintained in case of any changes by users with certain privileged access and for any direct database changes to its accounting software, and (b) in case of four branches, the respective other auditors have not commented on the feature of recording audit trail (edit log) for the books of account maintained by these branches. During the course of our audit and basis the report of the branch auditors, except for the aforesaid instances, where the question of our commenting on whether the audit trail has been tampered with does not arise, we or the branch auditors did not notice any instance of audit trail feature being tampered with.

18. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016
Chartered Accountants

**Sarah George**
Partner
Membership Number: 045255
UDIN: 24045255BKGUEY9869

Place: Mumbai
Date: May 07, 2024

# Annexure A to Independent Auditor's Report

Referred to in paragraph 17(h) 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, 2024

## 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, 2024 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 39 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 standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 standalone financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

8. In our opinion, the Company including 39 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, 2024, 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 in so far as it relates to 39 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
Chartered Accountants

**Sarah George**
Partner
Membership Number: 045255
UDIN: 24045255BKGUEY9869

Place: Mumbai
Date: May 07, 2024

# Annexure B to Independent Auditor's Report

Referred to in paragraph 16 of the Independent Auditors' 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, 2024

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, and based on the consideration of reports of branch auditors, we report that:

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 favour 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 Crore) | 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 Village Dhanot, Taluka Kalol, Gujarat | - | i. Asian Cables Corporation Limited | No | 01-03-2010* | The title has been 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 the Sub-Divisional Officer (SDO) for want of payment of stamp duty. The Company has filed a revision application before the Appropriate Authority, challenging the order passed by SDO. |
| | | ii. CETEX Petro chemicals Limited | No | 31-03-2005* | |
| Freehold land at Jabalpur, Madhya Pradesh | 0.81 | SAE (I) Limited | No | 01-10-2007 | The title has 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. |
| Bezzola Complex, Chembur, Mumbai, Maharashtra (Unit No.208, to 213 on 2nd floor, B wing) | 9.72 | Harrisons Malayalam Limited | No | 13-07-2016 | The title has been transferred to and vested in the Company, pursuant to the agreement for sale in earlier years. The registration of the Sale deed is pending on account of certain procedural formalities at the end of Harrisons Malayalam Limited's Banker. |

** 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 or both 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 the 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 as compared to book records were not 10% or more in aggregate for each class of inventory 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 one company and stood guarantee to seven companies. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such guarantees to subsidiaries and a jointly controlled operation are as per the table given below:

| Particulars | Guarantees* (₹ in Crore) |
|---|---|
| Aggregate amount provided during the year | |
| - Subsidiaries | 710.92 |
| - Joint Controlled Operation | 425.34 |
| Balance outstanding as at balance sheet date in respect of the above | |
| - Subsidiaries | 710.92 |
| - Joint Controlled Operation | 425.34 |

**Converted at closing rates*

(Also, refer Notes 9, 18 and 56 to the standalone financial statements)

(b) In respect of the aforesaid investments/guarantees, the terms and conditions under which such investments were made/guarantees provided are not prejudicial to the Company's interest.

(c) In respect of the loans having opening balances, the schedule of repayment of principal and payment of interest has been stipulated, and the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest as applicable.

(d) In respect of the loans, there is no amount which is overdue for more than ninety days.

(e) There were no loans which have fallen 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) There were no loans which were granted during the year, including to promoters / related parties.

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 investments made and guarantees provided by it.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed thereunder.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including goods and services tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(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, 2024 which have not been deposited on account of a dispute, are as follows:

| Name of the statute | Nature of dues | Amount (₹ in Crore) | Period to which the amount relates | Forum where the dispute is pending |
|---|---|---|---|---|
| The Central Sales Tax Act, 1956 and Local Sales Tax Acts | Sales tax and value added tax | 11.65 | 1995-1996 to 2016-2017 | Appellate Authority |
| | | 7.42 | 2010-2011 | Revisionary Board of West Bengal |
| | | 5.92 | 2007-2008 to 2016-2017 | Appellate Tribunal |
| | | 21.41 | 2012-2013 to 2014-2015 | High Court |
| The Finance Act, 1994 | Service Tax | 36.48 | 2014-2015 to 2017-2018 | Appellate Authority |
| | | 7.31 | 2007-2008 to 2015-2016 | Customs Excise and Service Tax Appellate Tribunal (CESTAT) |
| | | 145.33 | 2004-2005 to 2008-2009 | Supreme Court |
| The Customs Act, 1962 | Custom Duty | 0.60 | 1995-1996 | High Court |
| The Central Excise Act, 1944 | Excise Duty | 9.30 | 2008-2009 to 2017-2018 | Customs Excise and Service Tax Appellate Tribunal (CESTAT) |
| | | 0.13 | 2008-2009 to 2016-2017 | Supreme Court |
| The Income- Tax Act, 1961 | Income Tax | 16.00 | 2012-2013 to 2020-2021 | Appellate Authority |
| Entry Tax Act, 1976, Madhya Pradesh | Entry Tax | 0.20 | 2009-2010 to 2015-2016 | Appellate Authority – up to Commissioner's level |
| Entry Tax, Gurgaon | Entry Tax | 0.15 | 2013-2014 to 2016-2017 | West Bengal High Court |
| Goods and Services Tax | Goods and Services Tax | 38.13 | 2017-2018 to 2021-2022 | Appellate Authority |

viii. There are no transactions previously unrecorded in the books of account that have 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 records of the Company examined by us and the information and explanation given to us, 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) According to the records of the Company examined by us and the information and explanation given to us, the term loans have been applied for the purposes for which they were obtained. (Also, refer Note 74 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 utilised for long-term purposes by the Company.

(e) 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.

(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.

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, 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, 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 with the Central Government. 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 under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.

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 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 explanations 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(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 (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) 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 - Bhutan Branch | April 22, 2024 | The branch has incurred cash losses of BTN. Nil in the financial year and of BTN. 35,28,513 in the immediately preceding financial year. |
| 2 | KEC International Limited - Jordan Branch | April 13, 2024 | The branch has incurred cash losses of JoD. 600,941 in the financial year and of JoD. 795,084 in the immediately preceding financial year. |
| 3 | KEC International Limited - Malaysia Branch | April 23, 2024 | The branch has incurred cash losses of MYR Nil in the financial year and of MYR Nil in the immediately preceding financial year. |
| 4 | KEC International Limited - Nigeria Branch | April 19, 2024 | The branch has incurred cash losses of NGN 302,357,103/- in the financial year and of NGN 282,475,388/- in the immediately preceding financial year. |
| 5 | KEC International Limited - Oman Branch | April 22, 2024 | The branch has incurred cash losses of RO.5,259,113 in the financial year and of RO.62,913 in the immediately preceding financial year. |
| 6 | KEC International Limited - South Africa Branch | April 25, 2024 | The branch has incurred cash losses of ZAR Nil in the financial year and of loss of ZAR 2,693,869 in the immediately preceding financial year. |
| 7 | KEC International Limited - Srilanka Branch | April 24, 2024 | The branch has incurred cash losses of LKR 143,877,068 in the financial year and of LKR 71,908,167 in the immediately preceding financial year. |
| 8 | KEC International Limited - Tanzania Branch | April 19, 2024 | The branch has incurred a profit of Nil in the financial year and of loss of Nil in the immediately preceding financial year. |
| 9 | KEC International Limited - Togo Branch | April 18, 2024 | The branch has incurred cash losses of XOF. 331,285,317 in the financial year and of XOF 2,387,273,503 in the immediately preceding financial year. |
| 10 | KEC International Limited - Uganda Branch | April 19, 2024 | The branch has incurred cash losses of UGX 11,347,554,052 in the financial year and of UGX 5,898,346,676 in the immediately preceding financial year. |
| 11 | KEC International Limited - Abu Dhabi Branch | April 29, 2024 | The Branches have incurred cash losses of AED 8,502,708 during the financial year ended 31 March 2024 and AED 67,030,860 in the immediately preceding financial year |
| 12 | KEC International Limited - Afghanistan Branch | April 29, 2024 | The branch has incurred cash losses of USD 13.03 Lakhs in the financial year and of USD 29.63 Lakhs in the immediately preceding financial year. |
| 13 | KEC International Limited - Algeria Branch | April 26, 2024 | The branch has incurred cash losses of DZD 7883.9 in the financial year and of DZD 458432.05 in the immediately preceding financial year. |
| 14 | KEC International Limited - Burkina Faso Branch | April 29, 2024 | The branch has incurred cash losses of XOF 37745604 in the financial year and of XOF Nil in the immediately preceding financial year. |
| 15 | KEC International Limited - Cameroon Branch | April 26, 2024 | The branch has incurred cash losses of XAF 876114 in the financial year and of XAF 6453564 in the immediately preceding financial year. |
| 16 | KEC International Limited - Egypt Branch | April 26, 2024 | The branch has incurred cash losses of EGP 3116790 in the financial year and of EGP Nil in the immediately preceding financial year. |
| 17 | KEC International Limited - Ethiopia Branch | April 26, 2024 | The branch has incurred cash losses of ETB 5299198 in the financial year and of ETB 1515922 in the immediately preceding financial year. |
| 18 | KEC International Limited - Georgia Branch | April 27, 2024 | The branch has incurred cash losses of 22,93,066 GEL in the financial year and of 12,01,781 GEL in the immediately preceding financial year. |
| 19 | KEC International Limited - Ghana Branch | April 26, 2024 | The branch has incurred cash losses of GHS 290544 in the financial year and of GHS Nil in the immediately preceding financial year. |
| 20 | KEC International Limited - Guinea Branch | April 26, 2024 | The branch has incurred cash losses of GNF Nil in the financial year and of GNF 10769370594 in the immediately preceding financial year. |
| 21 | KEC International Limited - Ivory Coast Branch | April 26, 2024 | The branch has incurred cash losses of XOF 232677806 in the financial year and of XOF 272408977 in the immediately preceding financial year. |
| 22 | KEC International Limited - Kenya Branch | April 26, 2024 | The branch has incurred cash losses of KES 54441227 in the financial year and of KES Nil in the immediately preceding financial year. |
| 23 | KEC International Limited - Kuwait Branch | April 26, 2024 | The branch has incurred cash losses of KWD Nil in the financial year and of KWD 11683 in the immediately preceding financial year. |
| 24 | KEC International Limited - Libya Branch | April 29, 2024 | The branch has incurred cash losses of LYD 46315 in the financial year and of LYD 146845 in the immediately preceding financial year. |





| Sr. No. | Name of component | Date of report | Matters reproduced |
|---|---|---|---|
| 25 | KEC International Limited - Mali Branch | April 29, 2024 | The branch has incurred cash losses of XOF 168396916 in the financial year and of XOF Nil in the immediately preceding financial year. |
| 26 | KEC International Limited - Morocco Branch | April 19, 2024 | The branch has incurred cash losses of 6231 KMAD in the financial year and of 7588 KMAD in the immediately preceding financial year. |
| 27 | KEC International Limited - Nicaragua Branch | April 26, 2024 | The branch has incurred cash losses of NIO 6504500 in the financial year and of NIO Nil in the immediately preceding financial year. |
| 28 | KEC International Limited - Senegal Branch | April 27, 2024 | The branch has incurred cash losses in the financial year of XOF 39,43,86,443 and cash loss of XOF 15,88,05,242 in the immediately preceding financial year. |
| 29 | KEC International Limited - Sierra Leone Branch | April 26, 2024 | The branch has incurred cash losses of SLE Nil in the financial year and of SLE 7894789 in the immediately preceding financial year. |
| 30 | KEC International Limited - Tunisia Branch | April 26, 2024 | The branch has incurred cash losses of TND 27336 in the financial year and of TND 45855 in the immediately preceding financial year. |
| 31 | KEC International Limited - Zambia Branch | April 26, 2024 | The branch has incurred cash losses of ZMW 88868 in the financial year and of ZMW 72577 in the immediately preceding financial year. |
| 32 | KEC International Limited - Moldova Branch | April 27, 2024 | The branch has incurred cash losses in the financial year 48,66,435 MDL and year and no cash loss 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 64 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.

(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 project/(s) 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: 012754N/N500016
Chartered Accountants

**Sarah George**
Partner
Membership Number: 045255
UDIN: 24045255BKGUEY9869

Place: Mumbai
Date: May 07, 2024

# Balance Sheet

as at March 31, 2024

₹ in Crore

| Particulars | Note No. | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **(1) Non-Current Assets** | | | |
| (a) Property, plant and equipment | 5 | 761.16 | 683.40 |
| (b) Right-of-use assets | 6 | 54.69 | 66.12 |
| (c) Capital work-in-progress | 7 | 6.53 | 8.39 |
| (d) Intangible assets | 8 | 17.35 | 29.71 |
| | | **839.73** | **787.62** |
| (e) Financial assets | | | |
| (i) Investments | 9 | 1,158.64 | 1,076.06 |
| (ii) Trade receivables | 10 | 288.34 | 359.30 |
| (iii) Other financial assets | 11 | 61.94 | 76.20 |
| | | **1,508.92** | **1,511.56** |
| (f) Deferred tax assets (net) | 28 | 13.39 | - |
| (g) Non-current tax assets (net) | 12 | 293.99 | 268.03 |
| (h) Other non-current assets | 13 | 222.69 | 203.91 |
| **Total Non-Current Assets** | | **2,878.72** | **2,771.12** |
| **(2) Current Assets** | | | |
| (a) Inventories | 14 | 885.50 | 766.61 |
| (b) Financial assets | | | |
| (i) Trade receivables | 15 | 3,755.62 | 3,939.84 |
| (ii) Cash and cash equivalents | 16 | 96.99 | 122.55 |
| (iii) Bank balances other than (ii) above | 17 | 64.12 | 58.10 |
| (iv) Loans | 18 | - | 12.35 |
| (v) Other financial assets | 19 | 126.55 | 147.17 |
| | | **4,043.28** | **4,280.01** |
| (c) Contract assets | 20 | 8,523.56 | 7,254.61 |
| (d) Current tax assets (net) | 21 | 166.45 | 21.68 |
| (e) Other current assets | 22 | 1,017.30 | 918.92 |
| **Total Current Assets** | | **14,636.09** | **13,241.83** |
| **Total Assets** | | **17,514.81** | **16,012.95** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 23 | 51.42 | 51.42 |
| (b) Other equity | 24 | 4,024.09 | 3,912.39 |
| **Total Equity** | | **4,075.51** | **3,963.81** |
| **Liabilities** | | | |
| **(1) Non-Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 25 | 16.85 | 232.87 |
| (ii) Lease liabilities | 26 | 11.50 | 21.04 |
| | | **28.35** | **253.91** |
| (b) Provisions | 27 | 17.42 | 17.41 |
| (c) Deferred tax liabilities (net) | 28 | - | 6.62 |
| (d) Other non-current liabilities | 29 | 0.43 | 0.45 |
| **Total Non-Current Liabilities** | | **46.20** | **278.39** |
| **(2) Current Liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 30 | 3,266.51 | 2,489.62 |
| (ii) Lease liabilities | 31 | 9.85 | 10.76 |
| (iii) Trade payables | 32 | | |
| - total outstanding dues of micro and small enterprises | | 146.50 | 164.52 |
| - total outstanding dues other than micro and small enterprises | | 8,502.29 | 7,676.04 |
| (iv) Other financial liabilities | 33 | 19.23 | 35.15 |
| | | **11,944.38** | **10,376.09** |
| (b) Contract liabilities | 34 | 1,103.30 | 1,051.32 |
| (c) Other current liabilities | 35 | 177.88 | 180.74 |
| (d) Provisions | 36 | 86.07 | 85.86 |
| (e) Current tax liabilities (net) | 37 | 81.47 | 76.74 |
| **Total Current Liabilities** | | **13,393.10** | **11,770.75** |
| **Total Equity and Liabilities** | | **17,514.81** | **16,012.95** |

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 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024





# Statement of Profit and Loss

for the year ended March 31, 2024

₹ in Crore

| | Particulars | Note No. | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| I | Revenue from operations | 38 | 17,383.35 | 15,413.23 |
| II | Other income | 39 | 62.05 | 36.71 |
| III | Total Income (I+II) | | **17,445.40** | **15,449.94** |
| IV | Expenses | | | |
| | (i) Cost of materials consumed | 40 | 7,424.04 | 6,189.27 |
| | (ii) Changes in inventories of finished goods and work-in-progress | 41 | (42.30) | 8.17 |
| | (iii) Erection and sub-contracting expenses | 42 | 6,714.31 | 6,140.61 |
| | (iv) Employee benefits expense | 43 | 1,106.50 | 996.91 |
| | (v) Finance costs | 44 | 572.71 | 433.91 |
| | (vi) Depreciation and amortisation expense | 45 | 145.57 | 126.96 |
| | (vii) Other expenses | 46 | 1,332.99 | 1,228.39 |
| | **Total expenses** | | **17,253.82** | **15,124.22** |
| V | Profit before exceptional items and tax (III-IV) | | **191.58** | **325.72** |
| VI | Exceptional Items | 47 | - | 75.57 |
| VII | Profit after exceptional items and before tax (V - VI) | | 191.58 | 250.15 |
| VIII | Tax expense : | 48 | | |
| | (i) Current tax | | 75.23 | 100.77 |
| | (ii) Deferred tax | | (31.18) | (30.87) |
| | | | **44.05** | **69.90** |
| IX | Profit for the year (VII-VIII) | | **147.53** | **180.25** |
| X | Other Comprehensive Income | | | |
| | A. Items that will not be reclassified to profit or loss | | | |
| | (i) Remeasurement of defined benefit obligations | 55 | 1.40 | (1.28) |
| | (ii) Income tax relating to these items | 48.2 | (0.26) | 0.36 |
| | B. Items that will be reclassified to profit or loss | | | |
| | (i) Exchange differences on translation of financial statemants of foreign operations | 24 | 19.70 | 36.99 |
| | (ii) Net gain/(losses) on cash flow hedges | 24 | 31.36 | (11.16) |
| | (iii) Income tax relating to these items | 48.2 | (10.91) | 5.89 |
| | **Total Other Comprehensive Income** | | **41.29** | **30.80** |
| XI | Total Comprehensive Income for the year (IX + X) | | | |
| XII | Earnings per equity share (of ₹ 2 each) | | **188.82** | **211.05** |
| | (i) Basic (in ₹) | 49 | 5.74 | 7.01 |
| | (ii) Diluted (in ₹) | | 5.74 | 7.01 |

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 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

# Statement of Changes in Equity

for the year ended March 31, 2024

## A. EQUITY SHARE CAPITAL

| Particulars | As at March 31, 2024 Nos. | As at March 31, 2024 ₹ in crore | As at March 31, 2023 Nos. | As at March 31, 2023 ₹ in crore |
|---|---|---|---|---|
| **Equity Shares Outstanding at the beginning of the year** | **257,088,370** | **51.42** | **257,088,370** | **51.42** |
| Add: Changes in Equity Share capital due to prior period errors | - | - | - | - |
| Restated balance at the beginning of the year | 257,088,370 | 51.42 | 257,088,370 | 51.42 |
| Add: Shares issued during the year | - | - | - | - |
| **Equity Shares Outstanding at the end of the year** | **257,088,370** | **51.42** | **257,088,370** | **51.42** |

## B. OTHER EQUITY

₹ in Crore

| Particulars | Reserves and Surplus | | | | | | Other Comprehensive Income | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Securities Premium | Capital 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 1, 2022** | **84.98** | **86.75** | **14.28** | **191.73** | **0.95** | **3,385.53** | **8.36** | **31.60** | **(0.02)** | **3,804.11** |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2022** | **84.98** | **86.75** | **14.28** | **191.73** | **0.95** | **3,385.53** | **8.36** | **31.60** | **(0.02)** | **3,804.11** |
| Profit for the year | - | - | - | - | - | 180.25 | - | - | - | **180.25** |
| Other Comprehensive Income for the year | - | - | - | - | - | - | (8.36) | 40.08 | (0.92) | **30.80** |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **-** | **-** | **180.25** | **(8.36)** | **40.08** | **(0.92)** | **211.05** |
| **Transactions with owners in their capacity as owner** | | | | | | | | | | |
| Dividends | - | - | - | - | - | (102.83) | - | - | - | **(102.83)** |
| **Balance as at March 31, 2023** | **84.98** | **86.75** | **14.28** | **191.73** | **0.95** | **3,462.96** | **-** | **71.68** | **(0.94)** | **3,912.39** |
| **Balance as at April 1, 2023** | **84.98** | **86.75** | **14.28** | **191.73** | **0.95** | **3,462.96** | **-** | **71.68** | **(0.94)** | **3,912.39** |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2023** | **84.98** | **86.75** | **14.28** | **191.73** | **0.95** | **3,462.96** | **-** | **71.68** | **(0.94)** | **3,912.39** |
| Profit for the year | - | - | - | - | - | 147.53 | - | - | - | **147.53** |
| Other Comprehensive Income for the year | - | - | - | - | - | - | 23.47 | 16.68 | 1.14 | **41.29** |
| **Total Comprehensive Income for the year** | **-** | **-** | **-** | **-** | **-** | **147.53** | **23.47** | **16.68** | **1.14** | **188.82** |
| **Transactions with owners in their capacity as owner** | | | | | | | | | | |
| Dividends | - | - | - | - | - | (77.12) | - | - | - | **(77.12)** |
| **Balance as at March 31, 2024** | **84.98** | **86.75** | **14.28** | **191.73** | **0.95** | **3,533.37** | **23.47** | **88.36** | **0.20** | **4,024.09** |

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 and on behalf of the Board of Directors**

**For Price Waterhouse Chartered Accountants LLP**
Firm Registration Number: 012754N/N500016

**H. V. GOENKA**
Chairman
DIN: 00026726

**SARAH GEORGE**
Partner
Membership Number: 045255

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

Place: Mumbai
Date: May 07, 2024





# Cash Flow Statement

for the year ended March 31, 2024

₹ in Crore

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **A. CASH FLOW FROM OPERATING ACTIVITIES** | | | | |
| **PROFIT FOR THE YEAR AFTER TAX** | | **147.53** | | **180.25** |
| **Adjustments for:** | | | | |
| Income tax expense | 44.05 | | 69.90 | |
| Depreciation and amortisation expense | 145.57 | | 126.96 | |
| Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets | (3.21) | | (3.99) | |
| Loss on property, plant and equipment discarded & intangible assets derecognised | 1.85 | | 0.89 | |
| Finance costs | 572.71 | | 433.91 | |
| Interest income | (43.18) | | (21.65) | |
| Bad debts, loans and advances written off/written back (net) | (12.20) | | 17.66 | |
| Exceptional items (Refer note 47) | - | | 75.57 | |
| Allowance for bad and doubtful debts, loans and advances (net of reversal) | 79.92 | | 19.45 | |
| Mark to market (gain)/loss on forward and commodity contracts | (7.69) | | 15.31 | |
| Net unrealised exchange loss/(gain) | 45.91 | | (47.32) | |
| | | **823.73** | | **686.69** |
| | | **971.26** | | **866.94** |
| **Changes in assets and liabilities** | | | | |
| **Changes in working capital:** | | | | |
| **Adjustments for (increase)/decrease in operating assets:** | | | | |
| Inventories | (118.89) | | (60.19) | |
| Trade receivables | 205.57 | | (1,210.90) | |
| Other financial assets | 65.27 | | (89.48) | |
| Contract assets | (1,301.46) | | (102.17) | |
| Other current assets | (96.51) | | 6.01 | |
| Other non-current assets | (13.29) | | (20.61) | |
| | | **(1,259.31)** | | **(1,477.34)** |
| **Adjustments for increase / (decrease) in operating liabilities:** | | | | |
| Trade payables | 788.48 | | 1,566.38 | |
| Other current liabilities | 3.97 | | 74.53 | |
| Contract liabilities | 45.05 | | (273.93) | |
| Other financial liabilities | (4.14) | | (3.83) | |
| Provisions | 2.39 | | 9.61 | |
| | | **835.75** | | **1,372.76** |
| **CASH FLOW GENERATED FROM OPERATIONS** | | **547.70** | | **762.36** |
| Taxes paid (net of refunds and interest on refunds) | | (212.49) | | (186.26) |
| **NET CASH FLOW GENERATED FROM OPERATING ACTIVITIES (A)** | | **335.21** | | **576.10** |
| **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) | (208.61) | | (152.08) | |
| Proceeds from sale of property, plant and equipment | 5.27 | | 14.94 | |
| Payment towards investments in subsidiaries | (82.58) | | (189.39) | |
| Receipt on buyback by subsidiary | - | | 2.78 | |
| Loans given to a subsidiary | - | | (4.00) | |
| Loans repaid by subsidiaries | 12.35 | | 19.88 | |
| Interest received | 12.43 | | 14.54 | |
| Bank balances (including non-current) not considered as Cash and cash equivalents (net) | (6.02) | | (4.14) | |
| | | **(267.16)** | | **(297.47)** |
| **NET CASH FLOW USED IN INVESTING ACTIVITIES (B)** | | **(267.16)** | | **(297.47)** |

# Cash Flow Statement

for the year ended March 31, 2024

₹ in Crore

| Particulars | For the year ended March 31, 2024 | | For the year ended March 31, 2023 | |
|---|---|---|---|---|
| **C. CASH FLOW FROM FINANCING ACTIVITIES** | | | | |
| Repayment of other than short-term borrowings | (165.61) | | - | |
| Proceeds from other than short-term borrowings | - | | 200.00 | |
| Repayment of lease obligations | (13.00) | | (14.79) | |
| Increase in short-term borrowings (net) | 701.47 | | 55.91 | |
| Loan taken from a subsidiary | 25.00 | | - | |
| Finance costs paid | (565.22) | | (446.99) | |
| Dividend paid | (77.16) | | (102.85) | |
| | | (94.52) | | (308.72) |
| **NET CASH FLOW USED IN FINANCING ACTIVITIES (C)** | | **(94.52)** | | **(308.72)** |
| **NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)** | | **(26.47)** | | **(30.09)** |
| Cash and cash equivalents at the beginning of the year (Refer Note 16) | | 122.55 | | 156.50 |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | | 0.91 | | (3.86) |
| **Cash and cash equivalents at the end of the year (Refer Note 16)** | | **96.99** | | **122.55** |
| **Supplemental Information** | | | | |
| **Non Cash Transactions from Investing and Financing Activities:** | | | | |
| Acquisition of Right-of-Use assets | | 0.76 | | 0.21 |

### Reconciliation of liabilities arising from financing activities:

| Particulars | As at March 31, 2023 | Cash flows | Movement in lease liabilities | Foreign exchange movement | Interest expense | Interest paid | As at March 31, 2024 |
|---|---|---|---|---|---|---|---|
| Borrowings | 2,724.86 | 560.86 | - | (3.57) | 559.88 | (558.66) | **3,283.36** |
| Lease liabilities | 31.80 | (11.21) | 0.76 | - | 1.79 | (1.79) | **21.35** |
| **Total liabilities from financing activities** | **2,756.66** | **549.66** | **0.76** | **(3.57)** | **561.67** | **(560.46)** | **3,304.70** |

| Particulars | As at March 31, 2022 | Cash flows | Movement in lease liabilities | Foreign exchange movement | Interest expense | Interest paid | As at March 31, 2023 |
|---|---|---|---|---|---|---|---|
| Borrowings | 2,441.23 | 255.91 | - | 27.81 | 426.29 | (426.38) | **2,724.86** |
| Lease liabilities | 44.29 | (12.32) | (0.17) | - | 2.47 | (2.47) | **31.80** |
| **Total liabilities from financing activities** | **2,485.52** | **243.59** | **(0.17)** | **27.81** | **428.76** | **(428.85)** | **2,756.66** |

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 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## 1. GENERAL INFORMATION

KEC International Limited ("the Company") (CIN: L45200MH2005PLC152061) is a public limited company incorporated and domiciled in India. Its shares are listed on BSE Limited and National Stock Exchange of India Limited. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

The Company's manufacturing footprint extends across three countries in addition to India. The Company has several international branch offices enabling diversified global footprint.

## 2. NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8
- Deferred tax related to assets and liabilities arising from a single transaction – amendments to Ind AS 12 The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments did not have any material impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the Company's accounting policy already complies with the now mandatory treatment.

### 3.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and Indian Accounting Standards(Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

### 3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities (including derivative instruments) and plan assets under defined benefit plans, that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Summary of material accounting policies is as under:

**Operating Cycle**

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

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

### 3.3 Revenue recognition

The Company derives revenue principally from following streams:

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

**3.3.1 Sale of products:**

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

The Company considers the terms of the contract in determining the transaction price. The transaction price is based upon the amount the company expects to be entitled to in exchange for transferring of promised goods

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

and services to the customer. Transaction price excludes taxes and duties collected on behalf of the government. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

**3.3.2 Construction contracts:**

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

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

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

The performance obligations are satisfied over time as the work progresses. The 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





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

presented as contract liability in the balance sheet. Contract assets and liabilities are reported in a net position on a contract-by-contract basis at the end of each reporting period.

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

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

**3.3.3 Sale of services:**

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

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

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

**3.3.4 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.

## 3.4 Foreign currency transactions

Items included in the standalone 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).

**3.4.1 Accounting for transactions and balances in foreign currencies**

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

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

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

Exchange differences on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in the period in which they arise. except for exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.22 below for hedging accounting policies);

**3.4.2 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.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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.

### 3.5 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 the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the applicable Ind AS.

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.

### 3.6 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.

### 3.7 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 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. 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.

### 3.8 Leasing

**As a lessee:**

The Company assesses whether a contract is or contains a lease, at inception of the contract. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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

**Lease Liabilities:**

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

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the 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.

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

**Right-of-use assets**

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

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

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

Short-term leases and leases of low-value assets

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

As a lessor:

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

### 3.9 Borrowing costs

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

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

### 3.10 Employee benefits

**3.10.1 Long Term Employee Benefits:**

(a) Defined Contribution Plans:

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

(b) Defined Benefit Plans:

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

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

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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.

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

**3.10.2 Short-term employee benefit:**

Short term employee benefits such as Salaries, wages, short term compensated absences, bonus, ex gratia and performance linked rewards including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## 3.11 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.

**3.11.1 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.

**3.11.2 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





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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 when entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

**3.11.3 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.

## 3.12 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 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

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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

## 3.13 Intangible assets

### 3.13.1 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.

### 3.13.2 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.

### 3.13.3 Research and development costs

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

### 3.13.4 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.

### 3.13.5 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. Customer Contracts obtained on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on a estimated useful life of 2.5 years.

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

## 3.14 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





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use.

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.

## 3.15 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.

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.

## 3.16 Inventories

Inventories (Raw material, work-in-progress, finished goods, stores and spares) are stated at the lower of cost and net realisable value. Cost of inventory 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.

## 3.17 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.

## 3.18 Financial instruments

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

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

Financial assets except trade receivable and financial liabilities are initially measured at fair value. Trade receivables are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

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.

## 3.19 Classification and Measurement of Financial Assets

### 3.19.1 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.

### 3.19.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

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

### 3.19.4 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.

## 3.20 Classification and Measurement Financial liabilities and equity instruments

### 3.20.1 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.

### 3.20.2 Equity instruments

Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### 3.20.3. Financial liabilities

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

### 3.20.4 Financial liabilities subsequently measured at amortised cost

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





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### 3.20.5 Financial guarantee contracts

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.

### 3.20.6 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

## 3.21 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.

## 3.22 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.

### 3.22.1 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,

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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.

### 3.23 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.

### 3.24 Segment reporting

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

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

### 3.25 Earnings per share

Basic earnings per share is calculated by dividing:

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

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

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

### 3.26 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.

### 3.27 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

## 4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the 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.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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 3.3.2 and note 51.

### 4.3 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.

### 4.4 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.

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.

# Notes

forning part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

₹ in Crore

| Particulars | Freehold Land | Buildings | Plant and Equipment | Erection Tools | Furniture and Fixtures | Vehicles | Office Equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | | | | | |
| **As at March 31, 2022** | **65.90** | **192.84** | **718.76** | **208.80** | **27.94** | **62.56** | **14.61** | **44.78** | **1,336.19** |
| Additions | - | 22.10 | 42.37 | 71.89 | 0.22 | 2.09 | 0.87 | 6.34 | **145.88** |
| Disposal | - | 1.49 | 23.57 | 13.25 | 3.94 | 3.89 | 1.83 | 6.70 | **54.67** |
| Adjustments | - | 0.21 | 0.42 | (0.10) | (0.53) | 1.23 | (0.25) | (0.21) | **0.78** |
| **As at March 31, 2023** | **65.90** | **213.66** | **737.98** | **267.34** | **23.69** | **61.99** | **13.40** | **44.22** | **1,428.18** |
| Additions | - | 13.79 | 49.27 | 118.82 | 0.04 | 6.18 | 0.70 | 9.63 | **198.43** |
| Disposal | - | 0.57 | 6.48 | 6.76 | 0.37 | 3.86 | 0.34 | 2.22 | **20.60** |
| Adjustments | - | 0.08 | 0.25 | 0.25 | 0.01 | 0.31 | 0.00 | 0.01 | **0.91** |
| **As at March 31, 2024** | **65.90** | **226.96** | **781.02** | **379.65** | **23.37** | **64.62** | **13.76** | **51.64** | **1,606.92** |
| **Accumulated depreciation** | | | | | | | | | |
| **As at March 31, 2022** | **-** | **75.03** | **389.52** | **114.64** | **19.59** | **46.75** | **11.22** | **33.20** | **689.95** |
| Depreciation expenses (Refer note 45) | - | 11.38 | 37.63 | 38.81 | 1.66 | 3.32 | 0.99 | 5.03 | **98.83** |
| Disposal | - | 1.47 | 14.32 | 13.23 | 3.84 | 3.78 | 1.79 | 6.04 | **44.47** |
| Adjustments | - | 0.19 | 0.22 | (0.15) | (0.52) | 1.19 | (0.25) | (0.20) | **0.48** |
| **As at March 31, 2023** | **-** | **85.13** | **413.05** | **140.07** | **16.89** | **47.48** | **10.17** | **31.99** | **744.78** |
| Depreciation expenses (Refer note 45) | - | 13.25 | 39.67 | 53.50 | 1.47 | 3.05 | 0.93 | 6.66 | **118.53** |
| Disposal | - | 0.45 | 3.91 | 6.14 | 0.27 | 3.62 | 0.32 | 1.94 | **16.65** |
| Adjustments | - | (0.08) | (0.20) | (0.21) | (0.01) | (0.31) | (0.08) | (0.01) | **(0.90)** |
| **As at March 31, 2024** | **-** | **97.85** | **448.61** | **187.22** | **18.08** | **46.60** | **10.70** | **36.70** | **845.76** |
| **Net carrying amount** | | | | | | | | | |
| **As at March 31, 2023** | **65.90** | **128.53** | **324.93** | **127.27** | **6.80** | **14.51** | **3.23** | **12.23** | **683.40** |
| **As at March 31, 2024** | **65.90** | **129.11** | **332.41** | **192.43** | **5.29** | **18.02** | **3.06** | **14.94** | **761.16** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### 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 (₹ in crore) | 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, Baroda,Gujarat | 0.00 | i. Asian Cables Corporation Limited | No | 1/Mar/2010 | The title has been 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 the Sub-Divisional Officer (SDO) for want of payment of stamp duty. The Company has filed a revision application before the Appropriate Authority, challenging the order passed by the SDO. |
| | | | ii. CETEX Petrochemicals Limited | | 31/Mar/2005 | |
| Property, plant and equipment | Freehold land at Jabalpur, Madhya Pradesh | 0.81 | SAE (I) Limited | No | 1/Oct/2007 | The title has 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 | Unit No.208, to 213 on 2nd floor, B wing, Bezzola Complex, B-71, Chembur, Mumbai, Maharashtra, India | 9.72 | Harrisons Malayalam Limited | No | 13/Jul/2016 | The title has been transferred to and vested in the Company, pursuant to the agreement for sale in earlier years. The registration of the Sale deed is pending on account of certain procedural formalities at the end of Harrisons Malayalam Limited's Banker. |

**Note 5.2:** Freehold land at Mysore which was not held in the name of the Company as on March 31, 2023 has now been transferred in the name of the Company during the year ended March 31, 2024.

**Note 5.3:** For details of Property, plant and equipment having gross carrying amount aggregating ₹ 773.69 crore (As at March 31, 2023 ₹ 560.20 crore), which are pledged as security for borrowings - Refer Notes 25 and 30.

**Note 5.4:** Adjustments represents foreign currency exchange translation adjustment on account of a branch and jointly controlled operations which have different functional currency.

**Note 5.5:** Refer Note 57(ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 52)

₹ in Crore

| Description | Buildings | Land | Plant & Machinery | Vehicles | Total |
|---|---|---|---|---|---|
| **Gross Carrying Amount** | | | | | |
| **As at March 31, 2022** | **58.28** | **63.75** | **2.22** | **0.82** | **125.07** |
| Additions | 0.21 | - | - | - | 0.21 |
| Disposal | 4.47 | 0.53 | - | 0.13 | 5.13 |
| **As at March 31, 2023** | **54.02** | **63.22** | **2.22** | **0.69** | **120.15** |
| Additions | 0.76 | - | - | - | 0.76 |
| Disposal | 0.08 | - | 2.22 | 0.69 | 2.99 |
| **As at March 31, 2024** | **54.70** | **63.22** | **-** | **-** | **117.92** |
| **Accumulated Depreciation** | | | | | |
| **As at March 31, 2022** | **27.50** | **14.85** | **1.98** | **0.76** | **45.09** |
| Depreciation expenses (Refer note 45) | 8.52 | 5.06 | 0.24 | 0.07 | 13.89 |
| Disposal | 4.27 | 0.54 | - | 0.14 | 4.95 |
| **As at March 31, 2023** | **31.75** | **19.37** | **2.22** | **0.69** | **54.03** |
| Depreciation expenses (Refer note 45) | 7.13 | 5.06 | - | - | 12.19 |
| Disposal | 0.08 | - | 2.22 | 0.69 | 2.99 |
| **As at March 31, 2024** | **38.80** | **24.43** | **-** | **-** | **63.23** |
| **Net carrying amount** | | | | | |
| **As at March 31, 2023** | **22.27** | **43.85** | **-** | **-** | **66.12** |
| **As at March 31, 2024** | **15.90** | **38.79** | **-** | **-** | **54.69** |

## NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening Balance** | **8.39** | **2.21** |
| Addition during the year | 199.06 | 155.71 |
| Capitalisation during the year | (200.92) | (149.53) |
| **Closing Balance** | **6.53** | **8.39** |

### Note 7.1 CWIP ageing schedule as at March 31, 2024

₹ in Crore

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 4.17 | 0.78 | 0.63 | 0.95 | **6.53** |
| Projects temporarily suspended | - | - | - | - | **-** |

### CWIP ageing schedule as at March 31, 2023

₹ in Crore

| Particulars | Amount in CWIP for a period of | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 6.32 | 1.12 | 0.95 | - | **8.39** |
| Projects temporarily suspended | - | - | - | - | - |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### 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 in progress | NIL | | | | |
| Projects temporarily suspended | | | | | |
| **Total** | - | - | - | - | - |

## 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 March 31, 2022** | **240.00** | **79.75** | **0.58** | **320.33** |
| Additions | - | 3.65 | - | **3.65** |
| Disposal | - | 0.02 | - | **0.02** |
| **As at March 31, 2023** | **240.00** | **83.38** | **0.58** | **323.96** |
| Additions | - | 2.49 | - | **2.49** |
| Disposal | - | 0.06 | - | **0.06** |
| **As at March 31, 2024** | **240.00** | **85.81** | **0.58** | **326.39** |
| **Accumulated amortisation** | | | | |
| **As at March 31, 2022** | **204.00** | **75.92** | **0.10** | **280.02** |
| Amortisation expense (Refer note 45) | 12.00 | 2.05 | 0.19 | **14.24** |
| Disposal | - | 0.01 | - | **0.01** |
| **As at March 31, 2023** | **216.00** | **77.96** | **0.29** | **294.25** |
| Amortisation expense (Refer note 45) | 12.00 | 2.66 | 0.19 | **14.85** |
| Disposal | - | 0.06 | - | **0.06** |
| **As at March 31, 2024** | **228.00** | **80.56** | **0.48** | **309.04** |
| **Net carrying amount** | | | | |
| **As at March 31, 2023** | 24.00 | 5.42 | 0.29 | **29.71** |
| **As at March 31, 2024** | **12.00** | **5.25** | **0.10** | **17.35** |

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 remaining amortisation period is 1 year (as at March 31, 2023 - 2 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 a straight line basis over the term of Non Compete agreement i.e. 3 years. The remaining amortisation period is 6 months (as at March 31, 2023 - 1 year 6 months).

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 9 - INVESTMENTS

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **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 9.4(b)]. | 0.35 | 0.35 |
| 84,465,631 | (As at March 31, 2023, 76,694,313) Fully paid Ordinary Shares of US $ 1 each of KEC Investment Holdings, Mauritius [Refer Notes 9.1, 9.4(a) and 9.6] | 945.68 | 863.10 |
| 30,000,000 | 4% Non Cumulative convertible preference shares US $ 1 each of KEC Investment Holdings, Mauritius (Refer Note 9.2) | 193.39 | 193.39 |
| 631,735 | Fully paid Equity Shares of AED 100 each of KEC Towers-LLC, Dubai, United Arab Emirates | 130.31 | 130.31 |
| 1,021,744 | Fully paid Ordinary Shares of RM $ 1 each of KEC International Malaysia SDN BHD, Malaysia | 4.58 | 4.58 |
| - | (As at March 31, 2023, 22,000) Fully paid Ordinary Shares of US $ 1.00 each of KEC Global, Mauritius [(Note 9.4(b) & (Refer Note 9.5)] | - | 0.12 |
| 221,022 | Fully paid Equity Shares of ₹ 10 each of KEC Power India Private Limited [Refer Note 9.4(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). | 56.93 | 56.93 |
| | **Total** | **1332.10** | 1249.64 |
| | **Less**: Provision for impairment in subsidiaries. (Refer Note. 9.4 and 9.5) | 173.46 | 173.58 |
| | | **1,158.64** | **1,076.06** |
| **(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 9.3) | ★ | ★ |
| | | **1,158.64** | **1,076.06** |
| ★ less than rounding off norms adopted by the Company. | | | |
| Aggregate book value of unquoted investments | | 1,332.10 | 1,249.64 |
| Aggregate amount of impairment in the value of investments | | 173.46 | 173.58 |

**Note 9.1 :-** During the year, the Company has acquired 7,771,318 shares of USD 1 each (previous year 17,661,765 shares of USD 1 each) 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

forming part of the Financial Statements as at and for the year ended March 31, 2024

**Note 9.3** 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 Company in the form of cash dividends, the fair value of the Company's investment in the Entity is concluded to be equal to cost.

**Note 9.4**

a) During the earlier years the Company had made impairment provision of ₹ 172.79 crore (including ₹75.57 crore made in previous year), 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 (a wholly owned subsidiary of SAE Towers Holdings LLC, USA). Provision for impairment of investment was recognised to the extent the recoverable value of investments was lower than the carrying value of investments. The recoverable value of investments was calculated using value in use method. The value in use was 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 previous year the Company had also made below impairment provisions for its investments in various subsidiaries. Impairment was provided due to losses incurred by these subsidiaries from its operations. Provision for impairment of investment was calculated by comparing the recoverable value of these investments (as per value in use) and the carrying value of investments. Provision for impairment of investments in subsidiary companies has been presented as an Exceptional Item. (Refer Note 47). Details of impairment provision as at March 31, 2023 were as follows :

i) Impairment of Investment in RPG Transmission Nigeria Limited : ₹ 0.17 crore.

ii) Impairment of Investment in KEC Power India Private Limited : ₹0.50 crore.

iii) Impairment of Investment in KEC Global Mauritius ₹ 0.12 crore.

**Note 9.5** The liquidation process of KEC Global, Mauritius has been completed and the said entity has been dissolved effective September 24, 2023. Accordingly, Impairment of Investment in KEC Global Mauritius ₹ 0.12 crore mentioned in Note 9.4 has been derecognised in current year.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

**Note 9.6 :- Disclosure Regarding ultimate utilisation of invested funds by subsidiary**

**For the year ended March 31, 2024**

| Date of funds advanced | Amount of funds invested (USD in Crore) | Name of intermediary where funds advanced | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of intermediary beneficiary where funds advanced | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of ultimate beneficiary where funds advanced | ₹ in Crore |
|---|---|---|---|---|---|---|---|---|---|
| July 11, 2023 | 1.00 | KEC Investment Holdings, Mauritius **Address:** C/O IQEQ MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324 **Unique Identification no.** C096879 | July 12, 2023 | 1.00 | SAE Towers Holdings, LLC **Address:** 25700 I45 Suite 4028 The Woodlands TX 77386 Unique **Identification no** :20-8475605 | July 18, 2023 | 1.00 | SAE Towers Brasil Torres de Transmissão 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** | 82.58 |

**For the year ended March 31, 2023**

| Date of funds advanced | Amount of funds invested (USD in Crore) | Name of intermediary where funds advanced | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of intermediary beneficiary where funds advanced | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of ultimate beneficiary where funds advanced | ₹ in Crore |
|---|---|---|---|---|---|---|---|---|---|
| June 21, 2022 | 1.00 | KEC Investment Holdings, Mauritius **Address:** C/O IQEQ MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324 **Unique Identification no.** C096879 | June 22, 2022 | 1.00 | SAE Towers Holdings, LLC **Address:** 363 N. Sam Houston Pkwy E Suite 1100 Houston TX 77060 **Unique Identification no** : 20-8475605 | June 23, 2022 | 1.00 | SAE Towers Brasil Torres de Transmissão 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 | 78.22 |
| August 1, 2022 | 0.70 | | August 2, 2022 | 0.70 | | August 2, 2022 | 0.70 | | 55.40 |
| September 19, 2022 | 0.70 | | September 20, 2022 | 0.70 | | September 20, 2022 | 0.70 | | 55.77 |

***Note:** (i) For the above transactions, the Company has complied 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 Intermediaries have not provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.*

**Note 9.7 -** Other than the information disclosed in Note 9.6, the Company nor its branches has advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

a. directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of the branches (Ultimate Beneficiaries) or

b. provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company nor its branches has received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company or any of the branches 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.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 10 - TRADE RECEIVABLES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current trade receivables - Unsecured** | | |
| (i) Considered good | 345.68 | 384.10 |
| (ii) Having significant increase in credit risk | - | - |
| (iii) Credit impaired | - | - |
| | **345.68** | **384.10** |
| Less: Allowance for bad and doubtful receivables (expected credit loss allowance)* | 57.34 | 24.80 |
| | **288.34** | **359.30** |

*** Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note - 53B.3)**

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **11.15** |
| Add: Created during the year | 10.26 |
| Add: Transfer from current trade receivable | 7.52 |
| Less: Released during the year | 4.13 |
| **Balance as at March 31, 2023** | **24.80** |
| Add: Created during the year | 26.64 |
| Add: Transfer from current trade receivable | 12.14 |
| Less: Released during the year | 6.24 |
| **Balance as at March 31, 2024** | **57.34** |

**Note 10.1: Trade receivables (non current) ageing**

**As at March 31, 2024**

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 years | 2 - 3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed – considered good | 134.40 | - | - | 19.40 | 88.92 | 99.72 | **342.44** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – credit impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | 3.24 | - | - | - | - | - | **3.24** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed – credit impaired | - | - | - | - | - | - | **-** |
| **Total** | **137.64** | **-** | **-** | **19.40** | **88.92** | **99.72** | **345.68** |

**As at March 31, 2023**

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed – considered good | 152.52 | - | 13.37 | 89.89 | 117.30 | 11.02 | **384.10** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – credit impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | - | - | - | - | - | - | **-** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed – credit impaired | - | - | - | - | - | - | **-** |
| **Total** | **152.52** | **-** | **13.37** | **89.89** | **117.30** | **11.02** | **384.10** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 11 -OTHER FINANCIAL ASSETS

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Non-current** | | | |
| a) | **Contractually reimbursable expenses (Considered good)** | 13.92 | 28.95 |
| b) | **Security Deposits, Unsecured :** | | |
| | Considered good | 48.02 | 47.25 |
| | Having significant increase in credit risk | - | |
| | Credit impaired | 0.17 | 0.76 |
| | **Less**: Allowance for bad and doubtful security deposits (Refer Note 11.1)* | 0.17 | 0.76 |
| | | **48.02** | **47.25** |
| | | **61.94** | **76.20** |

*Movement in the allowance for bad and doubtful security deposit (expected credit loss allowance)

Note 11.1

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **0.76** |
| Add: Created during the year | - |
| Less: Released during the year | - |
| **Balance as at March 31, 2023** | **0.76** |
| Add: Created during the year | - |
| Less: Released during the year | 0.59 |
| **Balance as at March 31, 2024** | **0.17** |

## NOTE 12 - NON-CURRENT TAX ASSETS (NET)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax payments less provisions | 293.99 | 268.03 |
| | **293.99** | **268.03** |

## NOTE 13 - OTHER NON-CURRENT ASSETS

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Capital Advances | 5.50 | 0.04 |
| (b) | Balance with Government authorities | | |
| | - Excise duty | 24.45 | 24.50 |
| | - VAT Credit / WCT / Service Tax Receivable | 137.01 | 127.79 |
| | - GST Receivable | 0.15 | 14.84 |
| | - Sales tax/ excise duty/ service tax/entry tax, etc. paid under protest | 47.09 | 28.57 |
| | | **208.70** | **195.70** |
| (c) | Prepaid expenses | 8.49 | 8.17 |
| | | **222.69** | **203.91** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 14 - INVENTORIES

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Inventories (lower of cost and net realisable value)** | | | |
| (a) | Raw materials | | |
| | - in stock | 583.86 | 507.59 |
| (b) | Work-in-progress | 28.42 | 22.59 |
| (c) | Finished goods | 226.34 | 189.87 |
| (d) | Stores and spares | 32.34 | 32.87 |
| (e) | Scrap | 14.54 | 13.69 |
| | | **885.50** | **766.61** |

## NOTE 15 - TRADE RECEIVABLES

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **Trade receivables - Unsecured (Refer notes 15.1, 15.2 and 54B.3)** | | | |
| (a) | Considered good | 3,805.51 | 3,998.28 |
| (b) | Having significant increase in credit risk | - | - |
| (c) | Credit impaired | - | - |
| | | **3,805.51** | **3,998.28** |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance)* | | 49.89 | 58.44 |
| | | **3,755.62** | **3,939.84** |

*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer Note 53B.3)

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **66.12** |
| Add: Created during the year | 7.03 |
| Less: Transfer to non current trade receivables | 7.52 |
| Less: Released during the year | 7.19 |
| **Balance as at March 31, 2023** | **58.44** |
| Add: Created during the year | 18.09 |
| Less: Transfer to non current trade receivables | 12.14 |
| Less: Released during the year | 14.41 |
| Add: Exchange gain/(loss) | (0.09) |
| **Balance as at March 31, 2024** | **49.89** |

### Note 15.1: Transfer of financial assets

The Company has discounted trade receivables with an aggregate carrying amount of ₹ 321.29 crore ( ₹ 177.54 crores during the previous year ended March 31, 2023) with banks for cash proceeds of ₹314.87 crore during the current year (during the previous year ended March 31, 2023 is ₹ 175.47 crore). These arrangements are "non-recourse" to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2024. Amount charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 7.54 Crores. (During the previous year ₹2.07 crores)

Further, the Company has discounted certain trade receivables with the banks "with recourse" to the Company. The carrying amount of such receivables as at March 31, 2023 ₹ 29.70 crore (As at March 31, 2023 ₹ 68.05 crores) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 29.70 crore (As at March 31, 2023 ₹ 68.05 crore) are recognised as secured borrowings (Note 30). There are restriction on further selling and pledging of these receivables.

Note 15.2 Receivable from related parties is ₹158.61 crore (As at March 31, 2023 ₹ 181.09 crore) (Refer Note 56C)

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### Note 15.3: Trade receivables ageing

As at March 31, 2024

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed – considered good | 2,489.15 | 722.24 | 152.43 | 253.60 | 156.58 | 13.45 | **3,787.45** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – Credit Impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | 6.70 | 0.28 | 0.05 | 0.26 | 3.88 | 6.89 | **18.06** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed – Credit Impaired | - | - | - | - | - | - | **-** |
| **Total** | **2,495.85** | **722.52** | **152.48** | **253.86** | **160.46** | **20.34** | **3,805.51** |

As at March 31, 2023

₹ in Crore

| Particulars | Not Due | Less than 6 months | 6 months - 1 years | 1 - 2 Years | 2 - 3 Years | More than 3 years | Total |
|---|---|---|---|---|---|---|---|
| Undisputed – considered good | 2,283.29 | 882.19 | 343.57 | 279.76 | 172.97 | 36.51 | **3,998.29** |
| Undisputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Undisputed – Credit Impaired | - | - | - | - | - | - | **-** |
| Disputed – considered good | 1.89 | 0.10 | 0.10 | 0.37 | 0.40 | 1.03 | **3.89** |
| Disputed – Having significant increase in credit risk | - | - | - | - | - | - | **-** |
| Disputed – Credit Impaired | - | - | - | - | - | - | **-** |
| **Total** | **2,285.18** | **882.29** | **343.67** | **280.13** | **173.37** | **37.54** | **3,998.28** |

### NOTE 16 - CASH AND CASH EQUIVALENTS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Balances with banks | | |
| (i) In current accounts | 73.99 | 115.24 |
| (ii) In deposit accounts | 14.56 | 0.28 |
| (b) Cash on hand | 8.44 | 7.03 |
| | **96.99** | **122.55** |

**Note 16.1** There are restrictions on repatriations with regards to cash and cash equivalents as at March 31, 2024 of ₹ 1.50 crore (as at March 31, 2023 ₹ 7.49 crore)





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### NOTE 17 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Earmarked balances with banks - unpaid dividend accounts | 2.97 | 3.00 |
| (ii) Bank deposit with original maturity of more than 3 months but less than 12 months | 0.09 | 5.80 |
| (iii) Bank deposits held as margin money or security against the borrowings, guarantees and other commitments | 61.06 | 49.30 |
| | **64.12** | **58.10** |

### NOTE 18 - LOANS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Related Party** | | |
| (a) Considered Good - Unsecured | | |
| (i) Loans to related party - KEC Towers LLC (wholly owned subsidiary) | - | 12.35 |
| | **-** | **12.35** |

**Note 18.1** The Company had provided short term loan to a wholly owned subsidiary for the purpose of providing working capital and other business requirements. This loan was given at rates comparable to the average external borrowing rate of interest.The loan has been fully repaid by the subsidiary during the year.

**Note 18.2** 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 Tower LLC** | | |
| **As at March 31, 2024** | - | 12.85 |
| As at March 31, 2023 | 12.35 | 12.35 |

### NOTE 19 - OTHER FINANCIAL ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Unsecured, considered good** | | |
| (i) Security Deposit | 44.14 | 83.54 |
| (ii) Interest accrued on deposits | 2.38 | 0.12 |
| (iii) Insurance claims | 0.20 | 0.64 |
| (iv) Mark to market gain on foreign currency and commodity forward contracts (Refer Note 54C) | 38.84 | 13.98 |
| (v) Contractually reimbursable expenses | 40.99 | 48.89 |
| | **126.55** | **147.17** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 20 - CONTRACT ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Unsecured, considered good | | |
| Amount due from customers for contract work | 6,001.84 | 4,681.93 |
| Retention Money | 2,564.85 | 2,580.53 |
| Less: Allowance for contract assets (Refer Note 20.1) | 43.13 | 7.85 |
| | **8,523.56** | **7,254.61** |

### Note 20.1 Movement in allowance on contract assets (expected credit loss allowance)(Refer note 54B.3)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | **7.85** | **5.09** |
| Additions | 36.05 | 3.24 |
| Reversals | 0.77 | 0.48 |
| **Closing balance** | **43.13** | **7.85** |

The contract assets represents amounts due from customers, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when the invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer.

The contract liabilities represents advance from customers and amount due to customers, primarily relate to invoice raised on customers on achievement of milestones for which revenue is to be recognised over a period of time. (Refer note 34)

## NOTE 21 - CURRENT TAX ASSETS (NET)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax payments less provisions | 166.45 | 21.68 |
| | **166.45** | **21.68** |

## NOTE 22 - OTHER CURRENT ASSETS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Advances to suppliers | 242.75 | 191.19 |
| Employee advances | 15.36 | 6.77 |
| VAT credit / WCT receivables | 71.37 | 115.97 |
| GST receivables | 469.29 | 413.74 |
| GST/Excise rebate receivable on exports | 56.77 | 42.87 |
| Prepaid expenses | 133.64 | 126.25 |
| Export benefits | 25.67 | 19.68 |
| Assets classified as held for sale (Refer Note 22.1) | 2.45 | 2.45 |
| | **1,017.30** | **918.92** |

**Note 22.1:** The Company has signed a Memorandum of understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2023 ₹ 9.41 crore) [Refer Note 35 (a)]. However, the title and possession of the land is yet to be transferred due to pending approvals from the regulatory authorities.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 23 - SHARE CAPITAL

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Nos. | ₹ in crore | Nos. | ₹ in crore |
| **Authorised:** | | | | |
| **Equity Shares:** | | | | |
| Equity Shares of ₹2 each | 570,000,000 | 114.00 | 570,000,000 | 114.00 |
| **Preference Shares** | | | | |
| Redeemable Preference Shares of ₹ 100 each | 1,500,000 | 15.00 | 1,500,000 | 15.00 |
| **Issued, Subscribed and Paid-up** | | | | |
| **Equity Shares:** | | | | |
| Equity Shares of ₹ 2 each fully paid up | 257,088,370 | 51.42 | 257,088,370 | 51.42 |
| | **257,088,370** | **51.42** | **257,088,370** | **51.42** |

### Note 23.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

| Particulars | Nos. | ₹ in crore |
|---|---|---|
| Equity Shares Outstanding as at April 01, 2022 | 257,088,370 | 51.42 |
| Add: Shares issued during the year | - | - |
| Equity Shares Outstanding as at March 31, 2023 | 257,088,370 | 51.42 |
| Add: Shares issued during the year | - | - |
| **Equity Shares Outstanding as at March 31, 2024** | **257,088,370** | **51.42** |

### Note 23.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

| Sr. No. | Name of the shareholder* | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|---|
| | | No. of Shares Held | Percentage of Shares held | No. of Shares Held | Percentage of Shares held |
| 1 | Swallow Associates LLP | 67,756,616 | 26.36 | 67,756,616 | 26.36 |
| 2 | Summit Securities Limited | 28,171,543 | 10.96 | 28,171,543 | 10.96 |
| 3 | Instant Holdings Limited | 22,299,165 | 8.67 | 22,299,164 | 8.67 |
| 4 | HDFC Trustee Company Limited | 20,570,996 | 8.00 | 22,813,728 | 8.87 |

** Shares held in multiple folios have been combined*

**Note 23.3** The Company has only one class of Equity shares having face value of ₹ 2 each. Each holder of equity shares is entitled to one vote per equity share. The Company in its General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

# Notes

forning part of the Financial Statements as at and for the year ended March 31, 2024

### Note 23.4 Shares held by promoters and promoter group at the end of the year

| S. No. | Promoter name | As at March 31, 2024 No. of Shares | % of total shares | % Change during the year | As at March 31, 2023 No. of Shares | % of total shares | % Change during the year |
|---|---|---|---|---|---|---|---|
| **Promoter** | | | | | | | |
| 1 | Harsh Vardhan Goenka | 5,042,917 | 1.96 | - | 5,042,917 | 1.96 | - |
| **Promoter Group** | | | | | | | |
| 2 | Anant Vardhan Goenka | 40,000 | 0.02 | - | 40000 | 0.02 | - |
| 3 | Mala Goenka | 50 | 0.00 | - | 50 | 0.00 | - |
| 4 | RG Family Trust (Mr.Anant Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 5 | AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 6 | Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 7 | Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 10 | 0.00 | - | 10 | 0.00 | - |
| 8 | Radha Anant Goenka | 10 | 0.00 | - | 10 | 0.00 | - |
| 9 | Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 1 | 0.00 | - | 1 | 0.00 | - |
| 10 | Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee) | 1 | 0.00 | - | 1 | 0.00 | - |
| 11 | Secura India Trust (Mr.Harsh Vardhan Goenka is a Trustee) | 101 | 0.00 | - | 101 | 0.00 | 0.00% |
| 12 | Swallow Associates LLP | 67,756,616 | 26.36 | - | 67,756,616 | 26.36 | - |
| 13 | Summit Securities Limited | 28,171,543 | 10.96 | - | 28,171,543 | 10.96 | 0.03% |
| 14 | Instant Holdings Limited | 22,299,165 | 8.67 | - | 22,299,164 | 8.67 | 0.03% |
| 15 | Stel Holdings Limited | 5,011,891 | 1.95 | - | 5,011,891 | 1.95 | - |
| 16 | Carniwal Investments Limited | 2,970,981 | 1.16 | - | 2,970,981 | 1.16 | - |
| 17 | Chattarpati Apartments LLP | 1,790,785 | 0.70 | - | 1,790,785 | 0.70 | - |
| 18 | Ektara Enterprises LLP | 10 | 0.00 | - | 10 | 0.00 | - |
| 19 | Malabar Coastal Holdings LLP | 10 | 0.00 | - | 10 | 0.00 | - |
| 20 | Sofreal Mercantrade Pvt Ltd | 10 | 0.00 | - | 10 | 0.00 | - |
| 21 | Vayu Udaan Aircraft LLP | 10 | 0.00 | - | 10 | 0.00 | - |
| 22 | Sudarshan Electronics and TV Ltd | - | - | - | 1 | 0.00 | - |
| 23 | RPG Ventures Limited | 284,950 | 0.11 | - | 284,950 | 0.11 | - |
| 24 | Atlantus Dwellings and Infrastructure LLP | 10 | 0.00 | - | 10 | 0.00 | - |





# Notes

forning part of the Financial Statements as at and for the year ended March 31, 2024

### NOTE 24 OTHER EQUITY

₹ in Crore

| Particulars | Reserves and Surplus: Capital Reserve | Securities Premium | Capital Reserve on Consolidation | 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) | |
| **Balance as at April 01, 2022** | 84.98 | 86.75 | 14.28 | 191.73 | 0.95 | 3,385.53 | 8.36 | 31.60 | (0.02) | 3,804.11 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2022** | 84.98 | 86.75 | 14.28 | 191.73 | 0.95 | 3,385.53 | 8.36 | 31.60 | (0.02) | 3,804.11 |
| Profit for the year | - | - | - | - | - | 180.25 | - | - | - | 180.25 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | (8.36) | 40.08 | (0.92) | 30.80 |
| **Total Comprehensive Income for the year** | - | - | - | - | - | 180.25 | (8.36) | 40.08 | (0.92) | 211.05 |
| **Transactions with owners in their capacity as owner** | | | | | | | | | | |
| Dividends | - | - | - | - | - | (102.83) | - | - | - | (102.83) |
| **Balance as at March 31, 2023** | 84.98 | 86.75 | 14.28 | 191.73 | 0.95 | 3,462.97 | - | 71.68 | (0.94) | 3,912.39 |
| **Balance as at April 01, 2023** | 84.98 | 86.75 | 14.28 | 191.73 | 0.95 | 3,462.97 | - | 71.68 | (0.94) | 3,912.39 |
| Changes in accounting policy or prior period errors | - | - | - | - | - | - | - | - | - | - |
| **Restated balance as at April 01, 2023** | 84.98 | 86.75 | 14.28 | 191.73 | 0.95 | 3,462.97 | - | 71.68 | (0.94) | 3,912.39 |
| Profit for the year | - | - | - | - | - | 147.53 | - | - | - | 147.53 |
| Other Comprehensive Income for the year | - | - | - | - | - | - | 23.47 | 16.68 | 1.14 | 41.29 |
| **Total Comprehensive Income for the year** | - | - | - | - | - | 147.53 | 23.47 | 16.68 | 1.14 | 188.82 |
| **Transactions with owners in their capacity as owner** | | | | | | | | | | |
| Dividends | - | - | - | - | - | (77.12) | - | - | - | (77.12) |
| **Balance as at March 31, 2024** | 84.98 | 86.75 | 14.28 | 191.73 | 0.95 | 3,533.38 | 23.47 | 88.36 | 0.20 | 4,024.09 |

**Note (a)** Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.

**Note (b)** Securities premium is used to record the premium on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

**Note (c)** Capital redemption reserve was created upon redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.

**Note (d)** 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 (e)** 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 (f)** 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 (g)** The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in accounting policy Note 3.21

**Note (h)** Foreign currency translation reserve pertaining to exchange difference arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy note 3.7 and accumulated in a separate reserve within equity. The cumulative amount are reclassified to profit or loss when the foreign operation is disposed-off.

**Note (i)** Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 25 -BORROWINGS

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-Current:** | | |
| **Measured at amortised cost:** | | |
| I **Term loans*** | | |
| **From banks** | | |
| Secured [Refer Note 25 (a)] | 33.70 | 49.31 |
| Less : Current maturities of long-term debt (Refer Note 30.3) | (16.85) | (16.44) |
| | **16.85** | **32.87** |
| Unsecured | - | 150.00 |
| Less : Current maturities of long-term debt (Refer Note 30.3) | - | (150.00) |
| | **-** | **-** |
| II **From Financial Institutions** | | |
| Secured [Refer Note 25 (b)] | 200.00 | 200.00 |
| Less : Current maturities of long-term debt (Refer Note 30.3) | (200.00) | - |
| | **-** | **200.00** |
| | **16.85** | **232.87** |

(a) ***Term loans from banks :***

**Secured :**

₹ 33.70 crore (As at March 31, 2023 ₹ 49.31 crore) External Commercial Borrowing loan secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms are in three equal yearly instalments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

**Unsecured:**

₹ Nil (As at March 31, 2023 ₹ 150 crore) loan repaid in Two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.

(b) **From Financial Institutions**

**Secured:**

₹ 200 crore (As at March 31, 2023 ₹200 crore) secured by security stated against Note 30.1 (i) Repayment is on April 29, 2024 and September 24, 2024. The interest rates are in the ranges from 8.46% to 8.87% p.a.

(c) As at March 31, 2024, the total borrowing of the Company stood at ₹ 3,283.36 crore (As at March 31, 2023 ₹2,722.49 crore). During the year, the Company was in compliance with all of its debt covenants for borrowings except for the debt covenant with respect to a long-term ECB loan amounting to ₹33.70 crore (As at March 31, 2023 ₹49.31 crore).The Company received condonation for such non compliance as at March 31, 2023 from the bank during the current year. The Management is confident of getting a condonation for non compliances of that covenant as at March 31, 2024. Further, the management do not believe that the same will have any material impact on these Financial Statements.

## NOTE 26 - LEASE LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current** | | |
| Lease liabilities (Refer Note 52) | 11.50 | 21.04 |
| | **11.50** | **21.04** |

## NOTE 27 - PROVISIONS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current:** | | |
| **Provision for employee benefits** | | |
| - Gratuity (Refer note 55 ) | 14.17 | 15.10 |
| - Compensated Absences (Refer note 55 ) | 3.25 | 2.31 |
| | **17.42** | **17.41** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 28 - DEFERRED TAX LIABILITIES / ASSETS (NET)

### Note 28.1 Significant components of deferred tax liabilities (net) of the Company as at March 31, 2024 are as follows:

₹ in Crore

| Particulars | Opening Balance (As at April 01, 2023) | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Closing Balance (As at March 31, 2024) |
|---|---|---|---|---|
| **Deferred tax (liabilities)/assets recognised in relation to :** | | | | |
| Property, plant and equipment and intangible assets | (33.04) | 5.76 | - | **(27.28)** |
| Undistributed earnings of joint operations | (10.80) | - | - | **(10.80)** |
| Allowance for doubtful debts and loans | 22.57 | 6.54 | - | **29.11** |
| Expenses debited to the Statement of Profit and Loss allowable in subsequent years | 10.45 | 20.83 | - | **31.28** |
| Provision for forseable loss on construction contracts, etc. | 4.88 | (0.92) | - | **3.96** |
| Right-of-use assets (net of lease liabilities) - (Refer note 52) | 2.55 | (1.03) | - | **1.52** |
| **Deferred tax (liabilities)/assets recognised** | **(3.39)** | **31.18** | **-** | **27.79** |
| **Deferred tax (liabilities)/assets in relation to OCI:** | | | | |
| Net (Gain) / Losses on Cash flow hedges | - | - | (7.89) | **(7.89)** |
| Exchange differences on translation of foreign Jointly Controlled Operations | (3.92) | - | (3.02) | **(6.94)** |
| Remeasurement of defined benefit obligations | 0.69 | - | (0.26) | **0.43** |
| **Deferred tax (liabilities)/Assets in relation to OCI** | **(3.23)** | **-** | **(11.17)** | **(14.40)** |
| **Deferred Tax (liabilities)/assets (net)** | **(6.62)** | **31.18** | **(11.17)** | **13.39** |

### Note 28.2 Significant components of deferred tax liabilities (net) of the Company as at March 31, 2023 are as follows :

₹ in Crore

| Particulars | Opening Balance (As at April 01, 2022) | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Closing Balance (As at March 31, 2023) |
|---|---|---|---|---|
| **Deferred tax (liabilities)/assets recognised in relation to :** | | | | |
| Property, plant and equipment and intangible assets | (38.21) | 5.17 | - | **(33.04)** |
| Undistributed earnings of joint operations | (34.80) | 24.00 | - | **(10.80)** |
| Allowance for doubtful debts and loans | 20.48 | 2.09 | - | **22.57** |
| Expenses debited to the Statement of Profit and Loss allowable in subsequent years | 11.68 | (1.23) | - | **10.45** |
| Provision for forseable loss on construction contracts, etc. | 5.12 | (0.24) | - | **4.88** |
| Right-of-use assets (net of lease liabilities) - (Refer note 52) | 0.65 | 1.90 | - | **2.55** |
| Asset held for sale | 0.82 | (0.82) | - | **-** |
| **Deferred tax (liabilities)/assets recognised** | **(34.26)** | **30.87** | **-** | **(3.39)** |
| **Deferred tax (liabilities)/assets in relation to OCI:** | | | | |
| Net (Gain) / Losses on Cash flow hedges | (2.80) | - | 2.80 | **-** |
| Exchange differences on translation of foreign Jointly Controlled Operations | (7.01) | - | 3.09 | **(3.92)** |
| Remeasurement of defined benefit obligations | 0.33 | - | 0.36 | **0.69** |
| **Deferred tax (liabilities)/Assets in relation to OCI** | **(9.48)** | **-** | **6.25** | **(3.23)** |
| **Deferred Tax (liabilities)/assets (net)** | **(43.74)** | **30.87** | **6.25** | **(6.62)** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### NOTE 29 - OTHER NON CURRENT LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Non-current:** | | |
| Deferred Government Grant* (Refer note 29.1) | 0.43 | 0.45 |
| | **0.43** | **0.45** |

*** Movement in deferred Government Grant**

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **0.47** |
| Add: Received during the year | - |
| Less: Recognised as income during the year | - |
| Less: Disclosed as other current liabilities (Refer note - 35 ) | 0.02 |
| **Balance as at March 31, 2023** | **0.45** |
| Add: Received during the year | - |
| Less: Recognised as income during the year | - |
| Less: Disclosed as other current liabilities (Refer Note - 35 ) | 0.02 |
| **Balance as at March 31, 2024** | **0.43** |

Note 29.1: During the year ended March 31, 2022, the Company had received ₹ 0.50 crore towards government grant from Government of Rajasthan for setting up an Oxygen plant under Special package for Medical oxygen. The Company has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.02 crore (previous year ₹ 0.02 crore) under other income (Refer Note No. 39). The balance amount of grant is shown as "Deferred Grant" in non-current liability ₹ 0.43 crore (previous year ₹ 0.45 crore) and other current liability of ₹ 0.02 crore (Refer Note 35). The Company doesn't have any unfulfilled conditions and other contingencies attached to the same.

### NOTE 30 - BORROWINGS

₹ in Crore

| Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **I** | **Loans repayable on demand** | | |
| | **From Banks** | | |
| | Secured [Refer Note 30.1] | 1,485.16 | 1,037.48 |
| **II** | **Other short term borrowings** | | |
| | **From Banks** | | |
| | Secured [Refer Note 30.2 (a)] | 646.24 | 483.61 |
| | Unsecured [Refer Note 30.2 (a)] | 795.04 | 505.44 |
| | | **1,441.28** | **989.05** |
| | **From Related Party** | | |
| | Unsecured [Refer Note 30.2 (b)] | 25.02 | 0.47 |
| | **From Financial Institutions** | | |
| | Unsecured [Refer Note 30.2 (c)] | 98.20 | 296.18 |
| **III** | **Current Maturities of Long Term Borrowings** | | |
| | **From banks** | | |
| | Secured [Refer Note 25(a)] | 16.85 | 16.44 |
| | Unsecured [Refer Note 30.3(a)] | - | 150.00 |
| | | **16.85** | **166.44** |
| | **From Financial Institutions** | | |
| | Unsecured [Refer Note 25(b)] | 200.00 | - |
| | | **3,266.51** | **2,489.62** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### Note 30.1 : Loans repayable on demand from banks :

(a) **Secured**

(i) ₹ 1,473.80 crore (As at March 31, 2023 ₹1,023.68 crore) obtained from consortium of banks which are secured by first pari passu charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second pari passu charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first pari passu charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 7.5% to 8.70% p.a. (previous year ranges from 5% to 8.70% p.a).

(ii) ₹ Nil (As at March 31, 2023 ₹ 13.80 crore), pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.

(iii) ₹ 11.36 crores (As at March 31, 2023 ₹ Nil) obtained for Bangladesh project & secured primarily by Hypothecation 2nd charge on pool of receivables against work orders executing in Bangladesh, secured by company through international bidding process & collateral given as SBLC in equivalent USD covering 110% of our proposed credit limit First Class Indian Bank. The interest rate is 10.26% p.a.

### Note 30.2 : Other short-term borrowings

(a) **From Banks-Secured**

(i) ₹ 597.52 crore (As at March 31, 2023 ₹ 415.21 crore) Packing Credit in Foreign Currency and Foreign Currency Non-Resident Account loans secured by security stated in Note 30.1(a) (i) above. The interest rates are in the ranges from 3.81% to 6.65% p.a. (previous year ranges from 3.81% to 6.22% p.a.)

(ii) ₹ 19.02 crore (As at March 31, 2023 ₹ Nil) Buyers credit secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 7.53% to 8.33% p.a.

(iii) ₹ Nil (As at March 31, 2023 ₹ 9.17 crore) Debtors bill discounting secured by assignment of certain book debt at Abu Dhabi projects. Interest rate ranges between 3.30% to 7.53% p.a.)

(iv) ₹ Nil (As at March 31, 2023 ₹ 15.68 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company.The interest rates were in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).

(v) ₹ 29.70 crore - (As at March 31, 2023 ₹ 43.55 crore) debtors bill discounting secured by assignment of certain book debt for Cable projects. The interest rates are in ranges from 8.00% to 8.50% p.a. (previous year rate ranges from 8.00% to 8.55% p.a.).

**Unsecured:**

(i) ₹ 24.04 crore (As at March 31, 2023 ₹16.95 crore) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 6.89% to 8.08 % p.a. (previous year interest rate ranges from 4.29% to 8.00 % p.a.)

(ii) ₹ 771 crore (As at March 31, 2023 ₹ 450 crore) short term loan from various banks carrying interest rates ranging from 7.90% to 8.55% p.a. (previous year interest rate ranges from 7.00% to 8.05 % p.a.)

(iii) ₹ Nil (As at March 31, 2023 ₹ 38.49 crore) pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a. (previous year interest rate ranges between 6.87% to 7.25% p.a.)

(b) **From Related Party**

**Unsecured:**

₹ 25.02 Crore (As at March 31, 2023 ₹ 0.47 crore) being unsecured loan taken from a wholly owned subsidiary for working capital requirement interest rate is 8.50% p.a. (previous year interest rate was 8.20% p.a.)

(c) **From Financial Institutions**

**Unsecured:**

₹ 98.20 crore (As at March 31, 2023 ₹ 296.18 crore) being listed commercial papers which carries interest rate 8.40% p.a. (previous year interest rate ranges from 7.90% p.a. to 8.20% p.a.). Maturity for current year commercial paper is in the month June 2024 (previous year maturity ranges from 85 days to 90 days).

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### Note 30.3 Current Maturities of Long Term Borrowings

(a) **From banks:**

**Unsecured:**

₹ Nil (As at March 31, 2023 ₹ 150 crore) Loan repaid in two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate was 6.80% p.a.

Note 30.4 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 the current and previous years.

### NOTE 31 - LEASE LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Current** | | |
| Lease liabilities (Refer Note 52) | 9.85 | 10.76 |
| | **9.85** | **10.76** |

### NOTE 32 - TRADE PAYABLES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Trade payables** | | |
| (i) Total outstanding dues of micro and small enterprises (Refer note 32.1) | 146.50 | 164.52 |
| (ii) Total outstanding dues of creditors other than micro and small enterprises | | |
| (a) Acceptances | 1,521.19 | 1,913.96 |
| (b) Others | 6,981.10 | 5,762.08 |
| | **8,502.29** | **7,676.04** |
| | **8,648.79** | **7,840.56** |

### 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, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) The principal amount remaining unpaid to supplier as at the end of accounting year | 121.66 | 145.58 |
| (b) The interest due thereon remaining unpaid to supplier as at the end of accounting year. | 4.76 | 3.12 |
| (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. | 20.08 | 15.65 |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year | 5.90 | 0.58 |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure. | 24.84 | 18.94 |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### Note 32.2: Trade payable ageing schedule

**As at March 31, 2024**

₹ in Crore

| Particulars | Dispute Status | Outstanding for following periods from due date of payments | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unbilled | Not Due | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| Micro and Small enterprises | Disputed | - | - | - | - | - | - | **-** |
| | Undisputed | - | 27.20 | 112.72 | 5.31 | 1.02 | 0.25 | **146.50** |
| Other than Micro and Small enterprises | Disputed | - | - | - | 0.02 | 0.06 | 0.35 | **0.43** |
| | Undisputed | 1,427.64 | 2,690.90 | 2,223.48 | 406.67 | 91.77 | 140.21 | **6,980.67** |
| Acceptances | | - | 1,521.19 | - | - | - | - | **1,521.19** |
| **Total** | | **1,427.64** | **4,239.29** | **2,336.20** | **412.00** | **92.85** | **140.81** | **8,648.79** |

**As at March 31, 2023**

| Particulars | Dispute Status | Outstanding for following periods from due date of payments | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unbilled | Not Due | Less than 1 years | 1-2 years | 2-3 years | More than 3 years | Total |
| Micro and Small enterprises | Disputed | - | - | - | - | - | - | **-** |
| | Undisputed | - | 81.99 | 41.67 | 18.73 | 12.41 | 9.72 | **164.52** |
| Other than Micro and Small enterprises | Disputed | - | - | - | - | 0.01 | 0.62 | **0.63** |
| | Undisputed | 1,183.65 | 3,399.92 | 705.49 | 243.19 | 88.96 | 140.24 | **5,761.45** |
| Acceptances | | - | 1,913.96 | - | - | - | - | **1,913.96** |
| **Total** | | **1,183.65** | **5,395.87** | **747.16** | **261.92** | **101.38** | **150.58** | **7,840.56** |

### NOTE 33 - OTHER FINANCIAL LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Interest accrued but not due on borrowings | 3.58 | 2.37 |
| (b) Interest accrued on acceptances | 0.26 | 0.25 |
| (c) Unpaid / unclaimed dividends # | 2.97 | 3.00 |
| (d) Payable towards purchase of property, plant and equipment | 7.40 | 10.52 |
| (e) Mark to market loss on forward contracts (Refer note 54C) | 1.70 | 15.91 |
| (f) Directors' commission | 3.32 | 3.10 |
| | **19.23** | **35.15** |

*# The figures reflect the position as at the year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. There are no amounts required to be transferred to Investor education and protection fund as at the balance sheet date.*

### NOTE 34 - CONTRACT LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (i) Amount due to customers for contract works | 128.39 | 237.69 |
| (ii) Advance from customer | 959.76 | 796.88 |
| (iii) Interest on customer advance | 15.15 | 16.75 |
| | **1,103.30** | **1,051.32** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 35 - OTHER CURRENT LIABILITIES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| (a) Advances against assets classified as held for sale [Refer note 22.1(a)] | 9.41 | 9.41 |
| (b) Other payables | | |
| - Statutory dues (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.) | 165.80 | 166.97 |
| - Liability towards Corporate Social Responsibility (Refer note 60) | 2.65 | 4.34 |
| - Deferred Government Grant (Refer Note 29.1)* | 0.02 | 0.02 |
| | **168.47** | **171.33** |
| | **177.88** | **180.74** |

### * Movement in deferred Government Grant

| Particulars | ₹ in Crore |
|---|---|
| **Balance as at March 31, 2022** | **0.02** |
| Less: Recognised as income during the year | 0.02 |
| Add: Transferred from other non current liabilities (Refer note 29) | 0.02 |
| **Balance as at March 31, 2023** | **0.02** |
| Less: Recognised as income during the year | 0.02 |
| Add: Transferred from other non current liabilities (Refer note 29) | 0.02 |
| **Balance as at March 31, 2024** | **0.02** |

## NOTE 36 - PROVISIONS

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(a) Provision for employee benefits** | | |
| - Compensated absences (Refer Note 55) | 37.05 | 36.56 |
| - Gratuity (Refer Note 55 ) | 1.23 | 0.81 |
| | **38.28** | **37.37** |
| **(b) Provision - others :** | | |
| - Provision for litigation claims (Refer Note 36.1 and 36.2) | 27.32 | 21.38 |
| - Provision for foreseeable losses on construction contracts (Refer Note 36.3) | 20.47 | 27.11 |
| | **47.79** | **48.49** |
| | **86.07** | **85.86** |

### 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, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | **21.38** | **19.78** |
| Additions | 10.25 | 2.99 |
| Less: Reversals | 4.40 | 1.78 |
| Effect of translation adjustment gain / (loss) | 0.09 | 0.39 |
| **Closing balance** | **27.32** | **21.38** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### 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 relate to various indirect tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

### Note 36.3 Movement in Provision for expected foreseeable losses on construction contracts

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **Opening balance** | **27.11** | **24.24** |
| Additions | 6.98 | 20.86 |
| Reversals/ Utilsation | 13.63 | 18.03 |
| Effect of translation adjustment (gain) / loss | 0.01 | 0.04 |
| **Closing balance** | **20.47** | **27.11** |

Provision for forseable loss represents provision created towards unavoidable costs of meeting the obligations under the contract which exceeds the economic benefits expected to be received under it.

## NOTE 37 - CURRENT TAX LIABILITIES (NET)

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| Income tax liabilities less payments | 81.47 | 76.74 |
| | **81.47** | **76.74** |

## NOTE 38 - REVENUE FROM OPERATIONS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Revenue from Contract with customers (Refer Note 51)** | | |
| (a) Sale of products | 1,679.46 | 1,332.00 |
| (b) Construction contracts revenue | 15,401.41 | 13,813.01 |
| (c) Sale of services | 16.89 | 28.97 |
| | **17,097.76** | **15,173.98** |
| **Other operating revenue** | | |
| - Scrap sales | 246.39 | 210.12 |
| - Export benefits and Others | 39.20 | 29.13 |
| | **285.59** | **239.25** |
| | **17,383.35** | **15,413.23** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 39 - OTHER INCOME

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| (a) Interest income earned on financial assets that are not designated at fair value through profit or loss: | | |
| (i) Bank deposits (at amortised cost) | 3.82 | 1.78 |
| (ii) Other financial assets carried at amortised cost | 11.98 | 12.86 |
| | **15.80** | **14.64** |
| (b) Other Interest Income | | |
| - Income tax refund | 27.38 | 7.01 |
| (c) Government Grant (Refer Note 29.1) | 0.02 | 0.02 |
| (d) Other non-operating income | | |
| (i) Guarantee charges | 14.26 | 9.57 |
| (ii) Profit on sale of property, plant and equipment | 3.21 | 3.81 |
| (iii) Bad Debts Recovered | - | 0.41 |
| (iv) Miscellaneous income# | 1.38 | 1.25 |
| | **18.85** | **15.04** |
| | **62.05** | **36.71** |

*# It includes rent income on operating leases of ₹0.30 crore.(previous year ₹ 0.29 crore) [(Refer note 56 (B)]*

## NOTE 40 - COST OF MATERIALS CONSUMED

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Cost of materials consumed (including project bought outs) | 7,424.04 | 6,189.27 |
| | **7,424.04** | **6,189.27** |

## NOTE 41 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Opening stock** | | |
| Finished goods | 189.87 | 200.00 |
| Work-in-progress | 22.59 | 20.63 |
| | **212.46** | **220.63** |
| **Less: Closing stock** | | |
| Finished goods | 226.34 | 189.87 |
| Work-in-progress | 28.42 | 22.59 |
| | **254.76** | **212.46** |
| | **(42.30)** | **8.17** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 42 - ERECTION AND SUB-CONTRACTING EXPENSES

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Erection / construction materials consumed | 2,649.33 | 2,114.25 |
| Stores consumed | 42.16 | 72.96 |
| Sub-contracting expenses | 3,405.27 | 3,270.19 |
| Power, fuel and water charges | 46.56 | 71.12 |
| Construction transport | 138.90 | 146.99 |
| Machinery Hire charges | 238.17 | 256.06 |
| Others (Material Testing, Hire Labour, Security etc.) | 193.92 | 209.04 |
| | **6,714.31** | **6,140.61** |

## NOTE 43 - EMPLOYEE BENEFITS EXPENSE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Salaries, wages and other allowances | 1,018.33 | 916.56 |
| Contribution to provident fund and other funds (Refer Note 54) | 38.85 | 35.61 |
| Staff welfare expenses | 49.32 | 44.74 |
| | **1,106.50** | **996.91** |

## NOTE 44 - FINANCE COSTS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Interest expense for financial liabilities not classified at FVTPL | 559.88 | 426.29 |
| Interest on Micro and Small Enterprise | 5.90 | 0.58 |
| Interest expense on lease liabilities | 1.79 | 2.47 |
| Other borrowing costs (processing fees, etc.) | 5.14 | 4.57 |
| | **572.71** | **433.91** |

## NOTE 45 :- DEPRECIATION AND AMORTISATION EXPENSE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Depreciation on property, plant and equipment (Refer Note 5) | 118.53 | 98.83 |
| Depreciation on Right of use assets (Refer Note 6) | 12.19 | 13.89 |
| Amortisation of intangible assets (Refer Note 8) | 14.85 | 14.24 |
| | **145.57** | **126.96** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 46 - OTHER EXPENSES

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Tools, non-erection stores and maintenance spares consumed | 18.93 | 15.45 |
| Power and fuel | 49.26 | 47.08 |
| Rent | 60.54 | 52.39 |
| Rates and taxes, excluding taxes on income (net) | 83.22 | 72.00 |
| Insurance | 111.82 | 106.30 |
| Bank (guarantee, letter of credit and other) charges | 126.47 | 105.18 |
| Commission | 32.23 | 34.15 |
| Freight and forwarding (net) | 278.65 | 291.20 |
| Repairs to buildings | 4.74 | 2.65 |
| Repairs to plant and equipment | 15.05 | 12.66 |
| Repairs - others | 18.90 | 16.80 |
| Travelling and conveyance | 110.98 | 103.05 |
| Payment to statutory auditors (net of Goods and Service Tax input credit, where applicable) | | |
| - as auditors (for audit of financial statements and limited reviews) | 2.56 | 1.92 |
| - for tax audit | 0.08 | 0.08 |
| - for certification work | 0.47 | 0.80 |
| - for reimbursement of expenses | 0.05 | 0.02 |
| | **3.16** | **2.82** |
| Professional fees | 118.16 | 149.46 |
| Bad debts and loans written off | 9.04 | 28.38 |
| Less: Adjusted against allowance for bad and doubtful debts and loans | (21.24) | (10.72) |
| | **(12.20)** | **17.66** |
| Allowance for bad and doubtful debts and loans | 79.92 | 19.45 |
| Directors' fees | 0.56 | 0.70 |
| Loss on property, plant and equipment discarded | 1.85 | 0.89 |
| Net gain on foreign currency transactions (Refer Note 46.2) | (7.90) | (33.77) |
| Corporate Social Responsibility (Refer Note 60) | 12.51 | 13.71 |
| Miscellaneous expenses (Refer Note 46.1 ) | 226.14 | 198.56 |
| | **1,332.99** | **1,228.39** |

Note 46.1: Miscellaneous expenses shown above include fees of ₹1.37 crore (Previous Year ₹ 1.79 crore) paid to branch auditors, fees of ₹0.45 crore (Previous year of ₹0.14 crore) for auditors of Jointly Controlled Operations .

Note 46.2: Net gain on foreign currency transactions includes loss on derivative instruments of ₹ 0.04 crore (Previous year loss ₹5.41 crore)





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 47 EXCEPTIONAL ITEMS

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Provision for Impairment of Investment in Subsidiary (Refer Note 9) | - | 75.57 |
| | **-** | **75.57** |

## NOTE 48 - TAX EXPENSE

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Current tax** | | |
| In respect of the current year | 87.45 | 96.87 |
| In respect of prior years | (12.22) | 3.90 |
| | **75.23** | **100.77** |
| **Deferred tax** | | |
| In respect of the current year | (39.01) | (6.87) |
| In respect of prior years | 7.83 | (24.00) |
| | **(31.18)** | **(30.87)** |
| **Total income tax expense recognised in the Statement of Profit and Loss** | **44.05** | **69.90** |

**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, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Profit after exceptional items and before tax | 191.58 | 250.15 |
| | | |
| Indian Statutory income tax rate | 25.17% | 25.17% |
| Income tax expense at Indian Statutory rate | **48.22** | **62.96** |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | 1.78 | 1.76 |
| Provision towards impairment in value of investments | - | 18.72 |
| Corporate social responsibility expenditure | 3.16 | 3.45 |
| Tax effect of amounts taxable at lower tax rates/ different tax rates | (16.57) | (6.25) |
| Foreign Tax credit not available | 11.85 | 9.36 |
| | **48.44** | **90.00** |
| Adjustments recognised in the current year in relation to the tax of prior years | (4.39) | (20.10) |
| **Income tax expense in Statement of Profit and Loss** | **44.05** | **69.90** |

The tax rate used for the financial years 2023-24 and 2022-23 reconciliations above is the corporate tax rate of 25.17% respectively 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, 2024

### Note 48.2- Income tax recognised in other comprehensive income

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Deferred tax** | | |
| Arising on income and expenses recognised in other comprehensive income: | | |
| - Translation of foreign operations | (3.02) | 3.09 |
| - Net gain on designated portion of hedging instruments | (7.89) | 2.80 |
| - Remeasurement of defined benefit obligations | (0.26) | 0.36 |
| **Total income tax recognised in other comprehensive income** | **(11.17)** | **6.25** |
| Bifurcation of the income tax recognised in other comprehensive income into : | | |
| - Items that will not be reclassified to profit or loss | (0.26) | 0.36 |
| - Items that will be reclassified to profit or loss | (10.91) | 5.89 |
| | **(11.17)** | **6.25** |

### NOTE 49 - EARNINGS PER SHARE

| Particulars | For the Year ended March 31, 2024 (₹ Per Share) | For the Year ended March 31, 2023 (₹ Per Share) |
|---|---|---|
| (a) Basic earnings per share | 5.74 | 7.01 |
| (b) Diluted earnings per share | 5.74 | 7.01 |

### Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

₹ in Crore

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| Profit for the year attributable to the equity share holders of the Company | 147.53 | 180.25 |
| **Earnings used in the calculation of basic/diluted earnings per share** | **147.53** | **180.25** |

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Weighted average number of equity shares for the purposes of basic/diluted earnings per share** | 257,088,370 | 257,088,370 |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### NOTE 50 - JOINT ARRANGEMENTS FOR EXECUTION OF THE PROJECTS

a) The Company has entered into the following joint venture agreements for execution of the construction projects (hereinafter referred as 'Jointly controlled operations'). Accounting for these entities is done in the standalone financial statements of the Company as per their respective ownership interest as per Joint venture agreements.

Details of the Company's Jointly Controlled Operations are as under:

| | Particulars | Principal place of busines | Ownership interest as per Joint venture agreements | |
|---|---|---|---|---|
| | | | As at March 31, 2024 | As at March 31, 2023 |
| i | Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer Note 50 (b)(i)] | Saudi | 51.10% | 51.10% |
| ii | EJP KEC Joint Venture, South Africa | South Africa | 50.00% | 50.00% |
| iii | KEC – ASSB JV, Malaysia | Malaysia | 67.00% | 67.00% |
| iv | KEC – ASIAKOM – UB JV | India | 60.00% | 60.00% |
| v | KEC – ASIAKOM JV | India | 51.00% | 51.00% |
| vi | KEC – DELCO – VARAHA JV | India | 80.00% | 80.00% |
| vii | KEC – VARAHA – KHAZANA JV | India | 80.00% | 80.00% |
| viii | KEC – VALECHA – DELCO JV | India | 51.00% | 51.00% |
| ix | KEC – SIDHARTH JV | India | 80.00% | 80.00% |
| x | KEC – TRIVENI – KPIPL JV | India | 55.00% | 55.00% |
| xi | KEC – UNIVERSAL JV | India | 80.00% | 80.00% |
| xii | KEC – DELCO – DUTSAN JV | India | 51.00% | 51.00% |
| xiii | KEC – ANPR – KPIPL JV | India | 60.00% | 60.00% |
| xiv | KEC – PLR – KPIPL JV | India | 55.00% | 55.00% |
| xv | KEC – BJCL JV | India | 51.00% | 51.00% |
| xvi | KEC – KIEL JV | India | 90.00% | 90.00% |
| xvii | KEC – ABEPL JV | India | 90.00% | 90.00% |
| xviii | KEC – TNR INFRA JV | India | 51.00% | 51.00% |
| xix | KEC – SMC JV | India | 51.00% | 51.00% |
| xx | KEC – WATERLEAU JV | India | 51.00% | 51.00% |
| xxi | KEC – CCECC JV (RAILWAY) | India | 74.00% | 74.00% |
| xxii | KEC – CCECC JV (CIVIL) | India | 74.00% | 74.00% |
| xxiii | CCECC – KEC JV (CIVIL) | India | 98.50% | 98.50% |
| xxiv | LONGJIAN – KEC JV | India | 98.50% | 98.50% |
| xxv | MBPL – KEC JV | India | 49.00% | 49.00% |
| xxvi | VNC – KEC JV | India | 49.00% | 49.00% |
| xxvii | HCC – KEC CONSORTIUM | India | 49.00% | 49.00% |
| xxviii | KEC – VNC CONSORTIUM | India | 50.00% | 50.00% |
| xxix | KEC – SPML JV | | | |
| | a) KEC – SPML JV (Rayagada and Ganjam Project Civil) | India | 70.00% | 70.00% |
| | b) KEC - SPML JV (Nayagarh and Bargarh Project Civil ) | India | 95.00% | 95.00% |
| xxx | KEC – EMRAIL JV | India | 74.00% | 74.00% |
| xxxi | KEC – VNC JV ( Civil) | India | 50.00% | - |
| xxxii | KEC-VNC-EMRAIL JV (Railway) | India | 97.50% | - |
| xxxiii | KEC – VNC JV (Railway) | India | 98.00% | - |
| xxxiv | SPML INFRA LIMITED IN JV WITH KEC INTERNATIONAL LIMITED | India | 97.50% | - |

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

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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 accounts 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 ₹3,127.78 crore (for the year ended March 31, 2023 ₹2,280.49 crore), total expenditure (including tax) ₹ 2,972.27 crore (for the year ended March 31, 2023 ₹ 2,209.20 crore), total assets as at March 31, 2024 ₹ 2,649.88 crore (as at March 31, 2023 ₹ 2,083.08 crore) and total liabilities as at March 31, 2024 ₹2,208.57 crore (as at March 31, 2023 ₹ 1,805.99 crore) in Jointly Controlled Operations.

iii) Apart from the Joint Venture (JV) agreements disclosed above in note no. 50 (a), 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 financial statement and respective financial statement of these JVs are not considered for the purpose of consolidation.

iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

## NOTE 51- REVENUE FROM CONTRACTS WITH CUSTOMERS

### Note 51.1 Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the following major product lines and geographical regions:

₹ in Crore

| For the year ended March 31, 2024 | Transmission & Distribution | Railways | Civil | Cables | Solar | Oil & Gas | Total |
|---|---|---|---|---|---|---|---|
| **Geographical region:** | | | | | | | |
| - India | 3,484.61 | 3,326.96 | 5,525.79 | 1,462.13 | 410.30 | 32.41 | **14,242.20** |
| - UAE | 550.95 | - | - | 4.11 | - | - | **555.06** |
| - Brazil, Mexico & USA | 56.82 | - | - | - | - | - | **56.82** |
| - Geographies other than above | 4,185.88 | - | - | 156.85 | - | - | **4,342.73** |
| **Less: Inter-unit revenue** | | | | | | | |
| - India | 101.79 | 268.87 | 1,259.12 | 429.04 | - | - | **2,058.82** |
| - UAE | - | - | - | - | - | - | **-** |
| - Brazil, Mexico & USA | - | - | - | - | - | - | **-** |
| - Geographies other than above | 40.23 | - | - | - | - | - | **40.23** |
| Revenue from external customers | **8,136.24** | **3,058.09** | **4,266.67** | **1,194.05** | **410.30** | **32.41** | **17,097.76** |
| **Timing of revenue recognition** | | | | | | | |
| - At a point in time | 500.18 | - | 7.02 | 1,189.14 | - | - | **1,696.34** |
| - Over time | 7,636.06 | 3,058.09 | 4,259.65 | 4.91 | 410.30 | 32.41 | **15,401.42** |
| | **8,136.24** | **3,058.09** | **4,266.67** | **1,194.05** | **410.30** | **32.41** | **17,097.76** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| For the year ended March 31, 2023 | Transmission & Distribution | Railways | Civil | Cables | Solar | Oil & Gas | Total |
|---|---|---|---|---|---|---|---|
| **Geographical region:** | | | | | | | |
| - India | 2,362.78 | 3,916.47 | 4,313.11 | 1,469.72 | 4.75 | 30.23 | **12,097.06** |
| - UAE | 464.38 | - | - | 0.95 | 4.73 | - | **470.06** |
| - Brazil, Mexico & USA | 41.17 | - | - | - | - | - | **41.17** |
| - Geographies other than above | 4,217.79 | - | - | 122.24 | - | - | **4,340.03** |
| **Less: Inter-unit revenue** | | | | | | | |
| - India | - | 256.09 | 1,009.90 | 460.04 | - | - | **1,726.03** |
| - UAE | - | - | - | - | - | - | **-** |
| - Brazil, Mexico & USA | - | - | - | - | - | - | **-** |
| - Geographies other than above | 48.31 | - | - | - | - | - | **48.31** |
| Revenue from external customers | **7,037.81** | **3,660.38** | **3,303.21** | **1,132.87** | **9.48** | **30.23** | **15,173.98** |
| **Timing of revenue recognition** | | | | | | | |
| - At a point in time | 214.34 | - | 6.57 | 1,132.25 | 7.81 | - | **1,360.97** |
| - Over time | 6,823.47 | 3,660.38 | 3,296.64 | 0.62 | 1.67 | 30.23 | **13,813.01** |
| | **7,037.81** | **3,660.38** | **3,303.21** | **1,132.87** | **9.48** | **30.23** | **15,173.98** |

The Company recognised revenue amounting to ₹ 223.21 crore (for the year ended March 31, 2023, ₹ 483.38 crore) in the current reporting period that was included in the Amount due to customers for contract works balance i.e. contract liabilities as of March 31, 2023.

### Note 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, 2024 is ₹ 26,993 crore (as at year ended March 31, 2023, ₹ 27,447 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 70% to 80% of the transaction price allocated to unsatisfied contracts as of March 31, 2024 will be recognised as revenue during the next reporting period depending upon the progress on each contract. The remaining amount is expected to be recognised in subsequent years, largely in year 2. The amount disclosed above does not include variable consideration.

**Note 51.3** 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 51.4** Reconciliation of revenue recognized with contract price

| Particulars | For the Year ended March 31, 2024 | For the Year ended March 31, 2023 |
|---|---|---|
| **Contracted price as at opening of the year** | **27,447.00** | **21,137.00** |
| Add: New contracts entered during the year | 16,306.00 | 19,439.00 |
| Add/(Less): Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction (net) | 337.76 | 2,044.98 |
| Less: Revenue recognized during the year | (17,097.76) | (15,173.98) |
| **Contracted price as at end of the year** | **26,993.00** | **27,447.00** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 52 - LEASES

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(i) The Balance sheet shows the following amounts relating to leases:** | | |
| **Right of use assets** (Refer note 6) | | |
| Buildings | 15.90 | 22.27 |
| Plant & Machinery | - | - |
| Vehicles | - | - |
| Land | 38.79 | 43.85 |
| | **54.69** | **66.12** |
| **Lease liabilities** | | |
| Current (Refer note 31) | 9.85 | 10.76 |
| Non-current (Refer note 26) | 11.50 | 21.04 |
| | **21.35** | **31.80** |

₹ in Crore

| Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|
| **(ii) Amounts recognised in statement of profit and loss** | | |
| **Depreciation charge on Right of use assets** (Refer note 6) | | |
| Buildings | 7.13 | 8.52 |
| Plant & Machinery | - | 0.24 |
| Vehicles | - | 0.07 |
| Land | 5.06 | 5.06 |
| | **12.19** | **13.89** |
| Interest expense included in finance cost | 1.79 | 2.47 |
| Expense relating to short-term leases (included in other expenses) | 60.54 | 52.39 |
| Expense relating to leases of low-value assets that are not shown above as short-term leases | - | - |
| Expense relating to variable lease payments not included in lease liability | - | - |
| Amount recognised in profit and loss arising from rent concessions (Refer note 53.1) - (gain) / loss | - | - |

(a) Total cash outflow for leases during current financial year is ₹ 13.00 crore (previous year ₹14.79 crore).

(b) Additions to the right of use assets during the current financial year is ₹ 0.76 crore (previous year ₹0.21 crore).

(c) There are no sale 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 leases of 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% p.a. (Previous year: 7.23% p.a.).

### Note 51.1

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.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 53 - CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 25 and 30 offset by cash and cash equivalents in Note 16 ) 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 equity.

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, 2024 | As at March 31, 2023 |
|---|---|---|---|
| Debt* | A | 3,308.29 | 2,756.66 |
| Cash and cash equivalents | B | 96.99 | 122.55 |
| Net debt (C ) | C=A-B | 3,211.30 | 2,634.11 |
| Total equity | D | 4,075.51 | 3,963.81 |
| **Net debt to equity ratio (E)** | **E=C/D** | **0.79** | **0.66** |

**Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 25 and 30 and includes interest accrued thereon and lease liabilities as per Note 26 and 31.*

During the year ended March 31, 2024, the Company has distributed the final dividend of ₹3.00 per equity share for the year ended March 31, 2023 amounting to ₹ 77.16 crore.

The Board of directors, at their meeting held on May 07, 2024 recommended the final dividend of ₹ 4 per equity share for the year ended March 31, 2024, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 102.84 crore based on number of shares outstanding as at March 31, 2024.

## NOTE 54 DISCLOSURE AS PER IND AS 107

### A Fair Value Measurement

**I. Category-wise classification of financial assets and financial liabilities**

₹ in Crore

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| **Financial assets** | | | | | | |
| Non-current investment | | | | | | |
| - Investment in equity instruments (other than investment in subsidiaries) | - | * | - | - | * | - |
| Trade receivables | - | - | 4,043.96 | - | - | 4,299.14 |
| Cash and bank balances | - | - | 161.11 | - | - | 180.65 |
| Loans | - | - | - | - | - | 12.35 |
| Other financial assets | | | | | | |
| - Derivative instruments | | | | | | |
| i) Foreign currency forward contracts | 4.30 | 0.52 | - | 3.12 | 2.72 | - |
| ii) Over the counter (OTC) commodity derivative contracts | - | 34.02 | - | - | 8.15 | - |
| - Others | - | - | 149.65 | - | - | 209.38 |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised Cost | FVPL | FVOCI | Amortised Cost |
| **Financial liabilities** | | | | | | |
| Borrowings ( including interest accrued) | - | - | 3,286.94 | - | - | 2,724.86 |
| Lease Liabilities | - | - | 21.35 | - | - | 31.80 |
| Trade payables | - | - | 8,648.79 | - | - | 7,840.56 |
| Other financial liabilities | | | | | | |
| - Derivative instruments | | | | | | |
| i) Foreign currency forward contracts | 0.18 | 0.70 | - | 3.91 | 7.64 | - |
| ii) Over the counter (OTC) commodity derivative contracts | - | 0.82 | - | - | 4.36 | - |
| - Others | - | - | 13.95 | - | - | 16.87 |

** less than rounding off norms adopted by the group.*

*FVPL - Fair Value Through Profit or Loss*

*FVOCI - Fair Value Through Other Comprehensive Income*

**II. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)**

₹ in Crore

| Particulars | As at March 31, 2024 | | As at March 31, 2023 | |
|---|---|---|---|---|
| | Fair Value | Carrying Amount | Fair Value | Carrying Amount |
| **Non-current financial assets** | | | | |
| Trade receivables | 288.34 | 288.34 | 359.30 | 359.30 |
| Other Financial Assets | 13.92 | 13.92 | 76.20 | 76.20 |
| **Non current financial liabilities** | | | | |
| Borrowings | 16.85 | 16.85 | 232.87 | 232.87 |
| Lease liabilities | 11.50 | 11.50 | 21.04 | 21.04 |

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

**III. Assets and liabilities which are measured at FVPL or FVOCI**

This note provides information about how the Company determines fair values of various financial assets and financial liabilities measured at FVPL or FVOCI. Fair value of the Company's financial assets and financial liabilities are measured on a recurring basis at the end of each reporting period.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

| Financial assets/ financial liabilities | Fair values as at | | Fair value hierarchy | Valuation technique(s) and key input(s) |
|---|---|---|---|---|
| | March 31, 2024 | March 31, 2023 | | |
| 1) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships) | Asset ₹4.30 | Asset ₹ 3.12 | 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 (Foreign currency forward contracts not designated in hedge accounting relationships) | Liability ₹ 0.18 | Liability ₹3.91 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 3) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts) | Asset ₹ 0.50 | Asset ₹ 2.72 | 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 (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts) | Liability ₹ 0.58 | Liability ₹ 7.44 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 5) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using foreign currency forward contracts) | Asset ₹ 0.02 | Asset NIL | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 6) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using foreign currency forward contracts) | Liability ₹ 0.12 | Liability ₹ 0.20 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 7) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Asset ₹ 34.02 | Asset ₹ 8.15 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at an USD funding rate. |
| 8) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Liability ₹ 0.82 | Liability ₹4.36 | Level 2 | Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at an USD funding rate. |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## B :- Financial risk management

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.

### Note 54B.1 Market 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 prices 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.

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 54B.1 (a) and 54B.1 (b) below) and commodity prices (see Note 54B.1 (c) 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 .

**(a) 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 | SAR | OMR | Others | Total |
|---|---|---|---|---|---|---|
| **As at March 31, 2024** | | | | | | |
| Assets | 1,539.67 | 510.30 | 1,052.81 | 322.77 | 569.63 | **3,995.18** |
| Less: Hedged through forward contracts | 94.11 | 344.15 | - | - | - | **438.26** |
| **Net Assets (i)** | **1,445.56** | **166.15** | **1,052.81** | **322.77** | **569.63** | **3,556.92** |
| Liabilities | (1,084.68) | (65.13) | (610.41) | (65.12) | (431.44) | **(2,256.79)** |
| Less: Hedged through forward contracts | - | (0.19) | - | - | (4.29) | **(4.48)** |
| **Net Liabilities (ii)** | **(1,084.68)** | **(64.94)** | **(610.41)** | **(65.12)** | **(427.15)** | **(2,252.31)** |
| **Net exposure (i)+(ii)** | **360.87** | **101.21** | **442.40** | **257.65** | **142.48** | **1,304.61** |
| **As at March 31, 2023** | | | | | | |
| Assets | 2,332.23 | 499.30 | 729.48 | 492.22 | 549.89 | **4,603.12** |
| Less: Hedged through forward contracts | 227.48 | 262.21 | - | - | - | **489.69** |
| **Net Assets (i)** | **2,104.73** | **237.09** | **729.48** | **492.22** | **549.89** | **4,113.43** |
| Liabilities | (1,372.09) | (18.24) | (341.53) | (114.46) | (407.93) | **(2,254.25)** |
| Less: Hedged through forward contracts | - | (4.12) | - | - | - | **(4.12)** |
| **Net Liabilities (ii)** | **(1,372.09)** | **(14.12)** | **(341.53)** | **(114.46)** | **(407.93)** | **(2,250.13)** |
| **Net exposure (i)+(ii)** | **732.64** | **222.97** | **387.95** | **377.76** | **141.96** | **1,863.30** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### Sensitivity for above net exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of jointly controlled operations and branches whose functional currency is other than INR.

5% appreciation / depreciation in the foreign currency will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

| Exposure to currencies | Change in rate | Impact on profit before tax | | Impact on equity | |
|---|---|---|---|---|---|
| | | For the year ended March 31, 2024 | For the year ended March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| USD | +5% | 15.18 | 25.59 | 2.86 | 11.04 |
| | -5% | (15.18) | (25.59) | (2.86) | (11.04) |
| EUR | +5% | 5.06 | 11.18 | - | (0.03) |
| | -5% | (5.06) | (11.18) | - | 0.03 |
| SAR | +5% | (0.24) | (0.22) | 22.36 | 19.62 |
| | -5% | 0.24 | 0.22 | (22.36) | (19.62) |
| OMR | +5% | 12.88 | 18.89 | - | - |
| | -5% | (12.88) | (18.89) | - | - |
| Others | +5% | 7.07 | 7.61 | 0.05 | (0.51) |
| | -5% | (7.07) | (7.61) | (0.05) | 0.51 |

**(b) 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 exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR. Company's rupee borrowings are linked to variability in Bank MCLR rate, repo rate and T bill 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, 2024 | As at March 31, 2023 |
|---|---|---|
| Variable rate instruments | 1,481.12 | 788.36 |
| Fixed rate instruments | 1,802.23 | 1,934.13 |
| **Total** | **3,283.36** | **2,722.49** |

### 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, 2024 would decrease/increase by ₹ 7.41 crore (for the year ended March 31, 2023: decrease/increase by ₹ 3.94 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

(c) **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. Refer Note 54C, for further details on commodity derivative contracts.

### Note 54B.2 Liquidity risk management

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

The following table details the Company's remaining contractual maturity for its 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, 2024** | | | | | |
| **Borrowings** | 3,385.06 | 17.78 | - | **3,402.84** | **3,286.94** |
| Lease liabilities | 10.08 | 13.01 | - | **23.09** | **21.35** |
| Trade payables | 8,648.79 | - | - | **8,648.79** | **8,648.79** |
| Other financial liabilities | 15.65 | - | - | **15.65** | **15.65** |
| **Total** | **12,059.57** | **30.79** | **-** | **12,090.36** | **11,972.73** |
| **As at March 31, 2023** | | | | | |
| **Borrowings** | 2,498.36 | 259.64 | - | **2,758.00** | **2,724.86** |
| Lease liabilities | 7.06 | 24.00 | 4.18 | **35.24** | **31.80** |
| Trade payables | 7,840.56 | - | - | **7,840.56** | **7,840.56** |
| Other financial liabilities | 32.78 | - | - | **32.78** | **32.78** |
| **Total** | **10,378.76** | **283.64** | **4.18** | **10,666.58** | **10,630.00** |

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 ₹ 8,301.12 crore as at March 31, 2024 (₹ 8,987.52 crore as at March 31, 2023).

### Note 54B.3 Credit Risk Management

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

Credit period varies as per the contractual terms with the customers. Company doesn't have significant financing component in the contracts with custmers.






# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024


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

Refer Note No.10, 11, 15 and 20 for ECL provisioning and its movement on financial assets carried at amortised cost.

**Company estimates the following provision matrix at the reporting date.**

| Particulars | Expected Credit Loss ( ECL)% | |
|---|---|---|
| | March 31, 2024 | March 31, 2023 |
| Not Due | 0.01% to 0.86% | 0.04% to 1.00% |
| From 0 to 6 Months | 0.03% to 1.66% | 0.15% to 3.75% |
| 6 Months to 1 Year | 0.85% to 10.50% | 0.35% to 15.50% |
| 1 Year to 2 year | 4.85% to 32.00% | 0.90% to 50.00% |
| 2 year to 3 year | 10.00% to 65.00% | 10.00% to 80.00% |
| More than 3 year | 22.50% to 100.00% | 25.00% to 100.00% |

**Concentration risk:** As at the year ended March 31, 2024, none of the customers exceed 10% of the Company's total trade receivables. As at year ended March 31, 2023, one of the customers exceed 10% of the Company's total trade receivables.

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, 2024 is 1,840.96 crores (as at March 31, 2023; ₹ 2,227.21 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 controllled 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 as remote.

**Cash and cash equivalents:**

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

**Other Bank Balances:**

Other bank balances are held with bank and financial institution counterparties with good credit rating.

**Derivatives:**

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

**Other financial assets:**

Other financial assets are neither past due nor impaired.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

### Note 54C Derivative Financial instruments

The Company has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing the foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Company mainly uses forward contracts to manage the foreign currency risk.

(a) **The following table details the non designated foreign currency (FC) forward contracts, outstanding at the end of the reporting period:**

| Outstanding contracts | Foreign currency (FC in Crore) | | Nominal amounts (₹ in Crore) | | Change in fair value assets/(liabilities) (₹ in Crore) | |
|---|---|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Sell USD/INR** | | | | | | |
| Less than 1 year | 1.13 | 2.77 | 94.11 | 227.49 | (0.07) | 2.40 |
| **Sell EURO/ USD** | | | | | | |
| Less than 1 year | 0.33 | - | 29.70 | - | 0.38 | - |
| **Sell EURO/ INR** | | | | | | |
| Less than 1 year | 3.83 | 2.94 | 344.15 | 262.20 | 3.69 | (3.00) |
| **Buy EURO/ INR** | | | | | | |
| Less than 1 year | 0.00 | 0.29 | 0.19 | 25.90 | (0.00) | 0.07 |
| **Buy JPY/INR** | | | | | | |
| Less than 1 year | 7.77 | 18.88 | 4.28 | 11.65 | 0.17 | (0.26) |
| **Buy EUR/SAR** | | | | | | |
| Less than 1 year | 0.11 | - | 9.67 | - | (0.03) | - |
| | | | | **Total** | **4.12** | **(0.79)** |

**The line-items in the balance sheet that include the above instruments are "Other financial assets" and "Other financial liabilities".**

For the year ended March 31, 2024, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Statement of Profit and Loss is ₹ 6.28 crore (for the year ended March 31, 2023 realised loss of ₹ 10.46 crore).

(b) **The Company has designated the following forward contracts as cash flow hedges which are outstanding as under:**

| Outstanding contracts | Foreign currency (FC in Crore) | | Nominal amounts (₹ in Crore) | | Change in fair value assets /(liabilities) (₹ in Crore) | |
|---|---|---|---|---|---|---|
| | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 | As at March 31, 2024 | As at March 31, 2023 |
| **Sell USD/INR** | | | | | | |
| Less than 1 year | 3.40 | 7.29 | 283.56 | 599.00 | (0.04) | (6.38) |
| **Buy USD/INR** | | | | | | |
| Less than 1 year | 2.26 | 1.20 | 188.43 | 98.60 | (0.10) | (0.17) |
| **Sell EUR/INR** | | | | | | |
| Less than 1 year | 0.13 | 1.80 | 11.68 | 160.84 | (0.03) | 1.62 |
| | | | | **Total** | **(0.18)** | **(4.93)** |

**The line-items in the balance sheet that include the above instruments are " Other Financial Assets" and "Other financial Liabilities**





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

The effect of cash flow hedge in the Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in Crore

| Year | Risk Hedged | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in statement of profit and loss (loss)/ gain | Amount reclassified from cash flow hedging reserve to statement of profit and (loss) / gain | Closing Balance | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|---|---|---|
| **March 31, 2024** | Foreign exchange risk | (5.02) | 9.60 | 0.05 | (4.86) | **(0.24)** | Revenue |
| | Less Deferred tax on above | (1.26) | 2.42 | 0.01 | (1.22) | **(0.06)** | |
| | **Net Balance** | **(3.76)** | **7.18** | **0.03** | **(3.64)** | **(0.18)** | |
| March 31, 2023 | Foreign exchange risk | 4.17 | (17.51) | (0.08) | (8.24) | **(5.02)** | Revenue |
| | Less Deferred tax on above | 1.05 | (4.41) | (0.02) | (2.07) | **(1.26)** | |
| | **Net Balance** | **3.12** | **(13.10)** | **(0.06)** | **(6.16)** | **(3.76)** | |

Amount lying in Cash flow hedge reserve will be classified to Statement of Profit and Loss account within 12 months.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

(C) Outstanding commodity contracts :

₹ in Crore

| Cash flow hedges | | Type | 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, 2024** | Less than 1 year | Buy | 9.18 | 1.77 | 0.86 | 0.12 | 765.80 | 147.85 | 71.55 | 9.98 | 29.44 | 3.61 | 0.39 | (0.23) |
| **As at March 31, 2023** | Less than 1 year | Buy | 3.98 | 1.61 | 0.73 | 0.03 | 320.30 | 129.51 | 59.19 | 2.08 | 1.84 | 1.98 | (0.13) | (0.05) |
| | Less than 1 year | Sell | (0.25) | - | 0.09 | - | (20.10) | - | 6.95 | - | 0.08 | - | 0.06 | - |

The effect of cash flow hedge in the Statement of Profit and Loss and other comprehensive income is as follows:

₹ in Crore

| Year | Risk hedged | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Hedge ineffectiveness recognised in statement of profit and loss | Amount reclassified from cash flow hedging reserve to statement of profit and loss | Cloising Balance | Line item affected in statement of profit and loss because of the reclassification |
|---|---|---|---|---|---|---|---|
| **March 31, 2024** | Commodity price risk | 5.02 | 43.64 | (2.84) | (14.22) | **31.60** | Cost of materials consumed |
| | Less Deferred Tax on above | 1.26 | 10.98 | (0.72) | (3.57) | **7.95** | |
| | **Net Balance** | **3.76** | **32.66** | **(2.12)** | **(10.65)** | **23.65** | |
| **March 31, 2023** | Commodity price risk | 6.99 | (58.80) | (1.23) | (55.60) | **5.02** | Cost of materials consumed |
| | Less Deferred Tax on above | 1.76 | (14.80) | (0.31) | (13.99) | **1.26** | |
| | **Net Balance** | **5.23** | **(44.00)** | **(0.92)** | **(41.61)** | **3.76** | |

Amount lying in Cash flow hedge reserve will be reclassified to Statement of Profit and Loss account within 12 months.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## 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.

(C) Employees' State Insurance Corporation

The Company makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme. 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 and its Jointly Controlled Operations in India**

The Company & its jointly controlled operations (JCO) in India has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of the Gratuity scheme of the Company/JCOs in India or as per payment of the Gratuity Act, 1972 whichever is higher.

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.

**(ii) Jointly Controlled operation in Saudi (Al Sharif JV)**

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan i.e. End Service Benefit plan, (akin to gratuity) covering eligible employees. The benefits payable are as under:

| | |
|---|---|
| For Service less than 5 years | 1/2 * Service * Applicable salary |
| For Service more than 5 years | First Five Years: 1/2 * Service * Applicable Salary |
| | Beyond 5 Years: Service * Applicable Salary |

The present value of the above defined benefit obligations, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2024.

(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.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

| | |
|---|---|
| Investment risk | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has a relatively balanced mix of investments in Insurance related products. |
| Interest rate risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments. |
| Longevity risk | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability. |

**Details of defined contribution plan**

The Group has recognised following amounts in the statement of profit and loss:

₹ in Crore

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Superannuation Fund | 0.82 | 1.86 |
| Provident Fund | 4.31 | 4.41 |
| Employees' Pension Scheme | 9.34 | 8.86 |
| Employees' State Insurance Corporation | 0.07 | 0.09 |
| Admin charges - PF, ESIC | 1.21 | 0.96 |
| **Total** | **15.75** | **16.18** |

**Details of defined benefit plan**

(A) Gratuity

₹ in Crore

| | | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| **I** | | **Components of defined benefit cost** | | |
| | 1 | Current service cost | 9.76 | 7.58 |
| | 2 | Interest cost on benefit obligation (Net) | 0.70 | 0.08 |
| | **A** | **Total expenses included in Statement of Profit and Loss (P&L)** | 10.46 | 7.66 |
| | 3 | Actuarial changes arising from changes in demographic assumptions | (2.11) | 1.93 |
| | 4 | Actuarial changes arising from changes in financial assumptions | 2.87 | (3.82) |
| | 5 | Actuarial changes arising from changes in experience adjustments | (1.14) | 2.36 |
| | 6 | Return on Plan Assets (excluding interest income) | (1.03) | 0.81 |
| | **B** | **Total recognized in Other Comprehensive Income (OCI)** | (1.40) | 1.28 |
| | **C** | **Total defined benefit cost recognized in P&L and OCI** | 9.06 | 8.94 |
| **II** | | **Actual Contribution and Benefits Payments for the year** | | |
| | 1 | Actual Benefits Payments | (7.02) | (6.71) |
| | 2 | Actual Contributions | 9.72 | 3.73 |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| | | Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|---|---|
| **III** | | **Net asset/(liability) recognized in the Balance Sheet** | | |
| | 1 | Present Value of Defined Benefit Obligations | (69.83) | (63.11) |
| | 2 | Fair Value of Plan Assets | 56.83 | 49.44 |
| | 3 | Exchange fluctuation on account of conversion of Jointly Controlled Operation | (2.40) | (2.24) |
| | 4 | Net asset / (liability) recognized in the Balance Sheet | (15.40) | (15.91) |
| **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 | 63.11 | 58.27 |
| | 2 | Current Service Cost | 9.76 | 7.58 |
| | 3 | Interest Cost | 4.36 | 3.50 |
| | 4 | Benefits paid | (7.02) | (6.71) |
| | 5 | Actuarial changes arising from changes in demographic assumptions | (2.11) | 1.93 |
| | 6 | Actuarial changes arising from changes in financial assumptions | 2.87 | (3.82) |
| | 7 | Actuarial changes arising from changes in experience adjustments | (1.14) | 2.36 |
| | 8 | Present Value of Defined Benefit Obligations as at the end of the year | 69.83 | 63.11 |
| **V** | | **Change in Fair Value of Plan Assets during the year** | | |
| | 1 | Plan Assets as at the beginning of the year | 49.44 | 49.80 |
| | 2 | Interest Income | 3.66 | 3.43 |
| | 3 | Actual Company Contributions | 9.72 | 3.73 |
| | 4 | Benefits paid | (7.02) | (6.71) |
| | 5 | Expected return on Plan Assets (excluding interest income) | 1.03 | (0.81) |
| | 6 | Plan Assets as at the end of the year | 56.83 | 49.44 |

| | | Particulars | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| **VI-A** | | **Actuarial Assumptions (Considered for the Company) (Funded)** | | | |
| | 1 | Discount Rate | | 7.20% | 7.40% |
| | 2 | Expected Return on plan assets | | 7.20% | 7.40% |
| | 3 | Salary escalation Rate | | 9.00% | 8.00% |
| | 4 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 5 | Disability | | **5% of Mortality Rate** | |
| | 6 | Withdrawal ( Rate of Employee Turnover) | Upto 30 years | 21.00% | 23.00% |
| | | | 31-44 years | 17.00% | 13.00% |
| | | | 45 years and above | 11.00% | 6.00% |
| **VI-B** | | **Actuarial Assumptions (Considered for Jointly Controlled Operation - Al Sharif JV (Saudi)) (Unfunded)** | | | |
| | 1 | Discount Rate | | 4.90% | 5.10% |
| | 2 | Salary escalation Rate | | 7.00% | 7.00% |
| | 3 | Mortality Table | | **Implicit in Withdrawal** | |
| | 4 | Disability | | **Implicit in Withdrawal** | |
| | 5 | Withdrawal (Rate of Employee Turnover) | Managers (M0 to M6) | 12.00% | 10.00% |
| | | | Others | 12.00% | 10.00% |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

| Particulars | | | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|---|---|
| **VI-C** | **Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV) (Unfunded)** | | | | |
| | 1 | Discount Rate | | 7.20% | 7.50% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal (Rate of Employee Turnover) | Upto 30 years | 7.50% | 7.50% |
| | | | 31-44 years | 7.50% | 7.50% |
| | | | 45 years and above | 7.50% | 7.50% |
| **VI-D** | **Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV (Unfunded)** | | | | |
| | 1 | Discount Rate | | 7.30% | 7.60% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal (Rate of Employee Turnover) | Upto 30 years | 7.50% | 7.50% |
| | | | 31-44 years | 7.50% | 7.50% |
| | | | 45 years and above | 7.50% | 7.50% |
| **VI-E** | **Actuarial Assumptions (Considered for Jointly Controlled Operation VNC KEC JV) (Unfunded)** | | | | |
| | 1 | Discount Rate | | 7.30% | 7.60% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal (Rate of Employee Turnover) | Upto 30 years | 17.00% | 17.00% |
| | | | 31-44 years | 12.00% | 12.00% |
| | | | 45 years and above | 11.00% | 11.00% |
| **VI-F** | **Actuarial Assumptions (Considered for Jointly Controlled Operation KEC-CCECC JV (Unfunded)** | | | | |
| | 1 | Discount Rate | | 7.30% | 7.50% |
| | 2 | Salary escalation Rate | | 8.00% | 8.00% |
| | 3 | Mortality Table | | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ult** | |
| | 4 | Disability | | **5% of Mortality Rate** | |
| | 5 | Withdrawal (Rate of Employee Turnover) | Upto 30 years | 17.00% | 17.00% |
| | | | 31-44 years | 12.00% | 12.00% |
| | | | 45 years and above | 11.00% | 11.00% |
| **VII** | The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors. | | | | |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

| | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| **VIII** | **The major categories of Plan Assets of the Company as a percentage of the total plan assets (gratuity)** | | |
| | Equity | 0.33% | 4.43% |
| | Debt | 52.30% | 53.12% |
| | Money Market Investments | 47.37% | 42.45% |
| **IX** | **Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2024 - ₹ 8.20 crore** | | |
| **X** | **Weighed Average duration of the Plan** | | |
| | Considered for the Company | 5 years | 6 years |
| | Considered for Jointly Controlled Operation - Al Sharif JV | 7 years | 9 years |
| | Considered for Jointly Controlled Operation - CCECC-KEC JV | 9 years | 10 years |
| | Considered for Jointly Controlled Operation - Longjian-KEC JV | 11 years | 11 years |
| | Considered for Jointly Controlled Operation - VNC-KEC JV | 7 years | 8 years |
| | Considered for Jointly Controlled Operation - KEC-CCECC JV | 8 years | 9 years |

₹ in Crore

| Maturity profile of defined benefit obligation | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 1 | Year 1 | 9.41 | 6.99 |
| 2 | Year 2 | 17.47 | 10.46 |
| 3 | Year 3 | 11.61 | 9.16 |
| 4 | Year 4 | 10.71 | 10.25 |
| 5 | Year 5 | 11.98 | 11.22 |
| 6 | Next 5 years | 59.12 | 56.64 |

| Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation) | | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| A. | Discount rate | | |
| | Discount rate - 50 basis points | 73.89 | 67.38 |
| | Discount rate + 50 basis points | 70.28 | 63.44 |
| B. | Salary increase rate | | |
| | Salary rate - 50 basis points | 70.48 | 63.62 |
| | Salary rate + 50 basis points | 73.67 | 67.17 |
| **Demographic assumptions sensitivity analysis** | | | |
| C. | Withdrawal Rate | | |
| | Withdrawal Rate - 100 basis points | 72.80 | 65.87 |
| | Withdrawal Rate + 100 basis points | 71.35 | 64.89 |

**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

forming part of the Financial Statements as at and for the year ended March 31, 2024

**XI The following table shows a breakdown of the defined benefit obligation and plan assets of the Company:**

₹ in Crore

| Particulars | As at March 31, 2024 | | | As at March 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Gratuity | | | | | |
| | (A) Present value of obligation | (B) Fair value of plan assets | (C) Total liability = (A) - (B) | (A) Present value of obligation | (B) Fair value of plan assets | (C) Total liability = (A) - (B) |
| Company | 58.29 | 56.83 | **1.46** | 54.21 | 49.44 | **4.77** |
| Al Sharif JV | 12.94 | - | **12.94** | 10.24 | - | **10.24** |
| CCECC-KEC JV | 0.45 | - | **0.45** | 0.31 | - | **0.31** |
| Longjian-KEC JV | 0.51 | - | **0.51** | 0.41 | - | **0.41** |
| VNC-KEC JV | 0.02 | - | **0.02** | 0.05 | - | **0.05** |
| KEC-CCECC JV | 0.02 | - | **0.02** | 0.13 | - | **0.13** |
| | **72.23** | **56.83** | **15.40** | **65.35** | **49.44** | **15.91** |

## (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, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| Company's contribution to the provident fund | 11.44 | 9.81 |

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

₹ in Crore

| Particulars | For the year ended March 31, 2024 | For the year ended March 31, 2023 |
|---|---|---|
| a. Approach used | Deterministic | Deterministic |
| b. Discount Rate | 7.20% | 7.40% |
| c. Attrition Rate | | |
| Upto 30 years | 21.00% | 23.00% |
| 31 - 44 years | 17.00% | 13.00% |
| 45 years and above | 11.00% | 6.00% |
| d. Weighted Average Yield | 7.40% | 6.90% |
| e. Weighted Average YTM | 7.40% | 6.90% |
| f. Reinvestment Period on Maturity | 5 years | 6 years |
| g. Mortality Rate | **Indian Assured Lives Mortality (IALM) (2006-08) (modified) Ultimate** | |

**3 Long term/short term employee benefits (Compensated Absences)**

The long term/short term employee benefits covers the Company's liability for sick and earned leave.

The amount of the provision is ₹ 40.30 crore (as at March 31, 2023 ₹ 38.87 crore).





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## 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, 2024 | As at March 31, 2023 |
|---|---|---|---|
| RPG Transmission Nigeria Limited | Nigeria | 100 | 100 |
| KEC Global FZ – LLC, Ras UL Khaimah (De-registered w.e.f. March 08, 2023) | UAE | - | 100 |
| KEC Investment Holdings, Mauritius | Mauritius | 100 | 100 |
| KEC Global Mauritius (Dissolved w.e.f. September 24, 2023) | Mauritius | - | 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 Transmissao Ltda | Brazil | 100 | 100 |
| SAE Prestadora de Services Mexico, S de RL de CV | Mexico | 100 | 100 |
| SAE Towers Ltd | USA | 100 | 100 |
| SAE Towers Construção Ltda (formerly known as SAE Engenharia E Construcao Ltda.) | Brazil | 100 | 100 |
| KEC Engineering & Construction Services, S de RL de CV | Mexico | 100 | 100 |
| KEC Towers LLC | UAE | 100 | 100 |
| KEC International (Malaysia) SDN BHD | Malaysia | 100 | 100 |
| KEC Spur Infrastructure Private Limited | India | 100 | 100 |
| KEC EPC LLC | UAE | 100 | 100 |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

**(B) Details of other 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, 2024 | As at March 31, 2023 |
| RP Goenka Group of Companies Employees Welfare Association | India | 49 | 49 |

**Key Management Personnel (KMP)**

Mr. H. V. Goenka- Chairman
Mr. Vimal Kejriwal - Managing Director and CEO
Mr. Rajeev Aggarwal - Chief Financial Officer
Mr. A. T. Vaswani - Non - Executive Director (upto April 11, 2024)
Mr. D. G. Piramal - Non - Executive Director
Mr. G.L. Mirchandani - Non - Executive Director (upto July 15, 2023)
Ms. Nirupama Rao - Non - Executive Director
Mr. R. D. Chandak - Non - Executive Director
Mr. S. M. Trehan - Non - Executive Director
Mr. Vinayak Chatterjee - Non - Executive Director
Mr. Vikram Gandhi - Non - Executive Director
Mr. M. S. Unnikrishnan - Non - Executive Director
Ms. Neera Saggi - Non - Executive Director (w.e.f. from March 27, 2024)

**Post - employment benefit plan**

KEC International Limited Employees' Group Gratuity Scheme
KEC International Limited - Provident Fund
KEC International Limited Superannuation Scheme

**Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place**

CEAT Limited
B. N. Elias & Co. LLP
Palacino Properties LLP
RPG Life Sciences Limited
RPG Enterprises Limited
Raychem RPG Private Limited
Harrisons Malayalam Limited
Spencer and Company Limited
Zensar Technologies Limited
Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)
Summit Securities Limited (holds 10.96 percent Equity Shares of the Company)





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | | | For the year ended March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | **-** | **180.84** | **-** | **5.51** | **-** | **186.35** | **-** | **240.90** | **-** | **0.63** | **-** | **241.53** |
| SAE Towers Brasil Torres de Transmissão Ltda | - | - | - | - | - | **-** | - | 14.25 | - | - | - | **14.25** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 54.89 | - | - | - | **54.89** | - | 26.92 | - | - | - | **26.92** |
| RPG Life Sciences Limited | - | - | - | 0.71 | - | **0.71** | - | - | - | - | - | **-** |
| KEC International (Malaysia) SDN. BHD. | - | 4.98 | - | - | - | **4.98** | - | 1.51 | - | - | - | **1.51** |
| KEC Towers LLC | - | 98.73 | - | - | - | **98.73** | - | 73.87 | - | - | - | **73.87** |
| KEC EPC LLC | - | 20.05 | - | - | - | **20.05** | - | 123.73 | - | - | - | **123.73** |
| KEC Spur Infrastructure Private Limited | - | 2.19 | - | - | - | **2.19** | - | 0.62 | - | - | - | **0.62** |
| CEAT Limited | - | - | - | 4.80 | - | **4.80** | - | - | - | 0.42 | - | **0.42** |
| Raychem RPG Private limited | - | - | - | - | - | **-** | - | - | - | 0.21 | - | **0.21** |
| **Construction contracts revenue** | **-** | **-** | **-** | **18.97** | **-** | **18.97** | **-** | **-** | **-** | **6.30** | **-** | **6.30** |
| RPG Life Sciences Limited | - | - | - | 18.97 | - | **18.97** | - | - | - | 6.00 | - | **6.00** |
| CEAT Limited | - | - | - | - | - | **-** | - | - | - | 0.30 | - | **0.30** |
| **Sale of services** | **-** | **-** | **-** | **0.06** | **-** | **0.06** | **-** | **-** | **-** | **0.10** | **-** | **0.10** |
| CEAT Limited | - | - | - | 0.06 | - | **0.06** | - | - | - | 0.10 | - | **0.10** |
| **Services received/ Subcontracting charges paid** | **-** | **310.94** | **-** | **42.64** | **-** | **353.58** | **-** | **172.87** | **-** | **37.13** | **-** | **210.00** |
| KEC Spur Infrastructure Private Limited | - | 310.94 | - | - | - | **310.94** | - | 172.87 | - | - | - | **172.87** |
| Raychem RPG Private limited | - | - | - | - | - | **-** | - | - | - | - | - | **-** |
| CEAT Limited | - | - | - | 4.79 | - | **4.79** | - | - | - | 4.90 | - | **4.90** |
| Harrisons Malayalam Limited | - | - | - | 0.02 | - | **0.02** | - | - | - | - | - | **-** |
| RPG Enterprises Limited | - | - | - | 37.83 | - | **37.83** | - | - | - | 32.23 | - | **32.23** |
| **Rent Income** | **-** | **-** | **-** | **0.30** | **-** | **0.30** | **-** | **-** | **-** | **0.29** | **-** | **0.29** |
| CEAT Limited | - | - | - | 0.02 | - | **0.02** | - | - | - | 0.02 | - | **0.02** |
| RPG Life Sciences Limited | - | - | - | 0.06 | - | **0.06** | - | - | - | 0.06 | - | **0.06** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 Associates | Subsidiaries | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total | For the year ended March 31, 2023 Associates | Subsidiaries | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Summit Securities Limited | - | - | - | 0.06 | - | **0.06** | - | - | - | 0.06 | - | **0.06** |
| RPG Enterprises Limited | - | - | - | 0.16 | - | **0.16** | - | - | - | 0.15 | - | **0.15** |
| **Guarantees charges recovered** | **-** | **12.75** | **-** | **-** | **-** | **12.75** | **-** | **8.67** | **-** | **-** | **-** | **8.67** |
| KEC Towers LLC | - | 1.40 | - | - | - | **1.40** | - | 0.98 | - | - | - | **0.98** |
| KEC EPC LLC | - | 0.75 | - | - | - | **0.75** | - | 0.25 | - | - | - | **0.25** |
| KEC Spur Infrastructure Private Limited | - | 1.89 | - | - | - | **1.89** | - | 0.36 | - | - | - | **0.36** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 0.18 | - | - | - | **0.18** | - | - | - | - | - | **-** |
| SAE Towers Brasil Torres de Transmissão Ltda | - | 3.36 | - | - | - | **3.36** | - | 2.20 | - | - | - | **2.20** |
| KEC International (Malaysia) SDN. BHD. | - | 5.17 | - | - | - | **5.17** | - | 4.88 | - | - | - | **4.88** |
| **Purchase of goods** | **-** | **215.33** | **-** | **7.19** | **-** | **222.53** | **-** | **264.90** | **-** | **10.00** | **-** | **274.90** |
| Raychem RPG Private limited | - | - | - | 7.05 | - | **7.05** | - | - | - | 9.97 | - | **9.97** |
| CEAT Limited | - | - | - | 0.10 | - | **0.10** | - | - | - | - | - | **-** |
| KEC Towers LLC | - | 69.10 | - | - | - | **69.10** | - | 163.69 | - | - | - | **163.69** |
| KEC EPC LLC | - | 125.76 | - | - | - | **125.76** | - | 88.60 | - | - | - | **88.60** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 0.75 | - | - | - | **0.75** | - | 6.34 | - | - | - | **6.34** |
| SAE Towers Brasil Torres de Transmissão Ltda | - | 19.72 | - | - | - | **19.72** | - | 6.27 | - | - | - | **6.27** |
| Harrisons Malayalam Limited | - | - | - | 0.05 | - | **0.05** | - | - | - | 0.03 | - | **0.03** |
| **Interest income** | **-** | **0.39** | **-** | **-** | **-** | **0.39** | **-** | **0.87** | **-** | **-** | **-** | **0.87** |
| KEC Global FZ-LLC, Ras UL Khaimah | - | - | - | - | - | **-** | - | 0.03 | - | - | - | **0.03** |
| KEC Towers LLC | - | 0.39 | - | - | - | **0.39** | - | 0.68 | - | - | - | **0.68** |
| KEC Spur Infrastructure Private Limited | - | - | - | - | - | **-** | - | 0.04 | - | - | - | **0.04** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 Associates | Subsidiaries | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total | For the year ended March 31, 2023 Associates | Subsidiaries | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| KEC International (Malaysia) SDN. BHD. | - | - | - | - | - | **-** | - | 0.12 | - | - | - | **0.12** |
| **Interest Expense** | **-** | **0.01** | **-** | **-** | **-** | **0.01** | **-** | **0.10** | **-** | **-** | **-** | **0.10** |
| KEC Spur Infrastructure Private Limited | - | 0.01 | - | - | - | **0.01** | - | 0.10 | - | - | - | **0.10** |
| **Rent & maintenance expense** | **-** | **-** | **-** | **4.84** | **-** | **4.84** | **-** | **-** | **-** | **4.59** | **-** | **4.59** |
| Palacino Properties LLP | - | - | - | 0.29 | - | **0.29** | - | - | - | 0.28 | - | **0.28** |
| Spencer and Company Limited | - | - | - | 4.55 | - | **4.55** | - | - | - | 4.31 | - | **4.31** |
| **Compensation to Key Management Personnel** | | | | | | | | | | | | |
| **Mr.Vimal Kejriwal - Managing Director & CEO** | **-** | **-** | **9.40** | **-** | **-** | **9.40** | **-** | **-** | **8.69** | **-** | **-** | **8.69** |
| short-term employee benefits (including Bonus and value of perquisites) | - | - | 9.32 | - | - | **9.32** | - | - | 8.28 | - | - | **8.28** |
| post-employment benefits # $ | - | - | 0.08 | - | - | **0.08** | - | - | 0.41 | - | - | **0.41** |
| **Mr. Rajeev Aggarwal - Chief Financial Officer** | **-** | **-** | **4.51** | **-** | **-** | **4.51** | **-** | **-** | **4.14** | **-** | **-** | **4.14** |
| short-term employee benefits (including Bonus and value of perquisites) | - | - | 4.43 | - | - | **4.43** | - | - | 4.04 | - | - | **4.04** |
| post-employment benefits # $ | - | - | 0.08 | - | - | **0.08** | - | - | 0.11 | - | - | **0.11** |
| **Sitting fees & Commission paid to Non-Executive Directors** | **-** | **-** | **4.24** | **-** | **-** | **4.24** | **-** | **-** | **4.14** | **-** | **-** | **4.14** |
| Mr. H. V. Goenka | - | - | 2.39 | - | - | **2.39** | - | - | 2.41 | - | - | **2.41** |
| Mr. A. T. Vaswani | - | - | 0.27 | - | - | **0.27** | - | - | 0.23 | - | - | **0.23** |
| Mr. D. G. Piramal | - | - | 0.20 | - | - | **0.20** | - | - | 0.17 | - | - | **0.17** |
| Mr. G.L. Mirchandani | - | - | 0.04 | - | - | **0.04** | - | - | 0.17 | - | - | **0.17** |
| Ms. Nirupama Rao | - | - | 0.22 | - | - | **0.22** | - | - | 0.18 | - | - | **0.18** |
| Mr. R. D. Chandak | - | - | 0.27 | - | - | **0.27** | - | - | 0.24 | - | - | **0.24** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | | | For the year ended March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| Mr. S. M. Trehan | - | - | 0.27 | - | - | **0.27** | - | - | 0.24 | - | - | **0.24** |
| Mr. Vikram Gandhi | - | - | 0.18 | - | - | **0.18** | - | - | 0.16 | - | - | **0.16** |
| Mr. M. S. Unnikrishnan | - | - | 0.20 | - | - | **0.20** | - | - | 0.17 | - | - | **0.17** |
| Mr.Vinayak Chatterjee | - | - | 0.20 | - | - | **0.20** | - | - | 0.17 | - | - | **0.17** |
| **Purchase of property, plant and equipment** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0.11** | **-** | **0.16** | **-** | **0.27** |
| Zensar Technologies Limited | - | - | - | - | - | **-** | - | - | - | 0.16 | - | **0.16** |
| KEC Towers LLC | - | - | - | - | - | **-** | - | 0.11 | - | - | - | **0.11** |
| **Sale of property, plan and equipment** | **-** | **0.19** | **-** | **-** | **-** | **0.19** | **-** | **2.62** | **-** | **-** | **-** | **2.62** |
| KEC Spur Infrastructure Private Limited | - | 0.17 | - | - | - | **0.17** | - | 0.39 | - | - | - | **0.39** |
| KEC International (Malaysia) SDN. BHD. | - | 0.01 | - | - | - | **0.01** | - | - | - | - | - | **-** |
| KEC EPC LLC | - | - | - | - | - | **-** | - | 2.23 | - | - | - | **2.23** |
| KEC Towers LLC | - | 0.01 | - | - | - | **0.01** | - | - | - | - | - | **-** |
| **Payments made/expenses incurred on behalf of related party** | **-** | **78.36** | **-** | **-** | **-** | **78.36** | **-** | **27.91** | **-** | **-** | **-** | **27.91** |
| KEC Spur Infrastructure Private Limited | - | 72.84 | - | - | - | **72.84** | - | 21.89 | - | - | - | **21.89** |
| KEC EPC LLC | - | 0.50 | - | - | - | **0.50** | - | 5.38 | - | - | - | **5.38** |
| KEC Towers LLC | - | 4.66 | - | - | - | **4.66** | - | 0.34 | - | - | - | **0.34** |
| KEC Power India Private Limited | - | - | - | - | - | **-** | - | 0.01 | - | - | - | **0.01** |
| SAE Towers Brazil Torres de Transmissão Ltda | - | - | - | - | - | **-** | - | 0.29 | - | - | - | **0.29** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 0.36 | - | - | - | **0.36** | - | - | - | - | - | **-** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | | | For the year ended March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| **Payments made/expenses incurred by related party** | **-** | **3.71** | **-** | **1.79** | **-** | **5.49** | **-** | **4.70** | **-** | **1.16** | **-** | **5.86** |
| KEC Towers LLC | - | 3.71 | - | - | - | **3.71** | - | 3.81 | - | - | - | **3.81** |
| KEC Spur Infrastructure Private Limited | - | - | - | - | - | **-** | - | 0.89 | - | - | - | **0.89** |
| CEAT Limited | - | - | - | 1.79 | - | **1.79** | - | - | - | 1.16 | - | **1.16** |
| **Loan Given** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **4.00** | **-** | **-** | **-** | **4.00** |
| KEC Spur Infrastructure Private Limited | - | - | - | - | - | **-** | - | 4.00 | - | - | - | **4.00** |
| **Loan Recovered** | **-** | **12.85** | **-** | **-** | **-** | **12.85** | **-** | **19.88** | **-** | **-** | **-** | **19.88** |
| KEC Spur Infrastructure Private Limited | - | - | - | - | - | **-** | - | 7.25 | - | - | - | **7.25** |
| KEC Towers LLC | - | 12.85 | - | - | - | **12.85** | - | - | - | - | - | **-** |
| KEC International (Malaysia) SDN. BHD. | - | - | - | - | - | **-** | - | 12.63 | - | - | - | **12.63** |
| **Advance Received for project Execution** | **-** | **-** | **-** | **19.66** | **-** | **19.66** | **-** | **-** | **-** | **-** | **-** | **-** |
| CEAT Limited | - | - | - | 19.66 | - | **19.66** | - | - | - | - | - | **-** |
| **Loan Taken** | **-** | **25.00** | **-** | **-** | **-** | **25.00** | **-** | **16.87** | **-** | **-** | **-** | **16.87** |
| KEC Spur Infrastructure Private Limited | - | 25.00 | - | - | - | **25.00** | - | 16.87 | - | - | - | **16.87** |
| **Loan Repaid** | **-** | **0.47** | **-** | **-** | **-** | **0.47** | **-** | **16.50** | **-** | **-** | **-** | **16.50** |
| KEC Spur Infrastructure Private Limited | - | 0.47 | - | - | - | **0.47** | - | 16.50 | - | - | - | **16.50** |
| **Buyback of Equity Share of Subsidiary** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **2.78** | **-** | **-** | **-** | **2.78** |
| KEC Global, Mauritius | - | - | - | - | - | **-** | - | 2.78 | - | - | - | **2.78** |
| **Loans written off** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0.38** | **-** | **-** | **-** | **0.38** |
| KEC Global FZ-LLC, Ras UL Khaimah | - | - | - | - | - | **-** | - | 0.38 | - | - | - | **0.38** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | For the year ended March 31, 2024 | | | | | | For the year ended March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| **Contribution made** | - | - | - | - | **21.31** | **21.31** | - | - | - | - | **13.25** | **13.25** |
| KEC International Limited Employee's Gratuity Fund | - | - | - | - | 8.90 | **8.90** | - | - | - | - | 2.50 | **2.50** |
| KEC International Limited Provident Fund | - | - | - | - | 11.44 | **11.44** | - | - | - | - | 9.81 | **9.81** |
| KEC International Limited Superannuation Fund | - | - | - | - | 0.97 | **0.97** | - | - | - | - | 0.94 | **0.94** |
| **Investment made** | - | **82.58** | - | - | - | **82.58** | - | **189.40** | - | - | - | **189.40** |
| KEC Investment Holdings, Mauritius | - | 82.58 | - | - | - | **82.58** | - | 189.40 | - | - | - | **189.40** |
| **Guarantees given on behalf of the related party** | - | **710.60** | - | - | - | **710.60** | - | **933.01** | - | - | - | **933.01** |
| KEC EPC LLC | - | 283.68 | - | - | - | **283.68** | - | 129.41 | - | - | - | **129.41** |
| KEC Towers LLC | - | 56.74 | - | - | - | **56.74** | - | - | - | - | - | - |
| SAE Towers Brasil Torres de Transmissão Ltda | - | 83.08 | - | - | - | **83.08** | - | 408.61 | - | - | - | **408.61** |
| KEC International (Malaysia) SDN. BHD. | - | 40.40 | - | - | - | **40.40** | - | - | - | - | - | - |
| KEC Spur Infrastructure Private Limited | - | 205.00 | - | - | - | **205.00** | - | 395.00 | - | - | - | **395.00** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 41.70 | - | - | - | **41.70** | - | - | - | - | - | - |

*[#] 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.*
*For CSR contribution made to RPG foundation, refer note 60.*






# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024


₹ in Crore

| Transactions | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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** | - | **151.55** | - | **7.06** | - | **158.61** | - | **180.58** | - | **0.51** | - | **181.09** |
| SAE Towers Brasil Torres de Transmissão Ltda | - | 4.31 | - | - | - | **4.31** | - | 17.90 | - | - | - | **17.90** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 42.92 | - | - | - | **42.92** | - | 28.09 | - | - | - | **28.09** |
| KEC Towers LLC | - | 68.23 | - | - | - | **68.23** | - | 62.91 | - | - | - | **62.91** |
| KEC International (Malaysia) SDN. BHD. | - | 10.00 | - | - | - | **10.00** | - | 1.45 | - | - | - | **1.45** |
| KEC Spur Infrastructure Private Limited | - | 20.04 | - | - | - | **20.04** | - | 25.78 | - | - | - | **25.78** |
| KEC EPC LLC | - | 6.05 | - | - | - | **6.05** | - | 44.45 | - | - | - | **44.45** |
| RPG Life Sciences Limited | - | - | - | 3.37 | - | **3.37** | - | - | - | - | - | - |
| Raychem RPG Private limited | - | - | - | ⋆ | - | **⋆** | - | - | - | - | - | - |
| Palacino Properties LLP | - | - | - | 0.09 | - | **0.09** | - | - | - | 0.37 | - | **0.37** |
| B N Elias & Co. LLP | - | - | - | 0.01 | - | **0.01** | - | - | - | 0.04 | - | **0.04** |
| CEAT Limited | - | - | - | 0.89 | - | **0.89** | - | - | - | 0.09 | - | **0.09** |
| Spencer and Company Limited | - | - | - | 2.70 | - | **2.70** | - | - | - | 0.01 | - | **0.01** |
| **Amount Payable** | - | **406.48** | **3.68** | **26.68** | - | **436.84** | - | **254.29** | **3.44** | **0.96** | - | **258.70** |
| SAE Towers Brazil Torres de Transmissão Ltda | - | 0.04 | - | - | - | **0.04** | - | 0.04 | - | - | - | **0.04** |
| SAE Towers Mexico S de RL de CV, Mexico | - | 0.75 | - | - | - | **0.75** | - | - | - | - | - | - |
| KEC Towers LLC | - | 83.62 | - | - | - | **83.62** | - | 48.38 | - | - | - | **48.38** |
| RPG Transmission Nigeria Limited | - | 0.06 | - | - | - | **0.06** | - | 0.17 | - | - | - | **0.17** |
| KEC Spur Infrastructures Pvt Ltd | - | 245.06 | - | - | - | **245.06** | - | 145.05 | - | - | - | **145.05** |
| KEC EPC LLC | - | 76.95 | - | - | - | **76.95** | - | 60.65 | - | - | - | **60.65** |
| Raychem RPG Private limited | - | - | - | 5.16 | - | **5.16** | - | - | - | 0.57 | - | **0.57** |
| CEAT Limited | - | - | - | 20.16 | - | **20.16** | - | - | - | 0.03 | - | **0.03** |
| RPG Enterprises Limited | - | - | - | 0.28 | - | **0.28** | - | - | - | 0.36 | - | **0.36** |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 |
| Palacino Properties LLP | - | - | - | 1.08 | - | **1.08** | - | - | - | - | - | **-** |
| Mr. H. V. Goenka | - | - | 2.36 | - | - | **2.36** | - | - | 2.36 | - | - | **2.36** |
| Mr. A. T. Vaswani | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. D. G. Piramal | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. G.L. Mirchandani | - | - | 0.04 | - | - | **0.04** | - | - | 0.12 | - | - | **0.12** |
| Ms. Nirupama Rao | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. R. D. Chandak | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. S. M. Trehan | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. Vinayak Chatterjee | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. Vikram Gandhi | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| Mr. M. S. Unnikrishnan | - | - | 0.16 | - | - | **0.16** | - | - | 0.12 | - | - | **0.12** |
| **Loan Taken** | **-** | **25.02** | **-** | **-** | **-** | **25.02** | **-** | **0.47** | **-** | **-** | **-** | **0.47** |
| Spur Infra | - | 25.02 | - | - | - | **25.02** | - | 0.47 | - | - | - | **0.47** |
| **Investment (including investment in preference shares)** | **★** | **1,158.64** | **-** | **-** | **-** | **1,158.64** | **★** | **1,076.07** | **-** | **-** | **-** | **1,076.07** |
| RPG Transmission Nigeria Limited | - | 0.18 | - | - | - | **0.18** | - | 0.18 | - | - | - | **0.18** |
| KEC Investment Holdings, Mauritius | - | 966.27 | - | - | - | **966.27** | - | 883.70 | - | - | - | **883.70** |
| KEC Global, Mauritius | - | - | - | - | - | **-** | - | 0.00 | - | - | - | **0.00** |
| KEC Power India Private Limited | - | 0.37 | - | - | - | **0.37** | - | 0.37 | - | - | - | **0.37** |
| KEC Towers LLC | - | 130.31 | - | - | - | **130.31** | - | 130.31 | - | - | - | **130.31** |
| KEC International (Malaysia) SDN. BHD. | - | 4.58 | - | - | - | **4.58** | - | 4.58 | - | - | - | **4.58** |
| KEC Spur Infrastructure Private Limited | - | 56.93 | - | - | - | **56.93** | - | 56.93 | - | - | - | **56.93** |
| RP Goenka Group of Companies Employees Welfare Association | ★ | - | - | - | - | **★** | ★ | - | - | - | - | **-** |





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

₹ in Crore

| Transactions | As at March 31, 2024 | | | | | | As at March 31, 2023 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 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 given on behalf of the related party:** | **-** | **2,943.57** | **-** | **-** | **-** | **2,943.57** | **-** | **2,731.44** | **-** | **-** | **-** | **2,731.44** |
| KEC Spur Infrastructure Private Limited | - | 600.00 | - | - | - | **600.00** | - | 395.00 | - | - | - | **395.00** |
| SAE Towers Brasil Torres de Transmissão Ltda. | - | 765.64 | - | - | - | **765.64** | - | 1,041.07 | - | - | - | **1,041.07** |
| KEC EPC LLC | - | 415.03 | - | - | - | **415.03** | - | 185.35 | - | - | - | **185.35** |
| KEC Towers LLC | - | 326.34 | - | - | - | **326.34** | - | 265.72 | - | - | - | **265.72** |
| SAE Tower Mexico S de RL de CV | - | 41.70 | - | - | | **41.70** | - | - | - | - | - | **-** |
| KEC International (Malaysia) SDN. BHD. | - | 794.86 | - | - | - | **794.86** | - | 844.30 | - | - | - | **844.30** |

★ *less than rounding off norms adopted by the Group*

*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, 2024

## 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, 2024 | As at March 31, 2023 |
|---|---|---|---|---|
| 1 | Sales Tax /Value Added Tax* (Tax/Penalty/Interest) | 1994-2021 | 47.22 | |
| | | 1994-2021 | | 30.40 |
| 2 | Excise Duty * (Tax/Penalty/Interest) | 2008-2018 | 11.83 | |
| | | 2008-2018 | | 11.86 |
| 3 | Service Tax * (Tax/Penalty/ Interest) | 2008-2016 | 4.05 | |
| | | 2008-2016 | | 4.05 |
| 4 | Entry Tax* (Tax/Penalty/Interest) | 2010-2012 | 0.31 | |
| | | 2010-2012 | | 0.31 |
| 5 | Goods & Services Tax (Tax/Penalty/Interest) | 2018-2019 | 0.09 | |
| | | 2018-2021 | | 0.12 |
| 6 | (i) Income Tax matters mainly on account of Tax levied on guarantees given for Associated Enterprises | A.Y 2020-21<br>A.Y 2021-22 | 3.96 | |
| | | A.Y 2015-16<br>A.Y 2016-17<br>A.Y 2017-18<br>A.Y. 2018-19 | | 42.05 |
| | (ii) Income Tax matters at overseas unit/s** | 2002-2021 | 11.21 | |
| | | 2002-2021 | | 17.64 |
| | (iii) 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^^ | | 16.93 | |
| | | | | 9.78 |

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

**These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax / Value added tax, also relate to the issue of submission of relevant forms and the 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 54B.3*

### (ii) Commitments

₹ in Crore

| Sr. No. | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| 1 | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 71.33 | 46.93 |
| 2 | Derivative related commitments | Refer Notes 54C | |






# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024


## 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, 2024 | As at March 31, 2023 |
|---|---|---|
| Trade Receivables | 1,088.76 | 544.92 |
| Contract Assets | 95.84 | 295.89 |
| Contract Liabilities | 255.30 | 262.66 |
| Trade Payables | 129.27 | 218.81 |

**NOTE 59 -** As the segment information as per Ind AS 108 - Operating Segments is provided on the basis of audited consolidated financial statements, the same is not provided separately for the audited standalone financial statements.

## NOTE 60 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

₹ in Crore

| | Particulars | As at March 31, 2024 | As at March 31, 2023 |
|---|---|---|---|
| (a) | Gross amount required to be spent by the Company during the year | 12.51 | 13.71 |
| (b) | Amount approved by Board to be spent during the year | 12.51 | 13.71 |
| (c) | Amount spent during the year (in cash) on: | | |
| (i) | Construction/acquisition of any asset | - | - |
| (ii) | on purposes other than (i) above* | 9.86 | 9.37 |

*Includes ₹ 9.76 crore (Previous year ₹ 9.29 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ 0.10 crore (Previous year ₹ 0.08 crore) towards impact assessment.

**A. Details of ongoing CSR Projects under Section 135(6) of the Act**

₹ in Crore

| Balance as at April 01, 2023 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at March 31, 2024 | |
|---|---|---|---|---|---|---|
| With the Company | In separate CSR Unspent Account | | From the Company's bank account | From Separate CSR Unspent Account | With the Company | In separate CSR Unspent Account |
| 4.34 | - | 7.87 | 5.22 | 4.34 | 2.65* | - |

(₹ in crore)

| Balance as at April 01, 2022 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at March 31, 2023 | |
|---|---|---|---|---|---|---|
| With the Company | In separate CSR Unspent Account | | From the Company's bank account | From Separate CSR Unspent Account | With the Company | In separate CSR Unspent Account |
| 3.13 | - | 13.71 | 9.37 | 3.13 | 4.34* | - |

** ₹ 2.65 crore as at March 31, 2024 (Previous year ₹ 4.34 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.*

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

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, 2023 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2024 |
|---|---|---|---|---|
| - | - | 4.64 | 4.64 | - |

₹ in Crore

| Balance unspent as at April 01, 2022 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2023 |
|---|---|---|---|---|
| - | - | - | - | - |

**NOTE 61** -Figures in respect of the Company's overseas branches in Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burkina Faso, Burundi, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda, and Zambia have been incorporated on the basis of financial statements (the Branch Returns) audited by the auditors of the respective branches

**NOTE 62** - Commercial papers (CP) raised by the Company are unsecured and short-term in nature ranging between sixty one days to Ninety days. These CP are having a Credit Rating of CRISIL A1+ and IND A1+ and are listed on BSE Limited. During the year ended March 31, 2024, the Company has redeemed CP on the relevant due date.

**NOTE 63** – The Company was executing few projects in Afghanistan, which are kept on hold due to force majeure event. The Company does not expect any material financial impact due to this event, as the projects are funded by international funding agencies [Asian Development Bank (ADB), USAID and World Bank]. During the year, the Company has realized outstanding amounts pursuant to the settlement with USAID of ₹ 148 crores and partial payments from the World Bank of ₹ 133 crores. Subsequent to the year end an amount of ₹ 109 crores has been realized from the World Bank in April 2024. ADB has also communicated to resolve the outstanding payments and has appointed a third-party agency, United Nations Office for Project Services, for verification of the physical work. The Company is closely monitoring the situation and given the current geopolitical environment in Afghanistan, probability of resumption of work is remote. As of March 31, 2024, the Company has a net exposure of ₹ 245 crore (translated at period end exchange rate), including exposure of Afghanistan branch after netting off advances, liabilities and adjusting contract liabilities. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s), except bank guarantees in respect of one project, which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking making or receiving payment under the bank guarantees.





# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

## NOTE 64 - RATIOS

| Sr. No. | Particulars* | Year ended March 31, 2024 | Year ended March 31,2023 | % Variance | Reason for variance |
|---|---|---|---|---|---|
| a) | Current Ratio | 1.09 | 1.12 | 3% | |
| b) | Debt Equity Ratio | 0.81 | 0.69 | 10% | |
| c) | Debt Service Coverage Ratio | 1.16 | 1.68 | 42% | Higher debt repayment in year ended March 31, 2024. |
| d) | Return on equity ratio (%) | 3.67 | 4.61 | 61% | Decrease in profit during the year 2023-24 |
| e) | Inventory Turnover Ratio (No. of Days) | 30 | 32 | 18% | |
| f) | Trade Receivable Turnover Ratio (No. of Days) | 88 | 82 | 7% | |
| g) | Trade Payable Turnover Ratio (No. of Days) | 301 | 208 | 9% | |
| h) | Net Capital Turnover Ratio | 13.99 | 10.48 | 27% | Increase due to higher revenue during the year 2023-24 |
| i) | Net Profit Margin (%) | 0.85 | 1.17 | 66% | Decrease in profit during the year 2023-24. |
| j) | Return on Capital Employed (%) | 10.41 | 11.40 | 30% | Decrease in profit during the year 2023-24 |
| k) | Return on Investment | 4.39 | 4.68 | 35% | Decrease in profit during the year 2023-24 |

** 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 Trade 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 (Net worth-Intangible Asset) + Total Debt + Deferred Tax |
| k) | Return on Investment | Earning before interest and taxes | Liability |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024

**NOTE 65 –** The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, the Company can adequately source the funding required at the mentioned branches and the Jointly Controlled Operation.

**NOTE 66 – 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 67 - WILFUL DEFAULTER:**

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

**NOTE 68 - RELATIONSHIP WITH STRUCK OFF COMPANIES:**

| Sr. No. | Name of the struck off company | Nature of transaction with the struck off company | Relationship with the struck off company | Balance outstanding as at March 31, 2024 | Balance outstanding as at March 31, 2023 |
|---|---|---|---|---|---|
| 1 | King'Sbourn Globel Export India Private Limited. | Trade payables | NA | - | 0.03 |
| 2 | Anamika Infratech Private Limited | Trade payables | NA | - | 0.03 |
| 3 | Om Sairam Engicon Private Limited | Trade payables | NA | - | 0.01 |
| 4 | Koushalya Power Construction Private Limited | Trade payables | NA | - | 0.01 |
| 5 | Srs Software Solutions Private Limited | Trade payables | NA | 0.00 | 0.00 |
| 6 | J. K. Cement -Rj | Trade payables | NA | 0.03 | 0.42 |
| 7 | Kprs Engineering Private Limited | Trade payables | NA | 0.02 | 0.04 |
| 8 | King'Sbourn Globel Export India Pvt | Trade receivables | NA | 0.02 | - |
| 9 | Popular Stock And Share Services Private Limited | Shares held by struck off company | NA | - | - |
| 10 | Ushdev Securities Limited | Shares held by struck off company | NA | - | - |
| 11 | Gnk Investments Private Limited | Shares held by struck off company | NA | - | - |
| 12 | Badri Sarraf Finance And Mutual Benefit Company Limited | Shares held by struck off company | NA | - | - |
| 13 | Pegasus Mercantile Private Limited | Shares held by struck off company | NA | - | - |
| 14 | Highlands Garments Private Limited | Shares held by struck off company | NA | - | - |
| 15 | Aggarwal Securities Private Limited | Shares held by struck off company | NA | - | - |
| 16 | Lakhan Pal Brothers Private Limited | Shares held by struck off company | NA | - | - |

**NOTE 69 – 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 70 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:**

The Company has complied with the number of layers prescribed under the Companies Act, 2013.






# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2024


**NOTE 71 - 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 72 - 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.

**NOTE 73 - REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:**

There are certain charges which are historical in nature, and it involves practical challenges in obtaining no-objection certificates (NOCs) and/or getting requisite formalities completed towards charge satisfaction from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of getting the charge satisfaction e-form filed and processed with MCA, within the timelines, as and when it receives NOCs/confirmation from the respective charge holders."

**NOTE 74 - 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 75 -** Previous period figures have been regrouped / recasted/ reclassified wherever necessary.

**NOTE 76 -** The Company has approved its financial statements in its board meeting dated May 07, 2024.

Signatures to Notes 1 to 76 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 07, 2024

**For and on behalf of the Board of Directors**

**H. V. GOENKA**
Chairman
DIN: 00026726

**RAJEEV AGGARWAL**
Chief Financial Officer

**VIMAL KEJRIWAL**
Managing Director & CEO
DIN: 00026981

**AMIT KUMAR GUPTA**
Company Secretary

**R. D. CHANDAK**
Audit Committee Chairman and Director
DIN - 00026581

Place: Mumbai
Date: May 07, 2024

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

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 Nineteenth Annual General Meeting ("AGM") of KEC International Limited will be held on Thursday, August 22, 2024 at 3.00 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual means ("OAVM"), to transact the following businesses:

## ORDINARY BUSINESS:

### 1. To receive, consider and adopt:

a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024, 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, 2024, 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, 2024.

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.

## SPECIAL BUSINESS:

### 4. 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 the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 7,00,000/- (Rupees Seven Lakh Only) plus taxes as applicable and reimbursement 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, 2025, 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."

### 5. Appointment of Mr. Arvind Singh (DIN: 02780573) as an Independent Director

To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** Mr. Arvind Singh (DIN: 02780573), who was appointed by the Board of Directors as an Additional Director (Non-Executive, Independent) of the Company with effect from June 01, 2024 in terms of Section 161(1) of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force) and Article 104 of the Articles of Association of the Company and who is eligible for appointment and who 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 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Act, as amended from time to time, read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and other applicable Rules if any (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof for the time being in force), Regulation 17 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Arvind Singh (DIN: 02780573) as an Independent Director, who meets the criteria for independence as provided in Section 149(6) of the Act and the rules made thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the

Company, not liable to retire by rotation, for a term of five consecutive years commencing from June 01, 2024 up to May 31, 2029, be and is hereby approved."

## 6. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as the Managing Director & Chief Executive Officer

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and Articles of Association of the Company and subject to such other regulatory approvals, permissions and sanctions, as may be required, approval of the Members be and is hereby accorded for re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director of the Company, to be designated as Managing Director & Chief Executive Officer ("MD & CEO") for a period of one year with effect from April 01, 2025, liable to retire by rotation, on the terms and conditions including payment of remuneration as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee) and set out below, with further liberty to the Board to alter and vary the said terms and conditions, including remuneration, from time to time, as it may deem fit and as may be acceptable to Mr. Vimal Kejriwal, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment(s) thereof:

**A. Salary and Allowances:**

i. Basic Salary of ₹ 1,83,23,299/- (Rupees One Crore Eighty Three Lakhs Twenty Three Thousand Two Hundred and Ninety Nine Only) per annum, and

ii. Other Allowances ₹ 6,10,04,150/- (Rupees Six Crore Ten Lakhs Four Thousand One Hundred and Fifty Only) per annum

(with such increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.)

**B. Perquisites:**

i. Contribution towards Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the rules of the Company.

ii. Company Car & driver and Mobile Phone for official duties as per the rules of the Company.

iii. Leave encashment as per the rules of the Company.

In terms of Schedule V of the Act, the Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, payment of Gratuity at a rate not exceeding half a month's salary for each completed year of service, provision of Company Car & driver and Mobile Phone for official duties and encashment of leave at the end of his tenure shall not be included in the computation of the ceiling on remuneration.

**C.** Performance bonus/incentive not exceeding ₹ 6,00,00,000/- (Rupees Six Crores Only), payable annually, based on the performance of Company/ individual across multiple parameters such as revenue, order book, profitability etc., as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

The aggregate of salary, allowances, perquisites and performance bonus/incentive as specified above shall be subject to overall ceiling stipulated under Section 197 of the Act.

**RESOLVED FURTHER THAT** notwithstanding anything contained herein, where in during the tenure of the MD & CEO, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite regulatory approvals, if required, pay to the MD & CEO the above remuneration as the minimum remuneration by way of salary, allowances, perquisites, performance bonus and benefits as specified herein above and as last recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time for a period of one year and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment as per policy of Company shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** any of the Directors or the Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorised to execute all such writings and instruments including the agreement with respect to the re-appointment of Mr. Vimal Kejriwal as the MD & CEO of the Company and to take all the necessary steps, make necessary applications and to do all such acts, deeds, matters and things as may be necessary, including filing of necessary e-form(s) with the Ministry of Corporate Affairs, in connection with the aforesaid resolution and if required, the Common Seal of the Company be affixed on any document(s) in presence of any one of the aforesaid persons."

## 7. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

To consider, and if thought fit, to pass the following resolution as a **Special Resolution:**

**"RESOLVED THAT** in accordance with the provisions of Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, the approval of the Members be and is hereby accorded for payment of commission of ₹ 2,36,37,000/- (Rupees Two Crore Thirty-Six Lakh Thirty-Seven Thousand 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 2023-24, 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."

## 8. Raising of funds by issuance of equity shares and/ or any other equity based instruments, through qualified institutions placement and/or any other permissible mode

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Sections 23, 42, 62, 71 and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules made thereunder (each including any amendment(s), statutory modification(s), or re-enactment(s) thereof for the time being in force) ("Act") and in accordance with the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the Foreign Exchange Management Act, 1999 (including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force), or the rules, regulations, circulars or notifications issued thereunder, including the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations 2019, the Consolidated FDI Policy issued by the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India from time to time, each as amended; the listing agreements entered into by the Company with the stock exchanges where the equity shares of the Company are listed, and any other provisions of applicable laws (including all other applicable statutes, clarifications, rules, regulations, circulars, notifications, and guidelines issued by the Government of India, Ministry of Corporate Affairs ("MCA"), Reserve Bank of India, Securities and Exchange Board of India ("SEBI"), stock exchanges, Registrar of Companies, Maharashtra at Mumbai ("RoC") and such other statutory/regulatory authorities in India or abroad) (hereinafter collectively referred to as "Regulatory Authorities"), and subject to all such approvals, permissions, consents and/or sanctions as may be necessary or required from the stock exchanges and the Regulatory Authorities, and subject to such terms, conditions or modifications as may be prescribed or imposed by the stock exchanges and aforesaid Regulatory Authorities while granting such approvals, permissions, consents, and/or sanctions, which may be agreed to by the Board of Directors of the Company ("Board", which term shall include any Committee which the Board of Directors may have constituted or may hereinafter constitute to exercise its powers, including the powers conferred by this resolution), approval of the Members of the Company be and is hereby accorded to the Board to create, offer, issue and allot such number of equity shares of the Company having face value of ₹ 2/- each ("Equity Shares") or any other equity based instruments (including fully or partly convertible debentures) (hereinafter collectively referred to as "Securities") and/or any combination thereof, for cash, in one or more tranches and/ or one or more issuances, simultaneously or otherwise, for an aggregate amount of up to and not exceeding ₹ 4,500 Crore (Rupees Four Thousand Five Hundred Crores only) or an equivalent amount thereof (inclusive of such premium to face value as may be fixed on such Securities permitted under applicable law), by way of qualified institutions placement(s) and/or any other method as may be permitted under applicable laws and/or any combination thereof, in the course of domestic and/or international offerings, through issue of placement document and/or other permissible/requisite offer documents or other permissible/ requisite documents/writings/circulars/memoranda, to any eligible person, including qualified institutional buyers in accordance with the Chapter VI of the SEBI ICDR Regulations, or otherwise, foreign/ resident investors (whether institutions, banks, incorporated bodies, mutual funds, individuals, trustees, stabilizing agent or otherwise), venture capital funds, alternative investment funds, foreign portfolio investors, Indian and/or multilateral financial institutions, mutual funds, non-resident Indians, pension funds and/or any other categories of investors, who are authorised to invest in the Securities of the Company as per extant regulations/guidelines or any combination of the above, whether they being existing holders of the Securities or not (collectively referred to as the "Investors"), at such price or prices (at a discount or premium to market price or prices), in such manner and on such terms and conditions as may be decided by the Board in its absolute discretion and permitted under applicable laws, including the discretion to determine the categories of Investors to whom the offer, issue and allotment of Securities shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment, as may be prescribed under applicable laws, and without requiring any further approval or consent from the Members at the time of such offer, issue and allotment, considering the prevailing market conditions and other relevant factors in consultation with the lead managers/book running lead manager(s) and/or other advisor(s) or otherwise appointed/ to be appointed by the Company so as to enable the Company to list its Securities on any stock exchange in India.

**RESOLVED FURTHER THAT** in the event the Company proposes to issue and allot any Securities by way of Qualified Institutions Placement ("QIP") to Qualified Institutional Buyers ("QIBs") as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations in terms of Chapter VI of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of SEBI ICDR Regulations):

i. The Eligible Securities to be so created, offered, issued and allotted, shall be subject to the provisions of the Memorandum of Association and the Articles of Association of the Company;

ii. The allotment of the Eligible Securities shall be completed within 365 days from the date of passing of the special resolution by the Members or such other time as may be allowed under the Act and/or the SEBI ICDR Regulations, from time to time;

iii. All Eligible Securities issued under the Issue shall be listed on the recognized stock exchange where the equity shares of the Company are listed;

iv. The Equity Shares issued and allotted under the QIP or allotted upon conversion of the equity linked instruments issued under the QIP shall rank pari-passu in all respects including with respect to entitlement to dividend, voting rights or otherwise with the existing Equity Shares of the Company;

v. The relevant date for determination of the floor price of the Eligible Securities to be issued shall be:

   (i) in case of issuance and allotment of Equity Shares, the date of meeting in which the Board decides to open the issue; and/or

   (ii) in case of issuance and allotment of Eligible Securities (other than Equity Shares), either the date of the meeting in which the Board decides to open the issue of such Eligible Securities or the date on which the holders of such Eligible Securities become entitled to apply for the Equity Shares, as may be determined by the Board.

vi. The Eligible Securities (excluding warrants) shall be allotted as fully paid up. No partly paid-up Equity Shares shall be issued/allotted;

vii. To the extent applicable to the Eligible Securities, the issuance and allotment of the Eligible Securities by way of the QIP shall be made at such price that is not less than the price determined in accordance with the pricing formula provided under Chapter VI of the SEBI ICDR Regulations ("Floor Price"), the Act and other applicable laws, and the price determined for the QIP shall be subject to appropriate adjustments as per the provisions of the applicable laws, including SEBI ICDR Regulations. However, the Board, in accordance with applicable laws may offer a discount of not more than 5% or such other percentage as may be permitted under applicable law on the Floor Price;

viii. The number and/or price of the Equity Shares issued/ to be issued on conversion of Eligible Securities shall be appropriately adjusted for corporate actions, if any, such as rights issue, stock split or consolidation of shares, reclassification of Equity Shares into other securities, issue of Equity Shares by way of capitalisation of profit or reserves, or any such capital or corporate restructuring;

ix. A minimum of 10% of the Eligible Securities shall be issued and allotted to Mutual Funds and if Mutual Funds do not subscribe to the aforesaid minimum percentage or part thereof, such minimum portion or part thereof, may be allotted to other QIBs;

x. To the extent applicable to the Eligible Securities, the Eligible Securities shall not be eligible to be sold by the allottee for a period of one year from the date of allotment, except on a recognized stock exchange, or except as may be permitted under the SEBI ICDR Regulations from time to time;

xi. No single allottee shall be allotted more than 50% of the issue size and the minimum number of allottees shall be in accordance with the SEBI ICDR Regulations;

xii. The Company shall not undertake any subsequent QIP until the expiry of two weeks or such other time as may be prescribed under the SEBI ICDR Regulations, from the date of the prior QIP undertaken pursuant to one or more special resolutions;

xiii. To the extent applicable to the Eligible Securities, the tenure of the convertible or exchangeable Eligible Securities issued through the QIP shall not exceed sixty months from the date of allotment; and

xiv. To the extent applicable to the Eligible Securities, the application for allotment of Eligible Securities, and the allotment of Eligible Securities through the QIP shall be in accordance with the criteria provided under the SEBI ICDR Regulations. No allotment shall be made, either directly or indirectly, to any QIB who is a promoter, or any person related to the promoters of the Company.

**RESOLVED FURTHER THAT** the Securities (including without limitation any Securities convertible into Equity Shares in accordance with the terms of issue/offering) be offered, issued and allotted in terms of this resolution shall rank *pari passu* with the existing Securities of the Company in all respects, except as may be provided otherwise under the terms of issue/offering and in the offer document and/ or placement document and/or offer letter and/or offering circular and/or listing particulars, in accordance with the applicable laws.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and take all steps as may be necessary including without limitation, the determination of the terms and conditions of such issuance including among other things, the date of opening and closing of the issue, the class of investors to whom the Securities are to be issued, determination of the number of Securities, tranches, issue price, finalisation and approval of preliminary and final placement document(s), interest rate, listing, premium/discount, permitted under applicable law (now or hereafter), conversion of Securities, if any, redemption, allotment of Securities, listing of securities at Stock Exchange(s) and to finalise, sign and execute all deeds, documents, undertakings, agreements, papers, declarations and writings as may be required in this regard including without limitation, the private placement offer letter (along with the application form), information memorandum, disclosure documents, the preliminary placement document and the placement document, placement agreement, escrow agreement and any other documents as may be required, approve and finalise the bid cum application form and confirmation of allocation notes, seek any consents and approvals as may be required, provide such declarations, affidavits, certificates, consents and/or authorities as required from time to time, finalize utilisation of the proceeds of the issue and if the issue size exceeds ₹ 100 Crore, make arrangements for the use of proceeds of the issue to be monitored by a credit rating agency registered with SEBI in accordance with the SEBI ICDR Regulations, give instructions or directions and/or settle all questions, difficulties or doubts that may arise at any stage from time to time, and give effect to such modifications, changes, variations, alterations, deletions, additions as regards the terms and conditions as may be required by SEBI, MCA, the book running lead manager(s), or other authorities or intermediaries involved in or concerned with the proposed issue or any other mode of issuance of Securities and as the Board may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise, and that all or any of the powers conferred on the Board pursuant to this resolution may be exercised by the Board to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution, and all actions taken by the Board in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized by the Members of the Company to approve, finalise, execute, ratify, and/or amend/modify agreements and documents, including any power of attorney, lock up letters, and agreements in connection with the appointment of any intermediaries, including the monitoring agency and/ or credit rating agencies and/or advisors for marketing, listing, trading and appointment of book running lead managers/ legal counsel/ bankers/ advisors/ registrars/ and other intermediaries as required) and to pay any fees, commission, costs, charges and other expenses in connection to the issuance, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transaction.

**RESOLVED FURTHER THAT** the Board be and is authorised by the Members of the Company to make and submit applications as may be necessary with the appropriate authorities and make the necessary regulatory filings in this regard in accordance with the SEBI ICDR Regulations and the SEBI Listing Regulations.

**RESOLVED FURTHER THAT** the Board be and is authorised by the Members of the Company to open one or more bank accounts in the name of the Company, as may be required, subject to requisite approvals, if any, and to give such instructions including closure thereof as may be required and deemed appropriate by the Board.

**RESOLVED FURTHER THAT** subject to applicable laws, the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Director(s), Committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things including finalizing and executing/signing such documents, writings and undertakings etc., and to represent the Company before any Regulatory Authorities, as may be necessary, proper, desirous, appropriate or expedient to give effect to this resolution."

**By Order of the Board of Directors**

**Suraj Eksambekar**
Company Secretary
(M. No. ACS- 27159)

Date : July 26, 2024
Place: Mumbai

**Registered Office:**
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai – 400 030
CIN: L45200MH2005PLC152061

**NOTES:**

a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") read with relevant Rules made thereunder, which sets out the material facts relating to the Special Businesses to be transacted at the Nineteenth Annual General Meeting ("AGM"), is annexed hereto.

b) The Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020 and subsequent circulars issued from time to time, latest being No. 09/2023 dated September 25, 2023 ("MCA Circulars") has permitted Companies to conduct the AGM 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 compliance with the applicable provisions of the Act and in terms of the MCA Circulars, 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 at the AGM through VC/OAVM is annexed herewith and also available at the Company's website i.e. 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) Securities and Exchange Board of India ("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, Bank Account and Contact Details of the first holder for the shares held in physical mode. The Company had 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 is available at the Company's website i.e. https://www.kecrpg.com/transfer-of-shares-in-demat-form-only.

SEBI, vide its various circulars, has mandated that with effect from April 01, 2024, dividend to security holders (holding securities in physical form) shall be paid only through electronic mode. Such payment shall be made only after furnishing the PAN, contact details including mobile number, bank account details and specimen signature. The Member(s) are requested to submit, if not already submitted, the details as mentioned above, directly to M/s. Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company ("RTA") (Unit: KEC International Limited), at C-101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel: +91 8108116767, Fax: 022- 49186060, by quoting the folio number.

e) SEBI, vide its various circulars, has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. Pursuant to this, post exhausting the option to resolve their grievance with the RTA/Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (https://smartodr.in/login) which is also available on the Company's website i.e. www.kecrpg.com.

f) 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 dematerialized form only and physical Share Certificates shall not be issued by the Company to the Member/Claimant. Accordingly, 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 i.e. https://www.kecrpg.com/transfer-of-shares-in-demat-form-only.

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into dematerialised form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

g) As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Members are requested to submit the said details to their Depository Particupant ("DP") in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form, quoting their folio number.

h) **Record Date:**

The Company has fixed Friday, August 09, 2024 as the Record Date for determining the entitlement of Members for payment of final dividend for the Financial Year ended on March 31, 2024, if declared at the AGM.

i) **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 Friday, September 20, 2024.

**For Members holding shares in Demat form:**

i. The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Beneficial Owners as at the end of business day on Friday, August 09, 2024 as per the data as may be made available 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 RTA cannot act on any request received directly from the Members holding shares in dematerialised mode for any change of bank particulars or bank mandates. Hence, such changes in bank details, ECS mandate, address or E-mails are to be furnished by the Members to their DPs only.

**For Members holding shares in Physical form:**

i. The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as at the end of business day on Friday, August 09, 2024.

ii. The Members, who are yet to encash the dividend declared by the Company for any of the financial years from FY 2016-17 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 2016-17 is August 27, 2024. Pursuant to the provisions of Section 124(5) and 125 of the Act, the Company has transferred the unpaid or unclaimed dividends upto FY 2015-16, from time to time, on respective due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.

iii. 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, as amended from time to time, all such shares in respect of which dividend(s) had not been claimed by the Members 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.

j) **Deduction of Tax on Dividend**

i. Pursuant to Finance Act, 2020, dividend income is taxable in the hands of Members 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 Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the provisions in the Income Tax Act, 1961 and amendments thereof. The Members are requested to update their Residential status, PAN and category with the Company/RTA (in case of shares held in physical mode) and with the DPs (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 by email to Link Intime India Private Limited, the Company's RTA, at https://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or by email to kecdivtax@linkintime.co.in by Friday, August 09, 2024. Members 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 Members (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://liiplweb.linkintime.co.in/formsreg/submission-of-form-15g-15h.html or sending the same by email to kecdivtax@linkintime.co.in. The aforesaid declarations and documents need to be submitted by the Members by Friday, August 09, 2024.

iv. The formats of declarations are available on the Company's website at https://www.kecrpg.com/dividend.

k) In terms of Section 152 of the Act, Mr. Harsh V. Goenka (DIN: 00026726), is liable to retire by rotation at this AGM and being eligible, offers himself for re-appointment.

l) Details of the Directors 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 appointment/re-appointment of Directorship at this AGM are appended to this Notice.

m) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to agm@kecrpg.com.

**ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:**

In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and other circulars issued by SEBI, from time to time, in this regard ("SEBI Circulars"), this Notice of the AGM along with the Integrated Annual Report 2023-24 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 2023-24 will also be available on the Company's website i.e. 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.

n) Members who have not registered or updated their E-mail ID so far are requested to register or update the same to receive the Notice and Integrated Annual Report from the Company, electronically, as per the following procedure:

**A. TEMPORARY REGISTRATION OF E-MAIL ID:**

**i. FOR MEMBERS 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://liiplweb.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 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).

On submission of the Members details, an OTP will be received by the Members which needs to be entered in the link for verification.

**ii. FOR MEMBERS HOLDING SHARES IN DEMAT MODE:**

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://liiplweb.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 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.

On submission of the Members details, an OTP will be received by the Members which needs to be entered in the link for verification.

After successful submission of the E-mail address, NSDL will e-mail a copy of this Notice along with the e-Voting user ID and password.

**B. FOR PERMANENT REGISTRATION OF E-MAIL ADDRESS:**

Members are requested to register the E-mail address with their concerned DPs, in respect of shares held in Demat form and in respect of shares held in physical form, please visit https://liiplweb.linkintime.co.in/KYC-downloads.html to know more about the registration process. Further, those Members who have already registered their E-mail addresses are requested to keep their E-mail addresses validated/updated with their DP)/RTA to enable servicing of notices/documents/Integrated Annual Reports and other communications electronically to their E-mail address in future.

**PARTICIPATION AT THE ANNUAL GENERAL MEETING AND VOTING**

**A. The details of the process and manner for participating in Annual General Meeting ("AGM") 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's/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 process as mentioned under remote e-Voting instructions forming part of this 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 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, DP ID and Client ID/Folio number, PAN and Mobile Number at agm@kecrpg.com between 9.00 a.m. (IST) on Friday, August 16, 2024 and 5.00 p.m. (IST) on Sunday, August 18, 2024. 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 for the AGM.

v. The Members who do not wish to speak during the AGM but have queries on financial statements or otherwise, may send the same latest by Sunday, August 18, 2024 mentioning their name, DP ID 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 (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution, whereby their authorized representative has been appointed to attend and 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.com. 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, Senior Manager, NSDL at evoting@nsdl.com or call on Tel no. : 022 4886 7000.

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 e-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 Company 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, August 19, 2024 (09:00 a.m. IST) and ends on Wednesday, August 21, 2024 (05:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

iii. The Members who have cast their vote by remote e-Voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again at the AGM.

iv. The voting right of the Member(s) shall be in proportion to their share in the paid up equity share capital of the Company as on Friday, August 16, 2024 ("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 shares in physical form and non-individual members, who acquires shares of the Company and becomes a Member of the Company after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Friday, August 16, 2024, may obtain the login ID and password by sending a request at evoting@nsdl.com. 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 022 - 4886 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Friday, August 16, 2024, may follow steps mentioned in the Notice of the AGM under **“Access to NSDL e-Voting system”**.

v. The Board of Directors have 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 Scrutinizer 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 Scrutinizer’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 shareholder 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 DPs. 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 and 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 **‘Shareholders/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 and voting during the AGM. |
| | 4. Shareholders/Members can also download the NSDL Mobile App **‘NSDL Speede’** facility by scanning the QR code mentioned below for seamless voting experience.<br>NSDL Mobile App is available on<br>App Store Google Play |

| | | |
|---|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | 1. | Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and Password. Option will be made available to reach e-Voting page without any further authentication. The users are requested to visit www.cdslindia.com to login to Easi/Easiest and click on login icon and New System Myeasi Tab and then use your existing Myeasi username and password. |
| | 2. | After successful login to the Easi/Easiest, the user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining the AGM virtually and voting during the Meeting. Additionally, there are also links provided to access the system of all e-Voting service providers, so that the user can visit the e-Voting service providers' website directly. |
| | 3. | If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login and New System Myeasi Tab and then click on registration option. |
| | 4. | Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile and E-mail ID as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also be able to directly access the system of all e-Voting service providers. |
| Individual Shareholders (holding securities in demat mode) login through their depository participants | | 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 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 the AGM virtually and 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 Depositories i.e. NSDL and CDSL**

| Login type | Helpdesk details |
|---|---|
| Securities held with NSDL | Please contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at Tel no.: 022 - 4886 7000 |
| Securities held with CDSL | Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 |

**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 log-in at https://eservices.nsdl.com with your existing IDeAS login. Once you log-in to NSDL e-services 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<br>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<br>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.<br>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 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.

      ii. If your E-mail ID is not registered, please follow steps mentioned 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: Click on **'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.com 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 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.

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.: 022 – 4886 7000 or can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.com.

**Process for those Shareholder 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 (n) of the Notes.
2. 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 shareholder holding securities in demat mode.**
3. Alternatively, Shareholder/Members may send a request to evoting@nsdl.com for procuring user id and password for e-Voting by providing earlier mentioned documents.
4. Individual Shareholder 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 AGM is same as the instructions mentioned above for remote e-Voting.

ii. Only those Members/Shareholders, who will be present at the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at 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 as 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 8 of the accompanying Notice:

### Item No. 4 – 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 maintain cost records in respect of its steel and cables manufacturing facilities in India and get the cost records audited by a qualified Cost Accountant. On recommendation of the Audit Committee, the Board of Directors of the Company, at its meeting held on May 07, 2024, have approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants, as the Cost Auditor of the Company, to conduct an audit of cost records of the Company in respect of its 3 (three) steel and 2 (two) cables manufacturing facilities in India for the financial year ending March 31, 2025, at a remuneration of ₹ 7,00,000/- (Rupees Seven Lakh Only) plus taxes and reimbursement of actual out-of-pocket expenses incurred, if any, in connection with the cost audit. The revenue generated out of the manufacturing of towers and cables in India forms a small proportion to the overall standalone revenue of the Company. Hence, the remuneration of ₹ 7,00,000/- plus taxes as applicable and reimbursement of out-of-pocket expenses to be incurred, are commensurate with the turnover being generated out of manufacturing facilities in India.

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.

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 this Notice.

The Board recommends the Ordinary Resolution, as set out at Item No. 4 of this Notice, for approval by the Members of the Company.

### Item No. 5 - Appointment of Mr. Arvind Singh (DIN: 02780573) as an Independent Director

The Board of Directors of the Company ("Board"), on recommendation of the Nomination and Remuneration Committee, had appointed Mr. Arvind Singh as an Additional Director (Non-Executive, Independent) with effect from June 01, 2024.

The Company has received notice from a Member under Section 160 of the Companies Act, 2013 ("the Act") proposing his appointment as an Independent Director. The Company has received a declaration from Mr. Arvind Singh confirming that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and that he is eligible to be appointed as an Independent Director of the Company. The Company has received his consent to act as an Independent Director and declaration that he is not disqualified under Section 164(2) of the Act and is not debarred to hold the office of a Director by virtue of any order passed by SEBI or any other authority. Mr. Arvind Singh has confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs.

In accordance with the provisions of Section 149 of the Act, read with Schedule IV thereto and Regulation 17(1C) and 25(2A) of the SEBI Listing Regulations, the appointment of Independent Directors requires approval of the Members by way of a special resolution.

The Nomination and Remuneration Committee considered his vast knowledge, expertise and skills such as Global Business, EPC & Infrastructure, General Management, Strategy, M&A, Senior Management Experience, Corporate Governance and Public Policy, amongst others as have been identified by the Board for the role of a Director.

In the opinion of the Board, Mr. Arvind Singh fulfils the criteria specified in the Act read with the rules made thereunder and SEBI Listing Regulations for being appointed as an Independent Director of the Company and is independent of the management. Accordingly, pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors on June 01, 2024, had appointed Mr. Arvind Singh as an Independent Director, not liable to retire by rotation, for a term of five years from June 01, 2024 to May 31, 2029, subject to the approval by the Members of the Company.

Brief Resume of Mr. Arvind Singh is provided separately in this Notice. A copy of the draft Letter of Appointment for Independent Director, setting out the terms and conditions of appointment, is available for inspection through electronic mode, as per the details provided in this Notice.

None of the Directors and Key Managerial Personnel of the Company and their relative(s), except Mr. Arvind Singh and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 5 of this Notice.

Considering his rich and vast knowledge, skills and experience, the Board recommends the Special Resolution with respect to the appointment of Mr. Arvind Singh as an Independent Director of the Company, as set out at Item No. 5 of this Notice, for approval by the Members.

### Item No. 6 - Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO

Mr. Vimal Kejriwal was appointed as the Managing Director & Chief Executive Officer ("MD & CEO") of the Company w.e.f. April 1, 2015 for a period of 5 years by the shareholders on March 30, 2015 and thereafter re-appointed twice for a period of 2 years each w.e.f. April 1, 2020 and w.e.f April 1, 2022, respectively. The Members on August 08, 2023, re-appointed Mr. Kejriwal for a term of 1 year as Managing Director & CEO of the Company which is due to expire on March 31, 2025.

Under the leadership of Mr. Kejriwal, the overall performance of the Company has improved significantly in terms of revenue and order book, apart from improvement in EBITDA. He has significantly contributed towards turning the Company into a highly profitable Company and has been instrumental in bolstering the Company's overall growth. During his tenure, the Company has grown the Railway business and forayed into the Civil and Oil & Gas Pipeline businesses.

The revenue grew from ₹ 8,468 Crore to ₹ 19,914 Crore during his tenure as MD & CEO, while the EBITDA has increased from ₹ 512 Crore as on March 31, 2015 to ₹ 1,214.57 Crore as on March 31, 2024. The Company, as at the end of the year, had a well-diversified and strong order book of around ₹ 30,000 Crore. Further, the performance of the Company and future prospects during his tenure have been very well perceived by the Investor's community and is reflected in the market capitalization of the Company, which has increased significantly from about ₹ 2,058 Crore as on March 31, 2015 to ₹ 17,848 Crore as on March 31, 2024 and had touched all time high of about ₹ 24,907 Crore on July 03, 2024.

Considering the responsibilities being shouldered by Mr. Kejriwal and his valuable contribution towards the growth of the Company and basis his performance evaluation, the Board, on recommendation of Nomination and Remuneration Committee, at its meeting held on July 26, 2024, approved the re-appointment of Mr. Vimal Kejriwal as the MD & CEO for a further period of 1 year w.e.f. April 1, 2025, on the terms and conditions including remuneration as stated in the Resolution No. 6 of this Notice, subject to approval of the Members of the Company within the prescribed timelines. The payment of Performance bonus/incentive of Mr. Kejriwal will be based on the performance of Company/individual across multiple parameters such as revenue, order book, profitability, etc.

In case the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite regulatory approvals, if any required, pay to the MD & CEO the remuneration as stated in the proposed Resolution as the minimum remuneration by way of salary, allowances, perquisites, performance bonus and benefits as specified therein and as further revised and recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.

The Company operates in several countries across the globe. However, pursuant to the provisions of the Act, only standalone profits are considered to compute the managerial remuneration and the profits of Subsidiaries and Joint Ventures are considered only in Consolidated Accounts. The performance and profitability of the Company on standalone basis may be adversely affected in future by the overall slowdown in economic growth due to various factors including high competition in Infrastructure Industry. However, keeping in view the performance and the expertise of Mr. Vimal Kejriwal, the Nomination and Remuneration Committee and Board of Directors deemed it necessary to pay remuneration as mentioned in the resolution as minimum remuneration.

**Brief Profile:**

Mr. Vimal Kejriwal is a distinguished alumnus of the Kellogg School of Management, USA, and Narsee Monjee Institute of Management Studies (NMIMS), India. He is a meritorious Chartered Accountant and a Member of the Institute of Company Secretaries of India. He has over four decades of rich global experience across industries in the Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers and Investment Banking. Prior to his appointment as Managing Director & CEO at the Company, he has worked as President – Transmission & Distribution business, President – Transmission business, Executive Director – International Transmission business, and Chief Financial Officer of the Company. Prior to joining the Company in 2002, he has worked in a leading Global Investment Bank. Further, Mr. Kejriwal was conferred with the "Outstanding Achiever Award" by the RPG Group for the years 2004-05, 2007-08 and 2013-14 in recognition of his exceptional performance and commitment.

The Company has received requisite consent/disclosure(s) as required under the Act and Rules framed thereunder for Mr. Vimal Kejriwal, for considering his re-appointment. Mr. Vimal Kejriwal also satisfies the conditions as set out in Section 196 and Schedule V of the Act for being eligible for re-appointment. Further, Mr. Kejriwal is not debarred from holding the office of a director by virtue of any SEBI order or any other such authority.

**Information as required under Schedule V of the Act is as below:**

## I. General Information:

**i Nature of Industry**

The Company is a global infrastructure Engineering Procurement and Construction (EPC) major. It has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Renewables, Oil & Gas Pipelines and Cables.

**ii. Date or expected date of commencement of commercial production**

The Company was incorporated in 2005 and has already commenced commercial production since long.

**iii. Standalone Financial Performance based on given indicator**

(₹ in crore)

| Particulars | 2023-24 | 2022-23 | 2021-22 |
|---|---|---|---|
| Total Revenue | 17,383.35 | 15,413.23 | 12,573.27 |
| Profit Before Tax | 191.58 | 250.15 | 612.86 |
| Profit After Tax | 147.53 | 180.25 | 434.44 |

**iv. Foreign Investments or Collaborations, if any:**

Nil

## II. Information about the appointee:

| Sr. No. | Particulars | Mr. Vimal Kejriwal |
|---|---|---|
| i. | Background details | Mr. Vimal Kejriwal is an alumnus of the Kellogg School of Management, USA, and Narsee Monjee Institute of Management Studies (NMIMS), India, a meritorious Chartered Accountant and a member of the Institute of Company Secretaries of India. He has over forty years of rich global experience in the areas of Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking sectors. |
| ii. | Past Remuneration | **Period** / **Remuneration (₹ in Crore)**<br>April 1, 2023 to March 31, 2024: 9.40<br>April 1, 2022 to March 31, 2023: 8.69 |
| iii. | Recognition or Awards | Mr. Kejriwal was conferred with the "Outstanding Achiever Award" by the RPG Group for the years 2004-05, 2007-08 and 2013-14. Also, the Institute of Chartered Accountants of India awarded him the "CA Business Leader – Corporate award for the year 2018". |
| iv. | Job Profile and suitability | He shall be responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of the Company. |
| v. | Remuneration proposed | As stated in the Resolution for his re-appointment. |
| vi. | Comparative remuneration profile with respect to Industry, size of the Company, profile of position and person | Mr. Kejriwal carries vast and enriched experience in the business line of the Company. He has successfully led the Company towards profitable growth during his tenure and has especially been instrumental in diversifying its growth into adjacencies, such as Railways, Civil, Urban Infrastructure, Renewables and Oil & Gas Pipelines. He looks after and is responsible for the whole affairs of the management of the Company and is accountable to the Board of Directors of the Company, and the remuneration proposed to be paid to him is fully justifiable and comparable to that prevailing in the industry. |
| vii | Pecuniary Relationship, directly or indirectly with the Company or relationship with the managerial personnel, or other director if any | Mr. Kejriwal has a relationship with the Company as Managing Director & CEO only. He is not related to any of the Directors or Key Managerial Personnel of the Company. |

### III. Other information:

**i. Reason for loss or inadequate Profits:**

The Company is an Engineering, Procurement and Construction (EPC) major delivering projects in key infrastructure sectors such as Power Transmission and Distribution, Railways, Cables, Civil, Urban Infrastructure, Renewables, Oil & Gas Pipelines and Cables. The spending on infrastructure by Government and Private players may be low in future years due to economic slow-down and lack of policies at the Macro levels. Also, the Company is competing with some big players in the Industries and hence the margins for projects may be low.

The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.

**ii. Steps taken or proposed to be taken for improvement:**

The Company has actively taken steps to improve on the performance of the Company. The Company has streamlined various processes including mechanization thereof which has improved the efficiency of the operations. These along with other measures taken by the Company and with improvement in business sentiments, the Company is confident of improving its performance and profitability over the coming years.

**iii. Expected increase in productivity and profits in measurable terms:**

The Company expects a better performance of the Company in all measurable parameters in the coming years in view of the various measures taken by the Company to improve on its performance.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Vimal Kejriwal and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 6 of this Notice.

The Board is of the opinion that the re-appointment of Mr. Vimal Kejriwal as MD and CEO would be beneficial to the Company and accordingly it recommends the Special Resolution for the proposed re-appointment and payment of remuneration, as set out at Item No. 6 of this Notice, for approval by the Members.

### 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 the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Members at the Annual General Meeting of the Company held on July 23, 2019, had approved the payment of Commission not exceeding 5% of the net profits of the Company to the Non-Executive Directors of the Company, in addition to the sitting fees for attending the meetings of the Board of Directors/Committee(s) and reimbursement of expenses in relation thereto.

Keeping in view the 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 06, 2024 and May 07, 2024, respectively, have recommended and approved the payment of Commission to Non-Executive Directors of the Company within the approved limits by the Members. Further, the Board, on recommendation of NRC, has approved payment of Commission of ₹ 2,36,37,000/- (Rupees Two Crore Thirty-Six Lakh Thirty-Seven Thousand Only) to Mr. Harsh V. Goenka, Non-Executive Chairman, for FY 2023-24.

Mr. Harsh V. Goenka is the promoter of the Company having extensive experience of more than four decades in Industry and the EPC Sector and has been instrumental in guiding the Company towards both short term growth as well as long term sustainability. As the Non–Executive 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 including feedback to the Company's senior management on an extensive 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 relatively greater engagement in the Company and hence, 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 from time to time, necessitates Members' approval by way of Special Resolution for paying remuneration to one Non-Executive Director in excess of fifty 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 fifty 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.

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 this Notice.

The Board recommends the Special Resolution, as set out at Item No. 7 of this Notice, for approval by the Members of the Company.

**Item No. 8 - Raising of funds by issuance of equity shares and/or any other equity based instruments, through qualified institutions placement and/or any other permissible mode**

The EPC sector in India is poised for sustained growth on the back of policy thrust given by the Government with key focus on infrastructure development. Keeping the emerging business opportunities in the infrastructure sector, the Company has diversified its bouquet of EPC offerings by making investments into building appropriate capabilities over the last 7 years by making forays into Civil, Railways, Oil & Gas and Renewables. The entire capital requirements for growth as also the working capital requirements of the diversified portfolio, has only been met from a mix of internal accruals and debt. Further, the growing needs in the infrastructure sector requires the Company to continuously evaluate opportunities for organic and inorganic growth around its operations and adjacencies including new verticals in the EPC sector in which the Company at present does not operate. Thus, it is imperative and critical for the Company to shore up adequate resources by creating appropriate pools of liquidity to meet organic growth requirements and to capitalize inorganic opportunities, as and when it materializes.

Accordingly, the Company intends to undertake capital raising by way of issuance of equity shares and/or securities convertible into equity shares (including partly or fully convertible debentures), in one or more tranches, through one or more qualified institutions placements and/or other permissible mode, in accordance with applicable laws.

In view of the above and as approved by the Board of Directors of the Company ("Board") at their meeting held on July 26, 2024, it is proposed to obtain enabling approval for raising funds through issuance of equity shares of the Company having face value of ₹ 2/- each ("Equity Shares") and/or other securities convertible into Equity Shares (including fully or partly convertible debentures) (hereinafter collectively referred to as "Securities") and/or any combination thereof, for an aggregate amount of up to and not exceeding ₹ 4,500 Crore (Rupees Four Thousand Five Hundred Crores only) or an equivalent amount thereof (inclusive of such premium as may be fixed on such Securities), by way of Qualified Institutional Placement ("QIP") and/or any other method as may be permitted under applicable laws and/or any combination thereof, in accordance with the provisions of Chapter VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("SEBI ICDR Regulations"), Section 42 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Prospectus and Allotment of Securities) Rules, 2014 and other applicable laws.

The issuance and allotment of Securities may be undertaken in one or more tranches and/or one or more issuances, in the course of domestic and/or international offering(s), in terms of the applicable regulations and as permitted under the applicable laws, at such price (whether at prevailing market price(s) or at a premium or discount to market price), in such manner and on such terms and conditions as may be permitted under applicable laws and to such classes of investors as the Board (including any duly authorized committee thereof) may in its absolute discretion decide, having due regard to the prevailing market conditions and any other relevant factors and wherever necessary, in consultation with lead managers/book running lead manager(s) and other agencies that may be appointed by the Company, subject to the applicable provisions of the SEBI ICDR Regulations, the Act, read with Rules made thereunder and other applicable laws, regulations, notifications, rules and guidelines.

The Board (including any duly authorized committee thereof) may at their discretion adopt any one or more of the mechanisms mentioned above to meet its objectives as stated in the aforesaid paragraphs without the need for fresh approval from the Members of the Company.

The Company shall use the proceeds from the issue, *inter alia*, towards capital expenditure, pre-payment and/or repayment of debts, working capital requirements, infusion of funds into its subsidiaries, financing of business opportunities (which may be either organic or inorganic, based on the business opportunities across the Company/subsidiaries/associates/joint ventures of the Company), as applicable), other strategic initiatives, general corporate purposes and such other purpose(s) as may be permissible under applicable laws and as the Board or its duly constituted Committee, may in its absolute discretion deem fit and proper in the best interest of the Company without being required to seek any further consent or approval of the Members or otherwise.

The aforementioned objects are based on management estimates, and other commercial and technical factors and accordingly, are dependent on a variety of factors such as timing of completion of the offering, financial, market and sectoral conditions, business performance and strategy, competition, interest or exchange rate fluctuations and other external factors, which may not be within the control of the Company and may result in rescheduling the proposed schedule for utilization of the Net Proceeds at the discretion of the Board, subject to compliance with applicable laws.

An issuer shall be eligible to make a qualified institutions placement only if any of its promoters or directors is not a fugitive economic offender.

If a QIP is undertaken in terms of Chapter VI of the SEBI ICDR Regulations, the Promoters, member of the Promoter Group, Directors and Key Managerial Personnel of the Company will not subscribe to the QIP. There would be no change in control as a result of the proposed offering through QIP.

The Securities to be offered and allotted shall be in dematerialized form and shall be allotted on fully paid-up basis.

The Relevant date for the purposes of pricing of the Equity Shares to be issued and allotted shall be the date of the meeting in which the Board or a duly authorised committee decides to open the proposed QIP of Equity Shares; and in case of eligible convertible securities, either the date of the meeting in which the Board or a duly authorized committee of the Board decides to open the proposed issue or the date on which the holders of such eligible convertible securities become entitled to apply for the Equity Shares, as provided under the SEBI ICDR Regulations.

The detailed terms and conditions for the offering will be determined in consultation with the advisors, book running lead managers and underwriters and such other authority or authorities as may be required, considering the prevailing market conditions and other regulatory requirements for different kinds of issuances. The allotment of the Securities pursuant to the Offering shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event a QIP is undertaken, the allotment shall be completed within 365 days from the date of this resolution.

The Equity Shares issued, if any, shall rank pari passu in all respects with the existing Equity Shares of the Company, including entitlement to dividend, if any. The eligible securities allotted as above would be listed on BSE Limited and National Stock Exchange of India Limited. The offer/issue/allotment would be subject to regulatory approvals, if any. The conversion of Securities, if any, held by foreign investors into Equity Shares would be subject to the applicable foreign exchange regulations and sectoral caps, if any.

As the Offering may result in the issue of Securities of the Company to investors who may or may not be Members of the Company, consent of the Members is being sought pursuant to Sections 23, 42, 62(1)(c) and other applicable provisions, if any, of the Act and any other law for the time being in force and being applicable and in terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

None of the Directors or the Key Managerial Personnel of the Company and/or their relatives are concerned or interested in the said resolution, other than to the extent of their shareholding in the Company. The Directors or Key Managerial Personnel of the Company or their relatives may be deemed to be concerned or interested in the proposed resolution to the extent of Equity Shares that may be subscribed by the companies/ institutions in which they are Directors or Members.

The Board accordingly recommends the Special Resolution as set out in Item No. 8 of this Notice for approval of the Members.

**By Order of the Board of Directors**

**Suraj Eksambekar**
Company Secretary
(M. No. ACS- 27159)

Date : July 26, 2024
Place: Mumbai

**Registered Office:**
RPG House
463, Dr. Annie Besant Road
Worli, Mumbai – 400 030
CIN: L45200MH2005PLC152061

**Details of the Directors seeking appointment/re-appointment in the Nineteenth Annual General Meeting to be held on Thursday, August 22, 2024 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings are as follows:**

| Name of the Director | Mr. Harsh V. Goenka (DIN: 00026726) | Mr. Arvind Singh (DIN: 02780573) |
|---|---|---|
| **Date of Birth and Age** | December 10, 1957<br>66 years | May 14, 1963<br>61 years |
| **Date of first appointment on the Board** | January 12, 2006 | June 01, 2024 |
| **Qualification** | Graduate in Economics, University of Calcutta;<br>MBA from IMD (Switzerland) | M.A (Economics) from the Delhi School of Economics, University of Delhi. |
| **Expertise in specific functional area and brief profile** | Mr. Harsh V. Goenka is the 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 4.8 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 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. Mr. Goenka has been the Chairman of the Board of the Company since 2006. | Mr. Arvind Singh has over 35 years of experience as an officer in the Indian Administrative Service (IAS). His assignments included senior roles in the Government of India and the Government of Maharashtra, primarily dealing with policy formulation and execution at the national, state and district levels.<br>The main areas of expertise developed by him are in the sectors of Infrastructure (Power/Energy & Airports), Finance, Tourism and Agriculture.<br>Mr. Singh has *inter alia* served as Secretary, Tourism, Government of India. He has also served as the Chairman, Airports Authority of India (AAI) prior to which he was the Additional Chief Secretary/ Principal Secretary, Energy, Government of Maharashtra as well as Chairman & MD, Maharashtra State Power Generation Co. Ltd. He has represented India's Ministry of Finance in Japan in the capacity of Minister (Economic & Commercial), Embassy of India, Tokyo. Mr. Singh was also Chairman & MD, Maharashtra State Electricity Transmission Company Limited and Director/Deputy Secretary, Government of India. |
| **Skills and capabilities required for the role and the manner in which the Director meet the requirements (only for Independent Directors)** | Not applicable | Refer to the Explanatory Statement annexed to this Notice. |
| **Terms and conditions of appointment/re-appointment** | Non-Executive Director liable to retire by rotation.<br>Eligible for sitting fees and commission, as approved by the Board. | Appointment as an Independent Director for a period of five consecutive years effective June 01, 2024 to May 31, 2029, not liable to retire by rotation.<br>Eligible for sitting fees and commission, as approved by the Board. |
| **Directorships in other companies** (excluding foreign companies) | • CEAT Limited<br>• Zensar Technologies Limited<br>• RPG Life Sciences Limited<br>• RPG Enterprises Limited<br>• Raychem RPG Private Limited<br>• Spencer International Hotels Limited<br>• Breach Candy Hospital Trust | NIL |

| Name of the Director | Mr. Harsh V. Goenka (DIN: 00026726) | Mr. Arvind Singh (DIN: 02780573) |
|---|---|---|
| **Memberships/Chairmanship of Committees in other companies** (excluding foreign companies) | CEAT Limited: Finance and Banking Committee - Member | NIL |
| **Resignation from Listed entities in the past three years** | NIL | NIL |
| **Number 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*

| Name of the Director | Mr. Vimal Kejriwal (DIN:00026981) |
|---|---|
| **Date of Birth and Age** | February 04, 1961<br>63 years |
| **Date of first appointment on the Board** | January 01, 2015 |
| **Qualification** | Chartered Accountant, ICAI;<br>Company Secretary, ICSI;<br>Advanced Executive Programme, Kellogg School of Management, USA |
| **Expertise in specific functional area and brief profile** | Mr. Vimal Kejriwal is the Managing Director & CEO of KEC International Limited. He has successfully led the Company towards profitable growth during his tenure. Mr. Kejriwal has more than four decades of rich global corporate experience in the areas of Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking. He is an Executive council member of Indian Electrical and Electronics Manufacturers Association (IEEMA) and Construction Federation of India (CFI) and serves actively on various committees in other trade associations. |
| **Terms and conditions of re-appointment** | Mr. Vimal Kejriwal is the Managing Director & CEO of KEC International Limited, liable to retire by rotation. The details are set out in the resolution(s) at Item No. 6 and explanatory statement thereto. |
| **Directorships in other companies** (excluding foreign companies) | • KEC Spur Infrastructure Private Limited<br>• KEC Power India Private Limited<br>• Spencer International Hotels Limited<br>• Raychem RPG Private Limited<br>• Indian Electrical and Electronics Manufacturers Association |
| **Memberships/Chairmanship of Committees in other companies** (excluding foreign companies) | KEC Spur Infrastructure Private Limited<br>• Corporate Social Responsibility Committee - Chairman |
| **Resignation from Listed entities in the past three years** | NIL |
| **Number of shares held in the Company, including shareholding as a beneficial owner** | 875 Equity Shares (Jointly held as second holder along with Mrs. Sunita Kejriwal) |
| **Relationship with other Directors and Key Managerial Personnel** | NIL |

**Note:** For other details pertaining to Mr. Harsh V. Goenka and Mr. Vimal Kejriwal 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.