

**KALPA-TARU®****KALPATARU POWER TRANSMISSION LIMITED**

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KPTL/21-22
June 22, 2021

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI - 400 001. Script Code: 522287 Listing: http://listing.bseindia.com	National Stock Exchange of India Ltd. 'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051. Script Code : KALPATPOWR Listing: https://neaps.nseindia.com/NEWLISTINGCORP/
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Sub.: Annual Report for the FY 2020-21 including Notice of 40th Annual General Meeting of the Company

Respected Sir(s) / Madam,


In continuation of our letter dated June 18, 2021, this is to inform you that the 40th Annual General Meeting ("AGM") of the Company will be held on **Thursday, July 15, 2021 at 2:00 P.M. IST** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") in accordance with the relevant circulars issued by the Ministry of Corporate Affairs and Securities & Exchange Board of India from time to time.

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

- Annual Report of the Company for the financial year 2020-21; and
- the Notice calling 40th AGM of the Company.

Annual Report of the Company for the financial year 2020-21 alongwith the Notice of the AGM is being sent to the members only through electronic mode.

Kindly take the same on records.

Thanking you,
Yours faithfully,For **Kalpataru Power Transmission Limited**
Rajeev Kumar
Company Secretary

Encl. a/a

ISO 9001 CERTIFIED COMPANY

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**WITH
RESILIENT
CORE**

IN THIS YEAR'S REPORT

Difficulties teach us to be resilient.

It provides opportunities to focus on strengths and develop an aptitude to successfully overcome challenges.

At KPTL, we are consolidating and strengthening our core, focusing on components that empower us to enhance our capacity and improve our strategies.

In a year where we realised the value of prudence and resilience, we have adopted methods to enhance our operational excellence. As we continue to align our efforts to our purpose, we are proactively laying the foundation for a gratifying future.

Our determination to create an unrivalled presence in our areas of operation enables us to foster dynamism and steer robust growth. While we prepare to adapt ourselves for a fast-paced business environment, we are constantly embracing new ideas – to strategically stabilise our core and leverage opportunities for growth.

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

MORE

ABOUIT

US

Kalpataru Power Transmission Limited (KPTL) is among the largest power transmission and infrastructure EPC companies in the world. The Group has proven capabilities in businesses like power transmission, railways, oil & gas pipeline, residential & commercial buildings, water supply, roads and highways, urban infrastructure and civil contracting. KPTL's diversification across various business streams and presence in over 60 countries provides the Group with a major competitive advantage.

Vision



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

Values



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



Business Ethics



Quality



Customer Centricity



Respect



Pride



Team Work

Numbers that Matter

4

Decades of experience

27,900

of Order Book (₹ in crore)

12,949

Revenue (₹ in crore)

~5,600

Market Capitalisation – 31st March 2021 (₹ in crore)

Footprints in

63

Countries

300+

Worksites

6,000+

Employees Worldwide

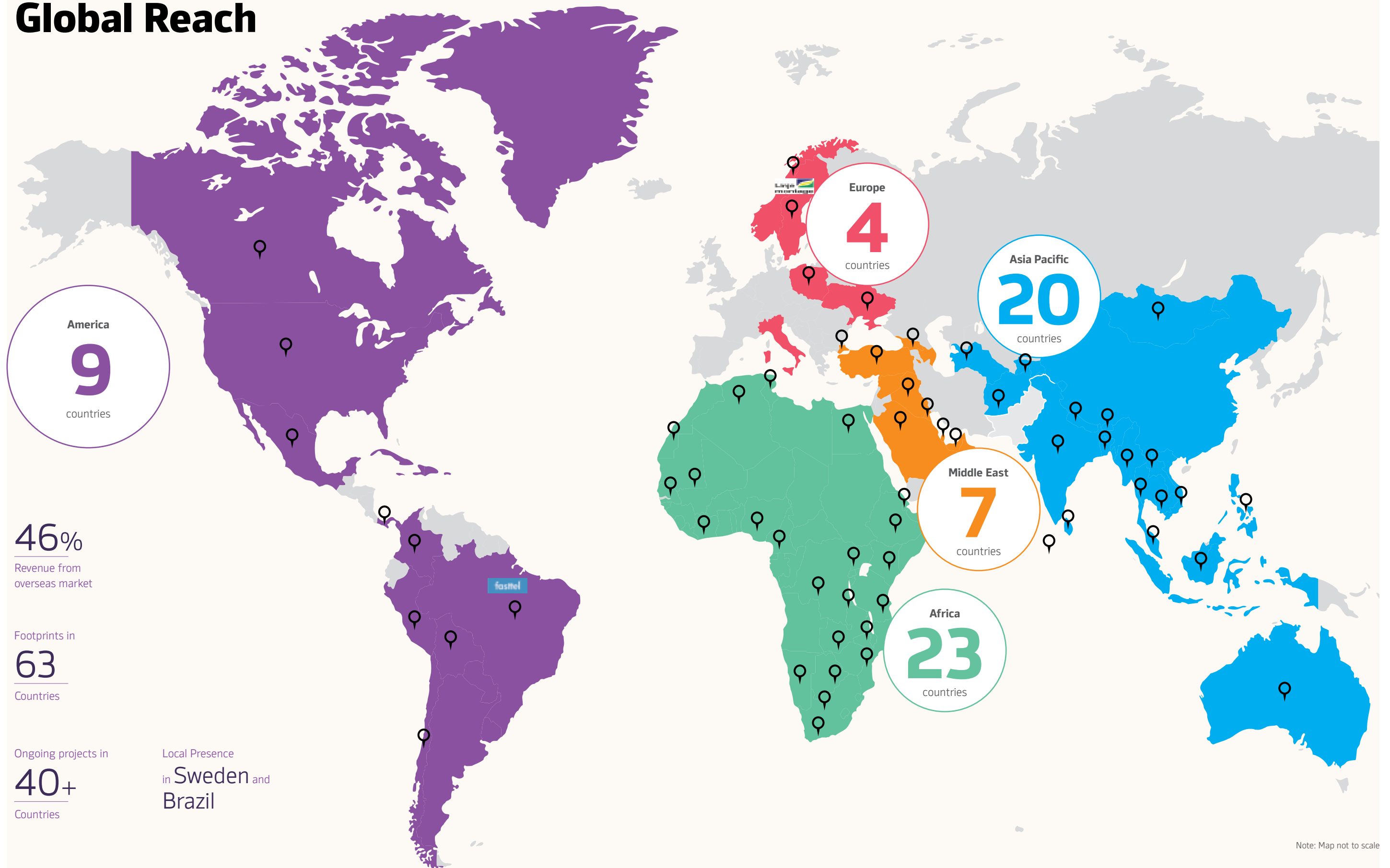
Credit Rating:

AA/Stable

Crisil (S&P) & CARE

Note: Performance at consolidated level for 2020-21

Our Extensive Global Reach



Note: Map not to scale

Our Diverse Portfolio

POWER

TRANSMISSION & DISTRIBUTION

We are among the very few companies globally that offer end-to-end and integrated EPC solutions in the power transmission space. We have in-house capabilities for designing, testing, procurement, tower fabrication, construction, installing, commissioning and operation and maintenance (O&M) for power transmission lines (up to 1,200 kV) & substations (up to 765 kV AIS/GIS).

KPTL's two tower fabrication facilities in India with a combined capacity of 2,40,000 MT per annum, along with our expertise and technical know-how to design towers and sub-stations customized to various specifications, geo-climatic conditions and voltage requirements help to cater to the needs of our customers. Our business is backed by advanced tower testing facilities and R&D center which ensures tower design validation (of up to 1,200 kV tower). Our on ground construction teams are able to execute projects in most adverse and challenging geo-climatic conditions. KPTL has expanded its T&D business by establishing local presence in Sweden (Linjemontage i Grastorp AB) and Brazil (Fasttel Engenharia Ltda).

Key Highlights for FY 2020-21

- Completed acquisition of Fasttel Engenharia to establish local presence in Brazil in April 2021
- Linjemontage (Sweden) delivered 84% growth in revenue to ₹1,063 Crore in 2020-21. Made entry into 400kV transmission line business with an order from Svenska Kraftnett (the national grid operator of Sweden).
- Expanded footprints in five new countries across Asia, Latin America and Africa
- Expanded substation business to 11 countries in total

2.4 Lakh MT
Tower Fabrication Capacity Per Year

5,200+
Towers Erected in 2020-21

3,300+ CKms
Stringing Done in 2020-21



OIL & GAS

INFRASTRUCTURE

We have emerged as one of the leading EPC players in the Oil & Gas pipeline business in India with end-to-end capabilities in designing, engineering, procurement, construction, testing and commissioning. We have capabilities to execute cross-country Oil & Gas pipelines, processing facilities, refineries and fertilizer plants. The division has also completed several plant projects of national importance on EPC basis and has till date laid around 6,650 kms of pipelines along with associated works of more than 385 stations.

Key Highlights for FY 2020-21

- Recorded sales of around ₹ 1,150 Crore in 2020-21
- Working on 22 projects across India and completed more than 293 HDD Crossings and 139 completed / ongoing station works in 2020-21
- Successfully passed evaluations and technical bids to be pre-qualified for EPC works in Middle East, Africa and Asia

900+ kms
Pipelines laid in 2020-21



RAILWAY

INFRASTRUCTURE

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



Key Highlights for FY 2020-21

- Commissioned around 1232 Route Kms (RKM) / 1760 track kms (TKM) of Over Head Equipment (OHE) works
- Clocked sales of around ₹1500 Crore in 2020-21 with around 30 projects under execution in two countries
- Contributed over 20% to India's railway electrification drive in 2020-21

6,000+ Route kms
Railway Electrification works executed till date in India

CIVIL INFRASTRUCTURE

Buildings and Factories

Our subsidiary, JMC Projects (India) Ltd. (JMC) is among the leading companies offering EPC services for the design and construction of residential, commercial and institutional buildings, factories, and industrial EPC projects. We have capabilities to undertake MEP, HVAC, facade, finishing and interior projects on EPC basis. Our established pan-India presence, with robust, performance driven customer relationship management helps us to bag repeat orders from most of our clients.

Key Highlights for FY 2020-21

- Completed a Shipyard Project in Goa, Supreme Court complex in Delhi, AIIMS Hospital facilities across multiple cities, NTPC townships, Central University in Gaya, besides multiple residential and commercial projects in private sector
- Signed agreement to construct 2,000 social housing units in Maldives
- Commenced construction works for IIT Tirupati

75+

ongoing projects in India with leading real estate developers and government clients

Water

JMC is among the leading companies offering EPC services for the design and construction of Water Intake, Treatment, Storage, Supply, Distribution and Operation & Maintenance Projects, Irrigation Projects, River Linking Projects etc.

Key Highlights for FY 2020-21

- Strong order book across the states of Odisha, Jharkhand, Bihar, Uttar Pradesh and Punjab
- Completed a river linking project in Ujjain, India and a water supply project in Sri Lanka
- Secured EPC works in Mongolia and Maldives

All time high order book of over

₹4,800 Crore

Water business as on 31st March 2021

Urban Infra

JMC offers EPC services for the design and construction of Highways, Bridges & Flyovers, Metro Rail Corridors Stations, Transit Terminals & Hubs. We possess capability to undertake Metro Rail Underground Structures and High Speed Rail Structures on EPC basis. We have established pan India presence, with the core asset base providing competitive advantage.

Key Highlights for FY 2020-21

- Developed capability and bidding for Metro Rail Underground Structures and High Speed Rail projects
- Completed a Flyover near Mumbai
- Close to completing the second Highway project in Ethiopia



AGRICULTURE LOGISTICS

- SHREE SHUBHAM LOGISTICS LTD.

Shree Shubham Logistics Ltd. provides agri-storage infrastructure along with a wide range of value-added services like storage, warehousing, testing & certification, collateral management, funding and procurement. It manages and operates warehouses (Owned, Hired, Third Parties and Public Private Partnership (PPP) model) across 7 Indian states including Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Bihar, Haryana, Delhi, Uttar Pradesh & Karnataka.

Key Highlights for FY 2020-21

- Awarded a new contract for 10 years by Rajasthan State Warehousing Corporation under PPP model for managing and operating warehouses at 48 locations with capacity of 7.2 Lakh MT
- Achieved profitability in operations for 2020-21

350+

Warehouses managed

11.5 million sq. ft.

Cumulative storage capacity as on 31st March 2021



Financial Highlights

Standalone

Revenue ₹ in Crore

11%
5-Year CAGR

Year	Revenue (₹ in Crore)
2020-21	7,671
2019-20	7,904
2018-19	7,115
2017-18	5,799
2016-17	5,011

PBT ₹ in Crore

20%
5-Year CAGR

Year	PBT (₹ in Crore)
2020-21	831
2019-20	666
2018-19	624
2017-18	499
2016-17	403

Order Book ₹ in Crore

11%
5-Year CAGR

Year	Order Book (₹ in Crore)
2020-21	13,890
2019-20	13,288
2018-19	14,068
2017-18	12,404
2016-17	9,017

Core EBITDA ₹ in Crore

11%
5-Year CAGR

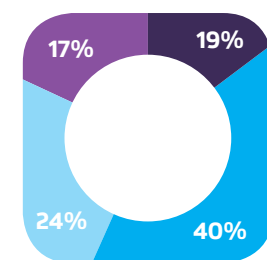
Year	Core EBITDA (₹ in Crore)
2020-21	808
2019-20	860
2018-19	778
2017-18	631
2016-17	529

PAT ₹ in Crore

23%
5-Year CAGR

Year	PAT (₹ in Crore)
2020-21	615
2019-20	463
2018-19	401
2017-18	322
2016-17	269

Business-wise Order Book As on 31st March 2021



■ T&D - India and Neighbouring Countries
■ T&D - International
■ Railways
■ Oil & Gas

Consolidated

Revenue ₹ in Crore

14%
5-Year CAGR

Year	Revenue (₹ in Crore)
2020-21	12,949
2019-20	12,676
2018-19	10,841
2017-18	8,742
2016-17	7,629

PAT ₹ in Crore

43%
5-Year CAGR

Year	PAT (₹ in Crore)
2020-21	662
2019-20	390
2018-19	487
2017-18	278
2016-17	157

Order Book ₹ in Crore

15%
5-Year CAGR

Year	Order Book (₹ in Crore)
2020-21	27,900
2019-20	22,834
2018-19	24,030
2017-18	20,020
2016-17	16,000

(₹ in Crore) (USD Mn)

	2016-17	2017-18	2018-19	2019-20	2020-21	2020-21
Standalone						
Production in MTs*	1,57,830	1,96,768	1,68,634	1,73,094	1,56,214	1,56,214
Gross Revenue	5,011	5,779	7,115	7,904	7,671	1,044
Sales Growth (%)	13.7	15.3	23.1	11.1	(3.0)	(3.0)
International Revenue	1,995	2,365	2,731	2,814	3,550	483
Total Expenditure (excluding depreciation and finance cost)	4,482	5,147	6,337	7,044	6,864	934
Operating Profit (Profit before tax, depreciation, Interest, other income)	529	631	778	884	975	133
Other Income	49	48	51	58	79	11
Finance Cost	98	103	119	166	109	15
Profit before Tax (PBT)	403	499	624	666	831	113
Depreciation	78	77	86	110	115	16
Profit before Interest & Tax (PBIT)	501	603	743	832	940	128
Profit before Tax & before exceptional items	403	499	624	642	663	90
Exceptional items- gain	-	-	-	24	168	23
Provision for Taxation (incl. Deferred Tax)	134	177	223	203	216	29
Profit after Tax (PAT)	269	322	401	463	615	84
Other Comprehensive Income (net of tax)	(5)	6	20	(24)	15	2
Equity Share Capital	31	31	31	31	30	4
Net Worth	2,478	2,770	3,152	3,536	3,863	526
Long-Term Borrowings#	464	525	493	456	478	65
Short-Term Borrowings	232	250	154	878	629	86
Total Borrowings#	696	774	647	1334	1107	151
Borrowings (Net of Cash and Bank balances)#	484	693	501	970	777	106
Net Debt to Equity Ratio	0.20:1	0.25:1	0.16:1	0.28:1	0.20:1	0.20:1
Return on Equity (%)	10.9%	11.6%	12.7%	13.1%	15.9%	15.9%
Return on Capital Employed (%)	17.7%	18.8%	20.9%	20.4%	20.6%	20.6%
Book Value per Equity Share (₹/USD)	161.5	180.5	205.5	228.5	259.4	3.5
Earnings per Equity Share (₹/USD)	17.5	21.0	26.2	30.0	40.6	0.6
Operating Profit (%)	10.6%	10.9%	10.9%	11.2%	12.7%	12.7%
Profit before Tax (%)	8%	8.6%	8.8%	8.4%	10.8%	10.8%
Profit after Tax (%)	5.3%	5.5%	5.6%	5.9%	8.0%	8.0%
Order Book at year end	9,017	12,404	14,068	13,288	13,890	1,890
Consolidated						
Gross Revenue	7,629	8,742	10,841	12,676	12,949	1,762
Profit before Interest & Tax (PBIT) (Normal)	679	839	1,162	1,169	1,381	188
Profit after Tax (PAT)	157	278	487	390	662	90
Earnings per Equity Share (₹/USD)	12.2	18.3	30.4	25.3	44.2	6.0
Consolidated Order Book at year end	16,000	20,020	24,030	22,834	27,900	3,796
Net Worth (Excl rev reserve, attributable to owners)	2,422	2,673	3,120	3,358	3,739	509
Return on Equity (%)	7.7%	10.5%	15.0%	11.6%	17.9%	17.9%
Borrowings (Net of Cash and Bank balances)#	2,585	3,036	3,281	3,458	2,304	314
Return on Capital Employed (%)	13.0%	14.9%	18.4%	16.5%	19.5%	19.5%

* The quantity includes production, on jobwork basis and purchased from/got processed from third parties.

Excludes interest free loans from entities other than bank and financial institutions





1 USD = 73.5047

Our Response to COVID-19

As the COVID-19 pandemic continues to affect people across the world, at KPTL, we consider it our social responsibility to support communities in need.

KPTL initiated the Kalpa Aapada Seva Project, a large-scale program for combating and containing the spread of COVID-19. We adopted a holistic strategy to safeguard and support our employees, vendors, subcontractors, local communities and frontline workers.

Our COVID-19 RESPONSE STRATEGY

 <p>Protecting the Health and Well Being of Our People</p>	 <p>Supporting Vulnerable Communities and Reaching the Marginalised</p>	 <p>Sustaining Livelihoods – Supporting Our Partners (Vendors, Suppliers & Subcontractors)</p>	 <p>Supporting Health Systems and Local Relief Efforts</p>
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Protecting the health and wellbeing of our people

At KPTL, our people are our biggest strength. Protecting our employees' health and well-being, including those at remote project sites is crucial to us. We undertook numerous initiatives to protect our employees' health, financial and emotional wellbeing.

In these unprecedented times, we have adapted to new ways of working and found solutions to ensure business continuity, maintain our operations, continue to serve our customers and play our role in to efficiently deliver infrastructure projects.

We are providing employees with medical and testing assistance

including emergency support. Additionally, we have undertaken vaccination drive at our offices to protect the health of our employees.

KPTL's employee engagement saw a significant increase. To prepare the employees for the challenging time during the pandemic KPTL had collaborated with residential doctors for various health & well-being sessions. Health and wellbeing webinars and virtual conferences on topics like Ergonomics and Spine Health Session, Stress Management and Emotional Wellbeing, COVID Awareness, Emotional Intelligence, Eye Care, were conducted. In addition, medicines prescribed by Government of India to build immunity, were distributed to all employees.

We implemented best practices, additional health and safety measures, as well as revised working protocols, across our offices, manufacturing facilities and project locations in line with the information and guidance provided by global and national health authorities.



Supporting Vulnerable Communities and Reaching the Marginalised

Our teams are going well beyond the usual course of business to use KPTL's local and global network to work with local governments, health organisations, NGOs and rural communities during this crisis.

We have provided essential assistance to meet critical medical, healthcare, food and nutritional needs of communities around the world. Our relief efforts help to deliver assistance on-the-ground. We also engaged with NGOs to provide over 50,000 meals to vulnerable communities and distributed dry ration kits to migrant and daily wage workers in India.

As part of our support to the local communities we distributed medicines, masks, sanitizers etc. to the local health centers and communities in Ethiopia; set up a medical room and contributed to the social solidarity fund to fight the Coronavirus in Mauritania and supported the local communities, in Cameroon, by distributing basic amenities like food, books, stationery, masks, sanitizers etc.



Supporting health systems and local relief efforts

KPTL has led from the front in providing support to medical institutions and relief organizations during the pandemic and contributed PM Cares Fund and CM Relief Funds. In Thane, Maharashtra, for example, KPTL helped establish a 1,000 bed

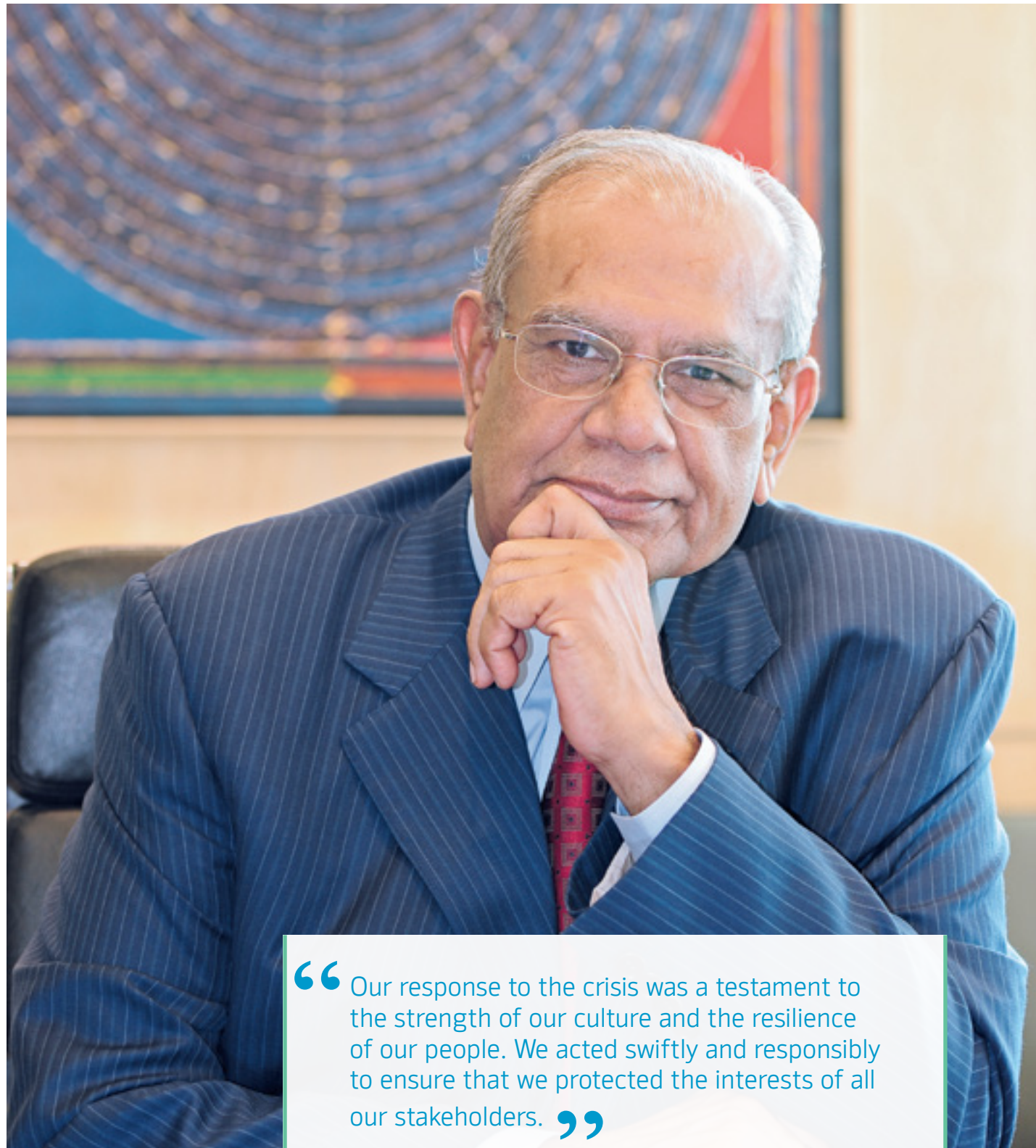
dedicated COVID hospital equipped with intensive care units (ICU), testing lab and dialysis center. Additionally, KPTL's team in various locations have procured medical equipment, PPE kits, gloves, masks and sanitizer and handed them to the local Government hospitals and healthcare centers.



Sustaining Livelihoods – Supporting Our Partners

The COVID-19 crisis has had a significant impact on the construction and infrastructure industry, especially for small and midsize players. KPTL has ensured that we, along with our partners, emerge stronger together from this crisis. For our partners - vendors, suppliers and subcontractors who have been most exposed to the crisis, we shortened the lead time for payments with systematic immediate payments. Simultaneously, we have effectively implemented our business continuity plan at the onset of the pandemic, ensuring adequate liquidity for our subcontractors. All our subcontractors were also retained at the site and the labour camps were sanitized regularly, as per government protocols.

Chairman's Message



“Our response to the crisis was a testament to the strength of our culture and the resilience of our people. We acted swiftly and responsibly to ensure that we protected the interests of all our stakeholders.”

Dear Shareholders,

The year 2020-21 has been one of the most testing year in our 40 year history. The Covid-19 pandemic severely impacted societies, economies and industries. The business environment remained volatile and challenging, particularly affecting construction activities, production lines, work force availability and supply chains across the country and in many parts of the world as well.

Our response to the crisis was a testament to our inherent strength and the resilience of our people. We acted swiftly and responsibly to protect the interests of all our stakeholders. Our priority remained the health and safety of our employees, suppliers and subcontractors, as we supported those working on the front line in the fight against COVID-19.

We remain grateful to the dynamism and responsiveness demonstrated by our employees in challenging circumstances. Through their professionalism, dedication and commitment in supporting our customers, KPTL has delivered a strong performance, reinforcing our leadership position in the EPC industry. This resilience has been developed and embedded over several years, was thoroughly tested by the unforeseen events of 2020-21. Throughout the last twelve months, efficient organizational structure, robust technologically backed systems and processes and strong financial capacity have helped KPTL to navigate a constantly changing and difficult environment. These characteristics allow us to continue to create value for society in general and for our shareholders in particular, as demonstrated by the results obtained in 2020-21 in terms of operational, financial and social performance.

2020-21 PERFORMANCE

Our performance this year is further evidence of KPTL's resilience and commitment to driving disciplined growth. The Company also undertook concerted efforts to overcome the challenges posed by the Covid-19

pandemic. It enabled us to improve turnover, obtain profits, secure orders and reduce debt, despite an adverse business environment and pressure of mounting commodity prices.

Our consolidated revenue grew by 2% to reach ₹12,949 Crore in 2020-21, with EBITDA and PAT of ₹ 1,477 Crore and ₹662 Crore, respectively. We also continued to maintain healthy margins with EBITDA margin at 11.4% and PAT margin at 5.1% during the year under review. Our heightened focus on timely closure of projects and optimising capital employed along with cash flow focused working capital management has helped us to reach a position of financial strength. We approach 2021-22 with a robust balance sheet, as our consolidated net debt has declined by 33% to ₹2,304 Crore as on 31st March 2021 with a debt to equity ratio of 0.62 times. We have maintained a healthy and well-diversified consolidated order book of ₹27,900 Crore at the end of 31st March 2021.

At KPTL standalone level, We have delivered revenue of ₹7,671 Crore with PBT growth of 25% and PAT growth of 33%. We have maintained EBITDA margin of 10.5% in 2020-21.

We continue to fortify our Transmission & Distribution (T&D) business in India as well as in foreign countries. We have expanded our T&D business and entered into five new countries across Asia, Latin America and Africa. The acquisition of Fasttel Engenharia in Brazil at an equity value of USD 8.8 million, for a controlling stake of 51%, was a major highlight during the year. Our subsidiary in Sweden – Linjemontage registered a phenomenal revenue growth of 84% YoY and 133% growth in profitability. We also successfully commissioned Kohima-Mariani Transmission Ltd. (KMTL) within stipulated timelines.

We continue to see a lot of interest in railways and oil & gas business, both in the domestic and international markets. In oil & gas business, we have also successfully passed evaluations and technical bids to pre-qualify for EPC works in Middle East, Africa & Asia.

“We have expanded our T&D business and entered into five new countries across Asia, Latin America and Africa. The acquisition of Fasttel Engenharia in Brazil was a major highlight during the year.”

We remain confident to expand our railways and oil & gas business to newer geographies in coming years.

Both our subsidiaries - JMC and Shree Shubham Logistics recorded robust performance during the year under review. JMC closed with an impressive order book of close to ₹ 14,009 Crore with net debt reducing by 30% Y-o-Y to ₹ 512 Crore. JMC recorded revenue of ₹3,689 Crore in 2020-21. For JMC, 2020-21 has been one of the best years in terms of order inflow and it has received orders worth ₹7,916 Crore, consisting of a healthy mix of projects pertaining to Buildings & Factories (B&F) and infrastructure. JMC has also successfully made inroads in the international market, leveraging our scale and know-how in various geographies. With increased order flow from both domestic and international markets, we are constantly focusing on improving profitability, increasing margins, reducing debt and enhancing return ratios.

“ In an industry which is traditionally behind the game on digital tools, we have always been at the forefront and ready to take big step forward as far as digital preparedness is concerned. We are harnessing the power of technology to deliver business excellence. Various state-of-the-art technologies, such as AI, automation and other digital processes, platforms and applications, are enabling us to enhance our business processes, drive efficiency and deliver superior quality work in a highly dynamic business environment. ”

On the other hand, Shree Shubham Logistics recorded revenue growth of 13% Y-o-Y to ₹149 Crore with EBITDA margin of around 31% in 2020-21. SSL operations regained profitability given focus on hired warehouse model and optimisation of operational and finance cost.

STRATEGIC EVOLUTION – FOCUS ON CORE BUSINESS, DIVESTMENT OF ASSETS & DIGITALISATION

Despite the uncertain and challenging business environment, we remain guided by our values and core priorities and we achieved real progress on our strategic initiatives in 2020-21. Over the past two years, we started to implement the next phase of our strategic evolution with a purpose to drive incremental sales and value by driving growth in our core EPC businesses, with a clear vision to be amongst the top players in the global EPC market. Simultaneously, we moved ahead with our strategy to exit the T&D developmental asset portfolio and other non-core businesses.

This year has marked the completion of significant strategic milestones for KPTL. We have successfully proceeded with divestment of our T&D assets (Jhajjar KT Transco and Alipurduar Transmission) and announced the acquisition of Fasttel Engenharia. With the acquisition of Fasttel, a niche Brazilian EPC Company in the T&D space, we have enhanced our market

position in the Latin American market and accelerated the adoption of our localisation model, offering greater scope to provide EPC service in high potential markets. It also confirms our strategic advancement, which further aligns KPTL with the key megatrends in the global EPC market. The acquisition of Fasttel provides KPTL with access to one of the largest T&D markets in the world.

KPTL has a long heritage of relying on its ability to respond and evolve with the times, adopting key technologies. In an industry which is traditionally behind the game on digital tools, we have always been at the forefront and ready to take a big step forward to ensure digital preparedness. We are harnessing the power of technology to deliver business excellence. Various state-of-the-art technologies, such as AI, automation and other digital processes, platforms and applications, are enabling us to enhance our business processes, drive efficiency and deliver superior quality work in a highly dynamic business environment. This digital preparedness along with robust risk management practices remain an integral part of our business strategy and has helped us to prepare for any potential disruption in operations, something that was put to good use at the start of the crisis when we executed our contingency plans.

While the short-term economic outlook remains uncertain due to the ongoing pandemic, we remain committed to advancing our ambitious, yet prudent

growth strategy. Our objective of becoming a leading EPC player globally remains unchanged and seems well within our reach. KPTL's performance is built on a solid foundation of clear values, a strong balance sheet, diversified global business model and trusted brand. We remain focused on our core EPC business – our core competence – and are adapting organic and inorganic growth strategies to take our major business verticals to emerging and high potential markets across the world. We are innovating more than ever and investing in our people, technology and operations to develop solutions that take advantage of emerging trends in the industry.

PURPOSEFUL BUSINESS – ENHANCING SHAREHOLDER VALUE AND SUSTAINABILITY

A purposeful business is fundamental to both our operations and our strategic direction. We are firmly focused laying the foundations of a purposeful business with shareholders, society and environment as key elements. Since the establishment of KPTL, responsible behaviour has been core to everything we have done – from offering healthcare to the local community at Kalp - Seva Arogya Kendra, to most recently going out into the community in India to help deal with the health crisis – ethical and sustainable business practice has been in our DNA and our culture right from the start.

“ The KPTL Board is mindful of the importance of shareholder value creation and as a result of the strength of the Group's balance sheet, the proceeds from divestment of T&D assets, and its confidence in the strategy and outlook for the Group has returned over ₹320 Crore to shareholders through buyback and dividends in 2020-21. ”

Continuously throughout the pandemic, KPTL has strongly stood with its stakeholders during this unprecedented time. We strived to strengthen the public health system and subsequently supported the most vulnerable sections of society. The interventions included setting up of a dedicated COVID-19 hospital in Thane, engagement with NGOs to provide over 50,000 meals to vulnerable communities, distribution of medical equipment to government hospitals, providing masks, sanitizer and PPE kits to frontline workers across India and giving dry ration kits to migrant and daily wage workers. The Company also made contributions to Chief Minister Relief Funds of various states and PM Cares Fund to support the government machinery to fight the pandemic.

We ensured all of our employees and their families, thousands of them, across project sites and with limited access to healthcare facilities received our complete support in case of medical emergencies. We are facilitating vaccination drive for employees at our corporate offices and project sites. Simultaneously, throughout the pandemic, we have worked closely with our vendors, subcontractors and supply chain partners to minimise the disruption caused by COVID-19 by ensuring adequate liquidity in the

system through timely processing of payments and effective implementation of our business continuity plan.

The KPTL Board is mindful of the importance of shareholder value creation and as a result of the strength of the Group's balance sheet, the proceeds from divestment of T&D assets, and its confidence in the strategy and outlook for the Group has returned over ₹320 Crore to shareholders through buyback and dividends in 2020-21. Going forward, the Board aspires to use the free cash flow to fund its business growth, self-finance bolt-on acquisitions, and increase shareholder returns.

With rising concerns about climate change and resource scarcity, we are progressively moving towards a more eco-friendly approach of conducting business. Right from reducing our dependence on non-renewable sources of energy to adopting eco-friendly business practices, accelerating digitisation & automation in each of our processes and enhancing greener spaces within communities, we recognise how small measures can make a big difference. Thus, we remain committed to foster sustainable operations across our business verticals and enable the well-being of communities in which we operate.

LOOKING AHEAD

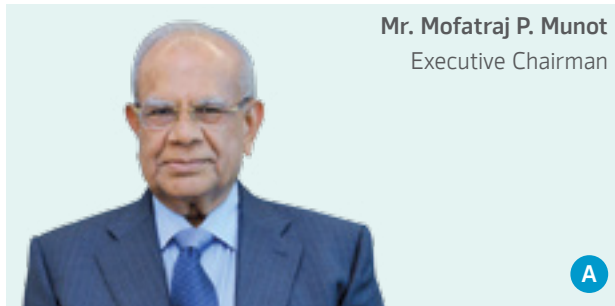
Time and again, at KPTL we have demonstrated our resilience and stood tall against all odds. Despite uncertainties ahead, especially after the second wave of Covid-19 has caused considerable damage to human health, we remain confident about accomplishing our goals. As we continue to scale up operations in India and abroad, relying on organic and inorganic growth strategies, we are optimistic about increasing our operational efficiency and improving our top and bottom line.

Before I conclude, I would like to express my heartfelt gratitude for our shareholders, business partners, customers and other stakeholders for their continued trust and support in our abilities to drive the organisation forward. I remain thankful to everyone in the organisation for their innovative capabilities and tremendous enthusiasm to tide through difficult times.

Regards,

Mofatraj P. Munot
Executive Chairman

Board of Directors



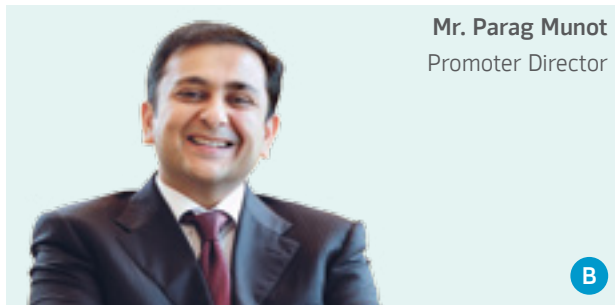
Mr. Mofatraj P. Munot
Executive Chairman

A



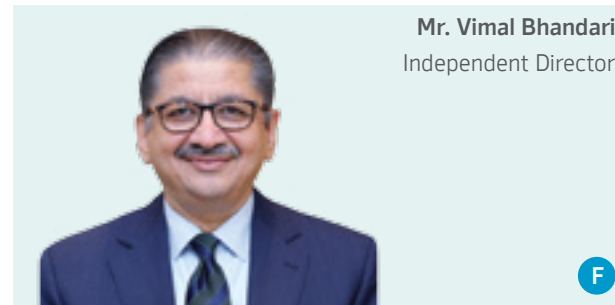
Mr. Sajjanraj Mehta
Independent Director

E



Mr. Parag Munot
Promoter Director

B



Mr. Vimal Bhandari
Independent Director

F



Mr. Manish Mohnot
Managing Director & CEO

C



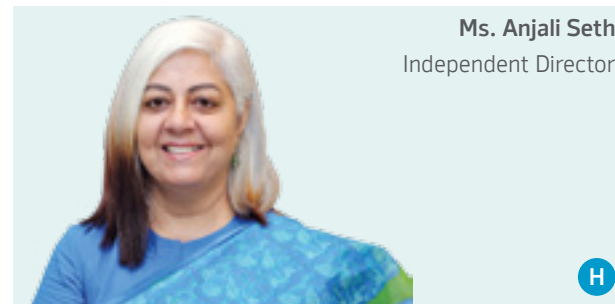
Mr. Narayan K. Seshadri
Independent Director

G



Mr. Sanjay Dalmia
Executive Director

D



Ms. Anjali Seth
Independent Director

H

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

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

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

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

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

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

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

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

Enduring Value - Our Business Model

Source → Input → Business Activity → Output



Financial Capital

Financial resources required to fund our growth and expansion plans

₹ 30 Crore
Equity share capital

₹ 478 Crore
Long term debt

₹ 629 Crore
Short term debt



Manufacturing Capital

Our strategically located and integrated plants are used to develop customized and one-of-its-kind solutions that comply with global standards and specifications.

₹ 119 Crore
CAPEX invested

2
Tower fabrication facilities

2.4 Lakh MT
Tower Fabrication Capacity per annum

Huge fleet of equipment and machinery.

₹ 642 Crore
Value of Property, Plant and Equipment



Intellectual Capital

We leveraged our specialized capabilities, latest technologies, brand value, engineering excellence and R&D capabilities to fulfil our objectives.

4
Decades of experience and expertise

1,200 kV
Tower Testing Capability of upto

SAP S4 HANA ERP backed systems & processes



Human Capital

Cultivating capabilities and competencies of employees to further grow and expand our operations.

60+
Technical & soft skills online learning modules

3,296
Permanent employees

10,400
Contractual employees



Social and Relationship Capital

Our long-standing relationship with stakeholders and our zeal to contribute towards the upliftment of the society in which we operate enables us to create shared value for all.

₹ 10.13 Crore
Amount Spent on CSR activities

~54,000
Number of shareholders



Natural Capital

Our commitment to reduce our environmental footprint through efficient utilization of resources

Two
Biomass based power generation plants with capacity of ~16 MW

KPTL as a EPC player provides sustainable and low-carbon infrastructure projects

We utilise our resources in an ethical and responsible manner to create and sustain value for a broad range of stakeholders

Our core business includes:

Power Transmission & Distribution

- Provide end-to-end solutions
- Catering to a diverse client base in America, Africa, Middle East, Europe and Asia Pacific

Value offering

- Design and Engineering
- Manufacturing
- Tower testing and R&D centre
- T&D Turnkey Solutions
- Substation

Oil & Gas Infrastructure

- We provide cross-country pipelines, terminals and gas gathering stations for the oil and gas sector
- We have expertise and experience in pipeline construction across varied terrains including rivers, hilly, marshy, swampy regions and deserts.

Railway Infrastructure

- Leading player in executing civil infrastructure, track laying, signalling and electrification projects for railways in India
- We have pioneered the manufacturing of galvanized steel structures for Railway Projects
- We have forayed in international markets and executed a turnkey project in Bangladesh

Value offering

- Civil infrastructure including earthworks, bridges, tunnels, station buildings and facilities
- New track laying & rehabilitation of existing tracks
- Railway electrification and power systems
- Metro railways
- Private railway sidings

The core businesses are supported by an able corporate leadership that provides:

- Capital allocation and management
- Strategic Leadership
- Financial Reporting
- Culture and values
- People management
- Process and performance management
- Health, safety and well-being
- Risk Management
- Governance

₹ 7,671 Crore
Revenue from core operations

₹ 808 Crore
EBITDA

₹ 615 Crore
PAT

20.6 %
Return on Capital Employed

Completed transmission line projects of around 30,000 Km length across the globe

Commissioned 6,650 kms Oil & gas pipeline

6,000+ route kms Railway electrification work executed

₹ 13,890 Crore
Order book value

- Adopted analytics, digital dashboards, geo & aerial technologies, artificial intelligence (AI) and sensor-controlled Internet of Things (IoT)
- End-to-end Digitalisation of Business Processes
- Incorporating digital into entire project life cycle

30 Hours
Man hour training

Organized 660+ training programs in FY 20-21

21,000+
Online courses completed by employees

Approx. 98%
of the permanent employees received skill upgradation trainings during 2020-21

During 2020-21, 100%
of permanent & sub-contracted employees were imparted safety trainings on continuous basis.

Provided free eye surgeries to more than 3,675 patients

More than 3,13,000 patients benefitted from Kalp Seva Arogya Kendra

Provided over 50,000 meals

16%
Return on Equity

AA/Stable
Long-term credit rating by CRISIL & CARE

₹ 10
Dividend per share given to shareholders

350 kW
Roof top solar plant installed which resulted in reduction of 300 tons of Co2 emission

Four windmills installed to generate 11.20 lakhs units of renewable energy for captive consumption, which has led to reduction in Co2 emissions of about 2000 Tons

Creating a Victorious Business Model

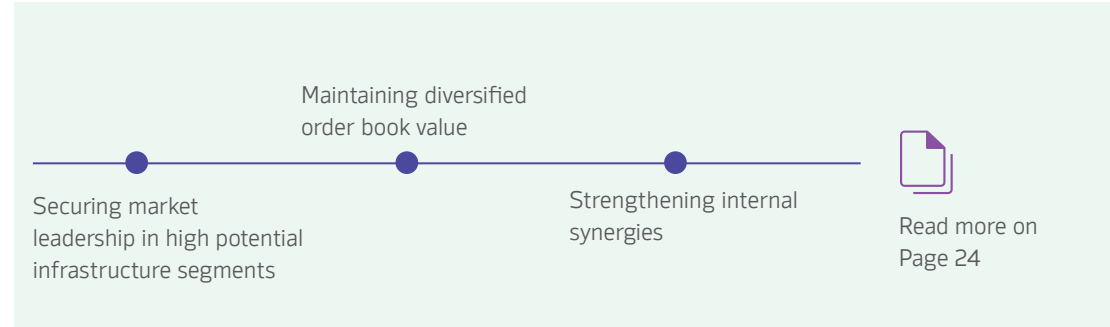
In a challenging year, marked by the unprecedented outbreak of the Covid-19 pandemic, KPTL relied on its ability to adapt to change. Its resilience in the face of intense competition, sectoral consolidation, geo-political and regulatory changes enabled the company to not just overcome obstacles but, also deliver exceptional performances.



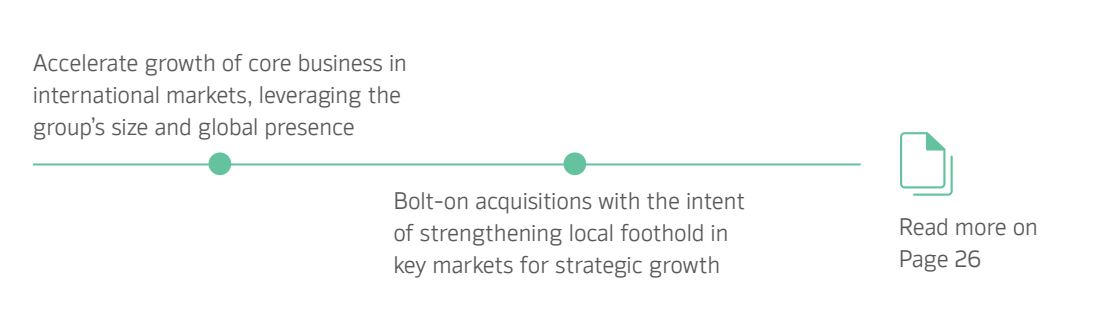
At KPTL, we focused on strengthening our core EPC business by reinforcing our business leadership in targeted verticals. To ensure efficient and timely delivery of projects, we are fortifying capabilities, diversifying the business and utilizing available resources responsibly.

Key focus areas

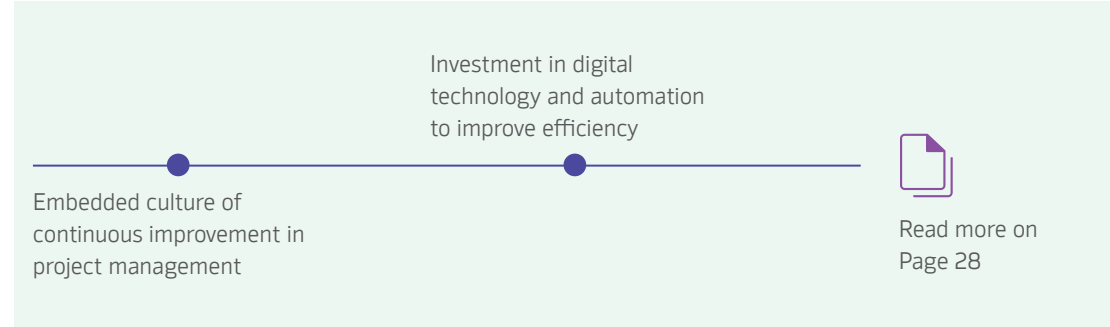
Building strength across diverse businesses



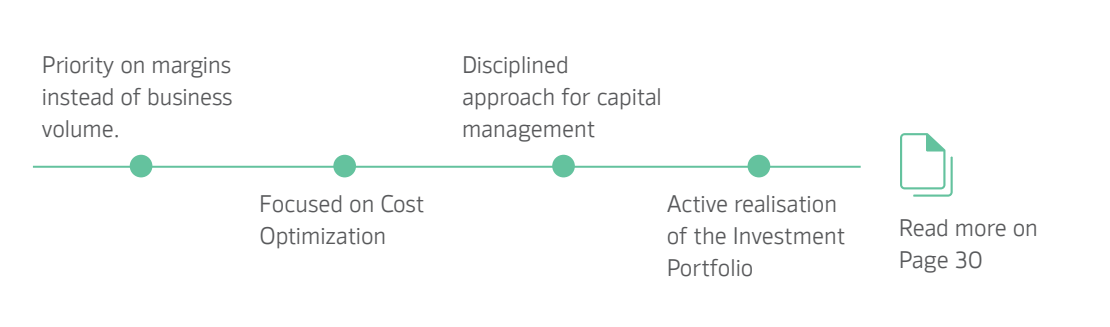
Expanding presence in international markets



Improving Operational Efficiency



Financial Stability



Building Strength Across Diverse Businesses

With an endeavour to further strengthen our core EPC business in domestic and international markets, we are working relentlessly to establish a strong foundation for success. To fulfil this objective, we are constantly expanding and improving our technical capabilities.

Focus on Core Business

Over the past few years, we have been focusing on strengthening and building our core businesses - Power Transmission, Sub-stations, Railways, Oil & Gas, Buildings & Factories, Water and Urban Infrastructure. During the year under review, we continued to fortify our position in these business segments. Owing to our execution expertise and disciplined risk management system, we have successfully established a competitive edge over our peers.

Our core business continues to deliver attractive returns, have a strong brand value and offer vast opportunities for

growth and expansion. Relying on strong market drivers, underpinned by government expenditure in domestic and international markets, our business segments remain on a positive trajectory.

We leverage KPTL's extensive knowledge of various key markets, relationship with key stakeholders, execution expertise and financial strength to deliver outputs that exceed customer expectation. Our operational synergies are primarily generated through local resources as well as specialized expertise of business units. It enables us to share resources,

capabilities and best practices across organizational verticals.

Our presence across diverse businesses allows us to increase our order book value & revenue, sustain margins and retain the trust of stakeholders. We continue to strengthen our market position across the globe as a leading EPC company and have the unique capacity for seamless project delivery. It has allowed us to generate strong cash flow in a challenging business environment, even amidst the uncertainties posed by the Covid-19 pandemic.



Leveraging growth through operational synergies

The diversity of KPTL's businesses allow it to expand offerings, increase global reach and develop capabilities that facilitate the company to address a variety of future opportunities. Our subsidiary, JMC Projects (India) Limited (JMC) - engaged in civil construction business, is actively leveraging KPTL's international business expertise to make inroads in Africa and Asian markets.

During the year under review, JMC has successfully secured large infrastructure projects in Mongolia and Maldives, utilising KPTL's business development capabilities. Additionally, KPTL and JMC are collaborating to provide integrated and comprehensive solutions, combining their electrical, mechanical and civil

expertise to bid for large projects like High Speed Railway (HSR).

Further, KPTL's other business verticals such as railway and oil & gas infrastructure are actively pursuing international contracts, leveraging the group's unique presence in the global EPC market. These efforts are anticipated to ensure optimum use of technical and financial resources.

We are also operating in the Nordic market through our local subsidiary Linjemontage i Grastorp AB (LMG) which has delivered exceptional results in FY 2020-21. Since its acquisition in March 2019, LMG has improved its order book by more than 2.5x and increased revenue by over 100%. We

have been leveraging our financial resources, global procurement capabilities and design and engineering expertise to further scale up LMG's operations and strive to make it one of the leading players in the Swedish market. LMG has also expanded its operations in Norway in early 2020 and is aiming to become a key market player in its segment. It is also leveraging KPTL's expertise to improve its capabilities and has successfully secured large projects in the 400 kV power transmission segment.

In the days ahead, we strongly rely on business collaborations to capitalize on opportunities and improve our position in the industry.



Expanding Presence in International Markets

Along with strengthening our position in existing areas of operation, we continue to explore opportunities in untapped and underserved regions around the world. Our endeavour is to organically grow our international presence in T&D and non-T&D business segments including Roads & Highways, Railways, Oil & Gas and Water. These segments provide significant opportunities for structural growth.

We are also planning to invest in local operations in various key geographies through bolt-on acquisitions. This will enable us to expand our global reach, strengthen our skill set and enhance our technological capabilities. We shall explore and undertake acquisitions only if:

1. They offer a lucrative business proposition,
2. Have highly experienced teams, are financially stable, and
3. Have the right cultural fit,
4. Enables us to further strengthen our portfolio,

5. Provides access to markets with strong structural or long-term growth opportunities.

Our expansion strategies are tailor made for different countries. It takes into consideration key factors such as disciplined risk management, constant pursuit for business development, superior quality service, reliable project delivery and long-term potential for EPC services. We aim to secure a strong position in focused geographies while ensuring sustainable and profitable growth.

The acquisition of Linjemontage and Fasttel Engenharia enabled us to fulfil

our strategic objectives and enabled us to grow faster in the Nordic and Latin American markets. Such targeted acquisitions have allowed us to foray into new markets and considerably empower our portfolio.

Relying on its diverse geographical presence, KPTL remains poised to mitigate macroeconomic challenges efficiently. It allows us to cope with the cyclical nature of construction activity, take advantage of growth opportunities in more favourable environments and consolidate our presence in countries with greater potential for stable growth.

Ensuring Strategic Growth – Acquisition of Fasttel Engenharia (Brazil)

During the year under review, we acquired 51% stake in Fasttel Engenharia (Brazil), marking a milestone moment in our growth journey.

Brazil is amongst the largest power T&D markets with investments in transmission lines projected to reach approximately Brazilian Real 103 billion (~USD 18 Billion) within the next 10 years, as per the Brazilian government's 10 Year Plan PDE (Plano Decenal de Expansão de Energia).

With a presence in over 20 states of Brazil, Fasttel has more than three decades of experience in the Brazilian T&D EPC market. The Company operates in three business verticals, comprising EPC of substation, transmission lines and power distribution services. It has built over 2,000 km Transmission Lines and over 50 substations of up to 750 kV, leveraging its in-house Engineering, Procurement, Land Survey and

Planning, Environment Clearances and Construction capabilities. Fasttel has developed a strong reputation and robust track record of timely and successful project delivery. The acquisition will, therefore, further strengthen our T&D offerings in the Latin American market and confirms our strategic focus on constantly upgrading our capabilities.

Fasttel - Key Highlights

Order Book
₹ 669 Crore

~1,000+
Employees

Present in
20+
States of Brazil

2,000 km
Transmission lines constructed

50
Substations built



Improving Operational Efficiency

To ensure steady and sustainable results, we constantly focus on improving our operational efficiency. For fulfilling this objective, we ensure optimum utilisation of resources and aim to enhance the skills and capabilities of our employees.

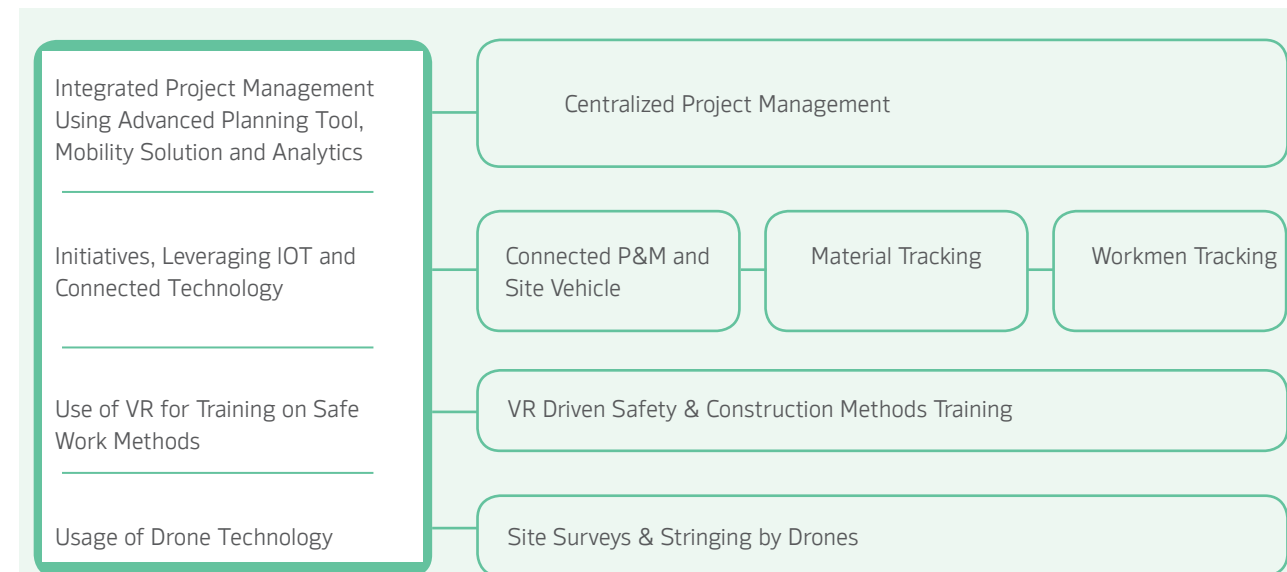
At KPTL, we have been at the forefront of adopting new and innovative technologies. We leverage state-of-the-art technology to improve capacities for executing projects. The rapid adoption of advanced technology including AI and robotics helps us to demonstrate

robust capabilities and further improve our competitive edge in a highly dynamic business environment.

We continue to make substantial investments in the development and adoption of new digital platforms, use of drones, automation tools and

applications that enable us to deliver projects more effectively. We were among the early adopters of SAP in the year 2009 and since then, we have constantly pursued advanced methods for digital transformation across the organisation.

Major Digital Transformation Initiatives



We have also adopted automation and digital technology for our manufacturing facilities. With the use of smart cameras and vision sensors, we are collecting real-time data and efficiently making time bound decisions. It has enabled us to incur savings as well as enhance quality control methods.

Our Digital Project Management Program is aimed at integrating and centralizing our EPC processes, procedures, and tools. The data

analytics system allows us to plan, execute and monitor near real-time progress of various projects. It results in safer, better, faster, and leaner project delivery.

Further, we are building online training modules, incorporating technical to soft skills, to make our people future ready. Over 100 online learning programs have been developed by KPTL to support new methods of learning. We have also created virtual reality based training modules, in regional languages, to create awareness about safe workplaces among site workers.



Financial Stability

We strive to achieve a strong balance sheet, healthy cash flow and sustainable returns for shareholders. As a result, we are continuously undertaking initiatives to strengthen our balance sheet and improve our return ratio. We also remain committed to become a low or zero debt Company on a net cash position.

To achieve our financial objectives, we have also made significant progress on divestment of our long-term assets and non-core businesses. The process of strategic sale of T&D BOOT assets demonstrate our commitment to grow our core business aggressively. Furthermore, we are actively pursuing the sale of Road BOOT assets and non-core businesses in the near-term.

These steps are anticipated to release significant capital for investments in our core business verticals. We are selective in our pursuit of projects. Instead of stepping up efforts to win bids, we endeavour to seek quality orders at healthy margins and lower execution risks. It enables us to deliver exceptional service, timely delivery and immaculate quality. It

has augmented our brand image and has consistently allowed us to record industry leading margins and profitability. Further, we also aim to increase return on capital employed (RoCE) with steps to improve working capital and ensure speedy project closures. It also enables us to enhance profitability by reducing fixed costs.



Effective capital allocation

Effective capital allocation remains a priority at KPTL and owing to the cyclical nature of the industry in which we operate, it is particularly important for us. Therefore, we shall continue to:

 <p>Invest in businesses with opportunities for favourable RoCE;</p>	 <p>Grow dividend in line with profitability;</p>	 <p>Pursue M&A opportunities with small sized bolt-on acquisitions;</p>
 <p>Maintain strong balance sheet with superior credit ratings;</p>	 <p>Distribute additional cash through share buybacks, based on cash flows from sale of investments.</p>	

During FY 2020-21, we strategically improved our capital allocation. It helped us to systematically reduce debt, complete a successful share buyback program of ₹180 Crore, provide dividend and enter the Latin American market by acquiring Fasttel. It also enabled KPTL to continue its investments for organic growth.

Divestment of Long-term Assets and Non-Core Businesses

The divestment of our T&D BOOT assets and strategic steps to ensure divestment of non-core businesses (Indore Real Estate Project and Shree Shubham Logistics Ltd) and Road BOOT assets allowed us to build a solid foundation for our core EPC business and sustain a robust balance sheet.

During the year under review, we completed the divestment of Jhajar KT Transco (JKTPL) and Alipurduar Transmission Ltd. (ATL). Besides, in the previous FY 2019-20, we divested Kalpataru Satpura Transco (KSTPL). We have also entered into an agreement to sell our last and only remaining T&D asset - Kohima Mariani Transmission Ltd. (KMTL) and are awaiting requisite approvals for the same.

In light of the COVID-19 pandemic, we have been actively managing our road BOOT portfolio and have been working towards the financial restructuring of Wainganga Expressway Private Ltd. (WEPL) and Kurukshetra Expressway Private Ltd. (KEPL). We are also working to enable the speedy resolution and divestment of all four of our road BOOT assets.

Further, we have made substantial progress on the sale of our Indore real estate asset and have sold around 35%

of the units, as on 31st March 2021. By the next fiscal year, we aim to sell all units of our Indore project. Alongside, we are in talks with strategic investors for the partial or full stake sale of our warehousing subsidiary, Shree Shubham Logistics Ltd.

These initiatives enable us to maximize the intrinsic value of significant investments made over the last decade and further enhance our foray in a competitive business arena.



Project Highlights

230 KV D/C Transmission Line in Ethiopia

The project involved the design, supply and construction of 130Kms long 230 kV line from Mekele to Dallol in Ethiopia.

The project involved numerous difficulties, given the adverse social and political conditions in the region, dominance of a nomadic population and lack of basic amenities. All these factors made it difficult for the project team to carry out operations and execute the project. Additionally, the transmission line route with a length of about 130 KM, traverses through diverse geographical and climatic conditions such as agricultural land, hillocks with forest, flat barren land, with an elevation ranging from (+)

2600 meters to (-) 108 meters and temperature varying from 10 degree Celsius to 50 degree Celsius. The line route terminates at a point close to Danakil Depression of Ethiopia, which is regarded as the hottest place on earth and is one of the lowest places on the planet i.e. about 108 meters below sea level.

Success Factors & Achievements:

Despite the inherent challenges associated with the project, it was one of the best opportunity for KPTL to display its highly efficient project management capabilities. We planned and deployed necessary resources well in advance. Additionally, we used our extensive base of reliable and

capable local sub-contractors to carry out construction work, despite the hindrances across the length of the project. We also strategically kept our workforce very lean and focused their energies on resolving issues related to approvals and clearances.

KPTL prioritized the health, safety and wellbeing of employees and subcontractors during the pandemic. As part of our endeavor to support local communities, we supported with medicines, masks, sanitizers etc. to local health centers and communities. We also made provisions for hand washing facilities at prominent public junctions during the Covid-19 outbreak.

225 kV Transmission Line Projects in Mauritania

KPTL undertook works for two transmission projects involving design, supply and installation of (i) 457 Kms Nouakchott- Nouadhibou transmission line and (ii) 204 Kms Nouakchott- Keurper transmission line in Mauritania.

One of the major challenges during execution of these projects was access to the site. As most of the line passes through sandy terrain, especially in some portions where it passes through heavy sand dunes, access is extremely difficult. Additionally, there were frequent stoppages of work as the line passes through heavy wind

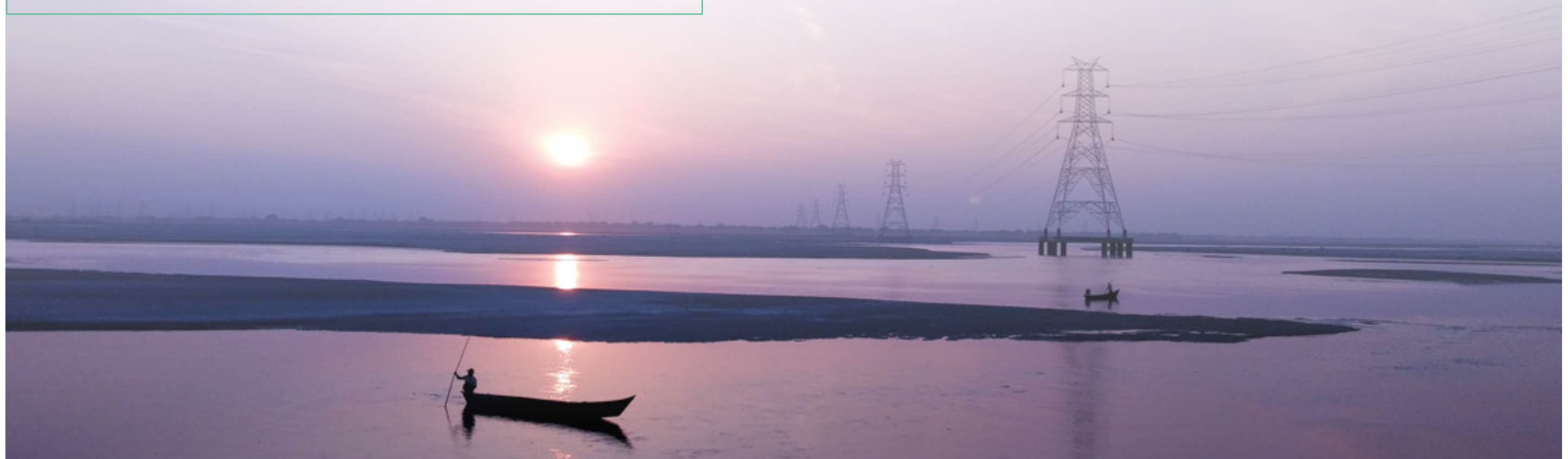
zones. Laying the foundation for the transmission tower was also extremely challenging as excavation was carried out in a rocky area of around 100 kms. The scope of work involved Stringing over Senegal River, crossing at the border between Mauritania and Senegal.

Success Factors & Achievements:

Proper planning of critical activities and timely action helped in navigating challenges related to a difficult terrain. To ensure smooth and continuous work within the stipulated time, KPTL implemented the most efficient techniques for foundation, tower

erection and stringing. Multiple teams were deployed in various locations to accelerate the project and ensure expedited delivery in hilly and sandy areas. Through meticulous planning, the project team aims to complete the project on time.

As part of our effort to support the local communities, we constructed a medical & school room for village M'hjarat. We also contributed towards the fight against the Corona virus initiated by the president of the Islamic Republic of Mauritania.



Project Highlights

225 KV S/C Transmission Line and related facilities in Cameroon

The project involved construction of two 225 KV single circuit lines, 298Kms long, from Yaounde-Abong Mbang and Nkongsamba-Bafoussam in Cameroon along with related facilities.

The Project passes through dense forests, thick bushes and river crossings making it difficult to access locations for laying tower foundations and assemblies. Some of the locations were extremely difficult to reach due to its presence in perennial swampy areas. Moreover, sending project staff from

India proved difficult owing to the visa and immigration restrictions imposed by the government to contain the spread of COVID-19.

Success Factors & Achievements:

KPTL's project management expertise and in-house engineering capabilities helped to plan and make pre-cast foundation at the storage area effectively by utilising the long rainy season in Cameroon. The installation of pre-cast foundation took place in the dry season. Planning for each location was done in advance and well-

trained construction teams were deployed in segregated locations to work during the rainy and dry season. Despite limited staff, KPTL achieved remarkable progress due to its advance planning and proper identification of requirements. KPTL received an appreciation letter from Minister of Energy for Quality and Progress. Since the project was being executed during the pandemic, KPTL supported local communities with the distribution of basic amenities like food, books, stationery, masks, sanitizers etc.

Railway Electrification and Associated Works for North-Eastern Railway in Uttar Pradesh, India

The project involved 25 kV Overhead Electrification Works, Traction Substations, General Electrification, Civil Engineering Works (including Service buildings, Quarters and Track works), Signaling and Telecommunication works for 401 Route kms, for North-Eastern Railway in Uttar Pradesh, India.

Majority of the section passed through forests and it was challenging to complete construction of staff quarters, service buildings and other civil works. Additionally, the project scope included undertaking

electrification works on Kachhla Bridge, which is a 600 meter long open way bridge. The section comes under two zones i.e. North Eastern Railways and Northern Railways. Some parts of the line were already electrified and therefore, it was challenging to avail power and block traffic at the same time.

Success Factors & Achievements:

Apart from deploying best of team and project management capabilities, KPTL ensured meticulous planning and timely delivery of material to the site, leveraging its vendor

relationship and procurement strength. Additionally, great teamwork and coordination between various teams helped KPTL to mitigate various challenges. KPTL received excellent client support due to its commitment for ensuring timely delivery and sustaining superior quality standards. As a result of these heightened efforts, four sections were delivered ahead of the scheduled completion date and KPTL received appreciation along with bonus for achieving the milestone.



Railway Electrification and Associated Works for Western Railway in Gujarat, India

The project encompassed Design, Supply, Erection, Testing & Commissioning of 25 kV electrification and traction substation including associated works for 266 route kms in Gujarat, India. The project was the first-of-its-kind high-rise overhead electrification (OHE) for running double stack container train. The project involved working in a difficult terrain consisting of hard rock and water logged areas. Additionally, around 50% of the project route was through a forest reserve, making it difficult to access the location.

Success Factors & Achievements:

KPTL's careful engineering, project planning and timely delivery of material helped to mitigate the execution challenges. Good coordination between planning, procurement, logistics and site management teams resulted in continuous progress. KPTL achieved average foundation progress of 40 numbers on each day and completed entire foundation work within 11 months from the date of commencement.

Above all, KPTL was fortunate to be part of this prestigious project,

which is a historical achievement and a milestone event for Indian Railways. The commissioning of this route marks the operation of the first high-rise overhead electrification (OHE) with contact wire height of 7.57 meter. Western Railway is the first amongst Zonal Railways to successfully run a double stack container in electrified territory. This tremendous achievement is the first-of-its-kind in India and will boost the sustainability initiative of Indian Railways.



Project Highlights

Paradip-Haldia Durgapur Pipeline Augmentation Project

The scope of the project included laying of cross country pipeline ranging from 10.75 inches to 14 inches for a stretch of 625 Km for transporting Liquefied Petroleum Gas (LPG) and other associated station works in states of West Bengal and Bihar. The project had severe right of user (ROU) issues and most of the land passes through forest area, making it very difficult for undertaking pipeline works. In

addition, nearly 400 crossings were to be completed through Horizontal Directional Drilling (HDD) method.

Success Factors & Achievements:

KPTL used its in-house expertise and worked in close co-ordination with the client for getting ROU clearances and handling land acquisition matters for station works. KPTL project management and

construction teams moved fast to mobilise adequate number of HDDs and labour to commence the pipeline and station works. With our meticulous planning and the dedication of our motivated workforce, KPTL was able to commission work of 14 inches pipeline for length of 193 kms, despite the challenges posed by the COVID-19 pandemic.

Paradip Hyderabad Pipeline Project

The project pertains to laying pipeline, ranging from 14 inches to 18 inches, over a stretch of 1,206 Km from an existing refinery at Paradip in West Bengal to the proposed marketing terminal at Hyderabad in Telangana.

The major challenge in execution of the project was laying a pipeline that was parallel to the existing high-pressure pipeline of 115 km, close to Paradip and working in Visakhapatnam Port Terminal amidst space constraints. Additionally, the project route involved working in water logged lowlands to rocky trenches.

Success Factors & Achievements:

KPTL engineering and construction teams worked in close coordination to identify the existing pipeline on the same route through innovative ways. It helped to improve productivity. In marshy areas, KPTL used a new technique to lay the pipeline. Experienced teams of local subcontractors were also deployed for rock blasting works in Naxal-affected zones. KPTL focused on improved techniques for laying twin pipeline by a new methodology in swampy areas of Vishakhapatnam Port Trust. Given the space constraint at the port, the team carried out

HDD works in operating plant by para tracking system. Adequate number of plant and machinery were mobilized to deliver the project on time.

KPTL was able to achieve 4 million man-hours without LTI (Lost Time Injury) and was awarded the best safety contractor by the client. The client also appreciated KPTL for introduction of new methodology to lay pipeline in marshy area and for completing HDD underneath the operating plant.



Project Highlights

765 KV D/C Transmission Line from Vindhyachal to Varanasi in India

KPTL was awarded a project by PGCIL for the construction of 765 kV D/C 190 kms transmission line (Vindhyachal - Varansi Line) on total turnkey basis. The project is envisaged to deliver strong connectivity between northern region and western region grids and facilitate reliable flow of power.

The project involved the major challenge of supply and installation of 162.5 meter height transmission tower, crossing river Ganga, which is till date the tallest tower installed by KPTL. In addition, majority of the portion in the Vindhyachal portion

involved dense forest and hilly terrain with tough approaches.

Success Factors: KPTL planning, engineering and construction teams worked in close co-ordination to execute cast – in – situ pile methodology to cast 48 Piles in one location in midstream Ganga river. Due to increase in water levels of Ganga River, this was a mammoth task, as piling in some locations were carried out with special barge arrangements creating sand Islands. Our teams worked day and night to complete the project on time. Due to the hilly terrain and tension towers, majority of stringing sections were

executed manually, which required additional time and resources. During the Covid-19 outbreak, we retained majority of our workforce and managed the entire operation without any casualties and with extra care and precautions, as per government guidelines.

In this project 'First Time Right' approach was adopted which led to cost savings and significantly reduced rework. The project also won Bronze Trophy from National Safety Council of India for adopting one of the best safety practices in the construction industry.



Strengthening of 765 kV S/C Towers in Five States in India

The project was awarded by Powergrid Corporation of India (PGCIL) for strengthening the 765 kV S/C towers spread across five states (Chhattisgarh, Jharkhand, Bihar, Madhya Pradesh & Maharashtra) in India. Total scope involved strengthening of 4,363 towers by installing additional members using on site drilling mechanism.

The project involved a first time use of a new methodology of drilling and installing new parts for strengthening existing towers, instead of using the old method of clamping. The new methodology was more complex and time

consuming, as each tower had to be drilled for installing new parts. The project required special skill sets and tools as safety of towers was a prime concern.

Success Factors: KPTL focused on training its workmen and engaged specially skilled personnel for completing this project as the project was spread across numerous locations in five states. KPTL project planning and construction team managed over 100 teams of workmen during the peak time of the project. Safety was a prime concern as work had to be completed on live line.

KPTL teams avoided Right of Way (ROW) occurrence in fields and identified the most-suitable time for accessing certain sections of the tower without damaging crops and achieving maximum productivity. With meticulous planning, strong co-ordination and optimum utilization of resources the task was completed. PGCIL has highly appreciated our performance and our innovative ways of working: working, including the use of Power Winches, Use of Magnetic drills on tower tops, our programs for encouraging best practices, Zero Deviation towards safety, First Time for Quality etc.

400 kV Transmission Line Project in North East India

This Project aimed to strengthen the transmission system in North East India. The scope involved manufacturing, installing and commissioning of 101 kms 132/400 kV M/C power transmission line in North East India. This was our first project with Sterlite Power Transmission Ltd.

The major challenge in the northeast region is the limited working window of 5-6 months.

Owing to heavy rainfall throughout the year, approach roads to construction sites are affected, leading to great difficulty in reaching project sites. Moreover, the entire stretch of line passes through dense forest, hilly terrain and plantations, which led to frequent stoppage of works due to lack of approvals.

Success Factors: KPTL launched Project Shikhar with a specialised

workforce capable of executing projects in challenging locations, which called for making of approach roads, material head loading and extra supervision for facilitating the work. During the pandemic, over 1,250 workers were retained at site and safety protocols were followed as per government guidelines. The project was completed in January 2021 with zero tolerance towards safety, great workmanship and excellent client relationship.

ESG in Action

At KPTL, we strive to inculcate a culture of sustainability to promote holistic development. We are not only focused on reducing our environmental footprint and make meaningful contributions to foster social change, we are also keen to uphold the highest standards of corporate governance. With a focused approach, we are determined to drive sustainable business growth.

Our ESG-driven approach

Our sustainability proposition revolves around three major aspects – Environmental Stewardship, Social Welfare and Robust Corporate Governance. We strongly believe that the path towards sustainable development starts from within.

Through our offerings, we reach a wide range of customers. Therefore, we aim to promote sustainable development across our operations. We aim to integrate environment-friendly practices throughout our business functions with an objective to minimize the impact of our operations on the

natural ecosystem. We consistently explore new ways for ensuring energy efficiency, water conservation, waste and emission management. Additionally, we maintain an undeterred focus on adopting green initiatives that augur well for our external environment.

We take concerted efforts to make a positive impact on the communities that surround us. We do this by developing and implementing initiatives that are directed towards the larger benefit of society and intends to uplift the vulnerable sections. We strongly

believe that businesses and societies can co-exist and thrive together. This belief motivates us to contribute towards the wellbeing of the local community.

Our approach towards ESG takes into account our focus on a strong corporate governance, It allows us to abide by the highest standards of business practices. Moreover, we continuously emphasise on the prominence of ethical business conduct, growth-oriented corporate policies, performance-driven workplace culture and broad oversight.

Our ESG Performance Snapshot



Environment

103 Million Units
of renewable electricity generated



Social

98%
of our permanent employees attended training

663
skill-upgradation programs conducted



Governance

ISO 9001:2015
(Quality Management System)

ISO 14001:2015
(Environmental Management System)

ISO 45001:2018
(Occupational Health & Safety Management System)

ISO 37001:2016
(Anti-Bribery Management System)

Our Focus on Environmental Stewardship

Environmental sustainability is our topmost priority. Therefore, we undertake concerted efforts to ensure that our operations have minimum impact on our surrounding and adopt environment-friendly practices. Our commitment to environment protection is reflected in the sustainable operations undertaken in our business segments. By adopting focused strategies, we aim to promote sustainable growth supported by thoughtful business operations as well as environment-centric initiatives.

KPTL recognizes the risks associated with climate change and understands the need to stabilize atmospheric greenhouse gas levels and limit the growing impact of global warming. We place a high emphasis on environmental protection. We acknowledge the positive impact that our operations can make in protecting and enriching the environment by preserving natural resources like water, air, fossil fuels and raw materials. We strongly believe that this is not only important from the economic perspective but is necessary for creating long-term value.

Our environmental strategy is driven by 3R approach - REDUCE, REUSE & RECYCLE, which helps us to drive optimal resource efficiency. The Company has a focused strategy for continual reduction of natural resource usage, recycling waste and ensuring sustainability across the value chain. We have established ETP and STP plants for treating diluted acid and sewage water,

respectively. Furthermore, we have set up a method to segregate zinc from hazardous waste. The Metal scrap from the manufacturing plants are sold to authorized vendors for recycling. We comply with all applicable regulatory requirements pertaining to waste disposal, as prescribed by the regulatory agencies.

Building environment-centric businesses

Across our Power Transmission Line business, we adhere to a well-defined site specific Environmental and Social Management Plan with the purpose of minimizing and mitigating the adverse effects of construction activities. Additionally, we constantly monitor relevant environmental parameters such as air emissions, water and soil quality, waste management and biodiversity, amongst others to assess our operational impacts. The waste generated at our sites is disposed in accordance with the approved environmental plan for the project.

Our Oil & Gas segment ensures a sustainable approach for all

the projects. The pipeline route selection takes into consideration both environment as well as social aspects before proceeding with the operations. In addition to this, relevant equipment and techniques are adopted to minimize dust and noise pollution during the construction phase. Moreover, the potential environmental risks related to project execution are identified and assessed through the Environment Impact Assessment (EIA) studies, which are undertaken prior to the commencement of onsite activities.

The Railway Infrastructure vertical aims at implementing environmentally responsible operations to achieve sustainable development. Railway electrification has an instrumental role in promoting decarbonization. When compared, electric trains generally perform better than its diesel equivalents, while contributing towards the reduction of air and noise pollution. During FY 2020-21, we executed electrification work for over 1,200 Route KM, which has been instrumental for the Indian Railways in mitigating the use of fossil fuel.



ESG in Action

Renewable Energy Power Generation using Biomass as Fuel in the State of Rajasthan

Our Approach:

As our first step towards embracing Renewable Energy Generation, we initiated the installation of two Biomass based power plants in the Padampur and Uniara regions of Rajasthan. Prior to this environment-centric effort, the electricity that was generated and supplied to the grid in the Padampur and Uniara regions was primarily based on the coal power plants. Following our Chairman's vision of diversifying the business in the renewable segment in Rajasthan, we commenced the Biomass plant projects. Our initiative also aimed at aligning the State Government's policy of promoting power generation through renewable resources.

The Biomass Power Plants are registered as Clean Development Mechanism (CDM) projects under the United Nations Framework Convention on Climate Change (UNFCCC). Additionally, the plants have been accredited with the Gold Standard Certification, which is one of the premium quality standards for carbon emission reduction projects.



Capacity:
7.8 MW

Biomass Power Plant, Padampur (Rajasthan)



Capacity:
8.0 MW

Biomass Power Plant, Uniara (Rajasthan)

Key Outcomes & Benefits:

The Biomass based Power Plants helped us to save 103.1 million units of power generated through conventional sources such as coal. Also, under the Clean Development Mechanism, carbon emissions reduction from the Padampur plant was 3,39,756 tCO₂e from 2003 to 2013 and that of Uniara plant was 4,66,695 tCO₂e from 2006 to 2019.

With these efforts, we endeavour to achieve environmental sustainability in and across our organisation. We are continuously striving to develop and implement ways to minimise our impact on the environment. We further aim to align our environment protection goals with our business objectives to create enduring value for our organisation as well as the surrounding ecology.

Our Role in Society

We recognise our human capital as our most valued asset. It is their uninterrupted commitment and dedication that is paving the path for our progress. Therefore, we continuously look for ways through which we can ensure that we provide our employees with a work environment that supports them, motivates them and contributes towards their holistic development. To achieve this, we have designed and implemented multiple learning and development activities that can elevate their professional and interpersonal competencies. We do this to keep our human capital aligned with the rapidly changing industry dynamics, which in turn accelerates their productivity levels. We develop a yearly training calendar, which is categorised into monthly training plans and communicated to our employees to keep them informed of the necessary training sessions.

Learning and Development at KPTL

Apart from this, we regularly conduct webinars and share knowledge-rich articles to ensure a culture of continuous learning among our employees. Also, we conduct mandatory training sessions on important subjects, such as Prevention of Sexual Harassment (POSH), Human Rights, to promote an ethical work environment. Despite the disruptions caused by the COVID-19 pandemic, we continued to provide necessary training through virtual sessions. This online

platform enables us to conduct various training programs for our employees. During 2020-21, we conducted 663 programs in various fields, for skill upgradation, spanning over 2.50 man-days with a footfall of 20,327 participants.

Occupational Health & Safety

At KPTL, employee health and well-being are the indispensable facets of our human resource management. Therefore, we organise regular medical check-ups for all our workmen to ensure that they are fit, and their health is not compromised. We place a high priority on health, safety and wellbeing of our colleagues and the communities we serve. Furthermore, we have established an Environment, Occupational Health & Safety Policy (EOHS) that sets the framework for the protection of environment, occupational health and prevention of injury for all our employees and associates. We have provided adequate Personal Protective Equipment (PPE) to all our blue-collar employees to ensure their safety. We remain determined in our commitment to achieving Zero Harm.

In alignment with our high safety practices, we have setup a safety park for our employees and workers. It is conceptually designed to provide a safe work culture and its global approach towards occupational, health and safety enhances the knowledge of aspirants, which could then be implemented across our day-to-day activities.

Our focus on COVID-19

During the pandemic, we geared up our efforts to ascertain the well-being of all our employees by implementing safety norms such as social distancing and sanitisation across our organisation. In addition to this, we made necessary arrangements for our workmen, which included provision of healthcare equipment, free food, and transportation facilities during the reverse migration and return-to-work period. We also conducted awareness sessions for our employees on the importance of sanitation. Furthermore, we organised yoga and meditation facilities to ensure the physical and mental well-being of our human capital during these testing times. Apart from this, the medical expenses of the employees infected with the COVID-19 disease were taken care by the organisation. Also, we have organised vaccination drives, which ensures that all our workmen are vaccinated and protected from the infectious disease.

To assess the satisfaction parameter of our workforce, we conduct employee engagement surveys every year to understand their viewpoint and record the feedback, which further helps us in identifying the areas of improvement. During FY 2020-21, we conducted two employee engagement surveys and have captured their feedback. We intend to develop relevant action plans to address the same.

One of the key aspects of sustainable development is an empowered society. We believe that it is our crucial responsibility to develop and uplift the communities that surround us. Therefore, year after year, we implement meaningful initiatives that are directed towards the improvement and empowerment of society. We also have a well-established CSR Policy that sets the guiding principles to attain sustainable development of the society around the area of operations of the Company. Our efforts extend in the areas of healthcare, education, community development, and combatting the COVID-19 pandemic, amongst others.

ESG in Action

Kalpa-Arogya Seva Kendras (KSAK) under Project KARE

About KSAK:

Kalpa-Arogya Seva Kendras (KSAK) are state-of-the-art medical dispensaries that provide a range of diagnostic and treatment services to economically distressed people on a regular basis. These centres are backed by advanced medical technologies and modern facilities that are instrumental in the diagnosis and treatment of the patients.

Our Approach:

The health & well-being program was thoughtfully designed to provide primary and basic healthcare services to people in need. One of our manufacturing plants is situated in Gandhinagar, Gujarat. Back in 2009, we observed that the Gandhinagar district and its nearby villages were deprived of a medical centre that can provide with the best medical attention to the vulnerable communities free of cost

or at a nominal charge. To address this situation, we established Kalpa-Arogya Seva Kendras (KSAK) – Phase 1 near our plant for providing a range of diagnostic and treatment services.

Following this concept, we launched Phase 2 in Mumbai, Maharashtra in the year 2018 and Phase 3 in Raipur, Chhattisgarh in the year 2021.



Outcomes & Benefits:

People in and around the location of these centres have been immensely benefitted with the advanced medical services offered free of cost or at subsidised rates. At KSAK Gandhinagar, nearly 140 patients visit the dispensary daily, to avail the medical facilities. As of 2020-21, over 3,13,000 beneficiaries have availed the services of this medical dispensary.

At KSAK Mumbai, nearly 13,000 beneficiaries have availed the benefit of the camps and were provided preventive as well as consultative treatment at subsidised rates.



Our Robust Corporate Governance

We place a great emphasis on ensuring a strong corporate governance structure at KPTL. We believe that it is critical for us to integrate sound governance in our business model by adhering to set guidelines for ensuring resilience, continuity and reliability. We endeavour to build long-term trust amongst our stakeholders, which enables us to emerge as a reliable partner to them. Therefore, we regularly focus on strengthening our

governance structure and executing mindful practices that go beyond the legal requirements.

Risk Management

The macro-environment that surrounds us is complex and dynamic in nature, which requires us to remain alert, updated and monitor the uncertainties in order to respond to the probable challenges. Therefore, we have a

well-established risk management committee that identifies and assesses the risks in the areas concerning business, environment and legal, and develops tactful strategies to address them. In the wake of the COVID-19 situation, the risk management committee diligently worked towards mitigating the impact of the pandemic-led crisis and ensuring business continuity by taking immediate actions to combat the disruptions caused by it.

Corporate Policies & Guidelines

The corporate policies form an important bedrock of our long-term success and business sustainability. Our policies have been meticulously developed and designed to create maximum value for our stakeholders by ensuring that our operations remain compliant and transparent in every aspect.

Our Whistle-blower Policy allows our stakeholders to raise red flags regarding any improvements, unacceptable practice and any event of misconduct in the Company. The grievance can be raised through the medium of an official letter to the Chief Ethics Officer or a complaint letter addressed to the Chairman of the Audit Committee. Furthermore, the complaint can also be raised by sending an e-mail to our dedicated grievance communication facility.

We have an established Anti-Bribery Management System (ABMS) Committee for implementing the anti-bribery framework. The role of the Committee is to ensure a controlled environment in the organisation with the purpose of instilling the culture of ethical conduct. To further highlight, our Company has been certified with ISO 37001:2016, which specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system.

Our Code of Conduct Policy outlines the importance of ethical behaviour within the organisation to strengthen the workplace environment. The policy also incorporates guidelines in the areas of Confidentiality and Discretion, Insider Trading, and Sexual Harassment.

Stakeholder Engagement

We recognise the importance of building and retaining long-term relationships with our stakeholders by implementing a channel of regular interactions with them. This periodic communication helps us in understanding their feedback and expectations thereby allowing us to identify areas for improvement. Through this, we intend to empower our stakeholders to communicate the challenges that could be critical for business resilience.

Stakeholders	Initiatives
Investors and Shareholders	<ul style="list-style-type: none"> Quarterly Investor Meets, Investor Conferences, Investor Presentations, Press Releases and Annual Reports Communication of financial results via prominent newspapers Information pertaining to Dividends, Notices and AGM communicated via e-mail
Employees	<ul style="list-style-type: none"> Employee Engagement Surveys Employee-centric newsletters, notices and policies Training and Development initiatives Annual Get-Togethers, Family Engagement Programs, Town Hall Meetings
Customers	<ul style="list-style-type: none"> Client Meetings Periodic Project Review Meetings Performance Reports
Government and Regulatory Authorities	<ul style="list-style-type: none"> Industry Associations presentations Forums Statutory Filings & Disclosures
Society	<ul style="list-style-type: none"> Visits and Camps Corporate Social Activities
Bankers and Lenders	<ul style="list-style-type: none"> Regular Review Meetings and Discussions Pre-defined Reports
Suppliers	<ul style="list-style-type: none"> Site visits and inspection Supplier's visits Regular interactions
Contractors	<ul style="list-style-type: none"> Review Meetings Training workshops for contract employees

Way Forward

As we move ahead, our objective is to emerge as an organisation that contributes towards a sustainable future for the environment and society. We aim to do this by adopting best practices and adhering to the highest standards of governance. Through our sustainable development efforts, our motive is to work towards the critical areas of environment, nurture long-lasting relationships with our communities, develop and empower our workforce, and ensure ethical conduct. In addition to this, we place prominent emphasis on client satisfaction. In this regard, we continue to provide quality services to our clients that comply with the agreed contractual requirements. Going forward, our endeavour is to emerge as a responsible organisation that empowers all its stakeholders and navigates them towards a sustainable future.

Awards and Recognition

KPTL wins **Bronze Trophy** for its Gandhinagar manufacturing plant and 765 KV D/C Vindhyachal – Varanasi Transmission Line project at the NSC India Award by the National Safety Council set up by the Ministry of Labour, Govt. of India



KPTL wins **Platinum Award** at the 45th International Convention on Quality concepts at Dhaka, Bangladesh by Bangladesh Society Of Total Quality Management



KPTL's Raipur manufacturing plant was awarded the **"Greentech Safety Excellence Award, 2020"** from Greentech Foundation



KPTL was bestowed with **Merit Certificate** by National Safety Council of India for best EHS Practices during execution of 765 KV DC Bikaner – Khetri Transmission Line Project



KPTL received special recognition on attaining **"The Expert Panel Evaluation Milestone"** at the BML Munjal Award – 2020.



KPTL's 13 Artisans and Supervisors from **Railways business received Awards & Certificates** at 12th Edition of **CIDC Vishwakarma Awards**



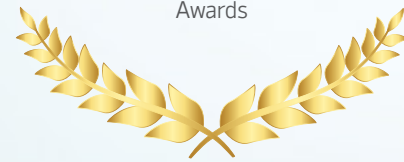
KPTL wins **Gold Trophy & National Award** for HR Best Practices and received Certificate of Merit from National Institute of Personnel Management (NIPM)



KPTL's Raipur Manufacturing Unit was conferred with **"Gold Award"** by Grow Care India for exemplary performance in Safety, Operations and Environment Protection



KPTL received the Certificate of Appreciation for being selected as **"Electrical Solution Provider of the Year"** in the Corporate (Rail Business) category at Rail Infra and Mobility Business Digital Awards



The World HRD Congress has recognized KPTL under the category Best Leadership Development Program along with the **Talent Development and Review Council (TDRC)**



Power Grid Corporation of India Limited granted certificate of Appreciation to KPTL for 765 kV Ajmer – Bikaner Transmission line Project in recognition of significant achievement of **"Zero Accident"** without any Loss time accident and maintaining improved EHS Standards



Bharat Petroleum Corporation Limited granted certificate of Appreciation to KPTL in appreciation of achievement of 12 million LTA Free man hours



KPTL's Raipur Plant was conferred with Runners Up position for excellence in **Safety, Health & environment (SHE)** practices at the CII Chhattisgarh SHE Awards 2020-21



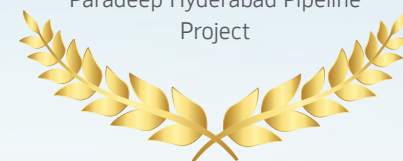
KPTL's Raipur manufacturing plant was also conferred with **Silver Medallion** at IMEXI (Integrated Manufacturing Excellence initiatives) Prize Ceremony organized by Kaizen Hansei



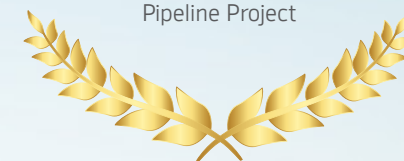
KPTL was recognized by **Confederation of Indian Industries (CII)** - South Region for its 765 kV D/C Virudhunagar – Coimbatore Transmission Line Project as 3 Star rated project in appreciation of its EHS practices



Indian Oil Corporation Limited granted Certificate of Appreciation for winning first position in exhibiting best safety performances while executing construction and laying of Paradeep Hyderabad Pipeline Project



GAIL (India) Limited granted Certificate of Appreciation to your Company on achieving 1 million safe man hours without LTI during the execution of Dabhi Durgapur Pipeline Project



Leadership Team

Mr. Mofatraj P. Munot
Executive Chairman

Mr. Parag M. Munot
Promoter Director

Mr. Manish Mohnot
Managing Director & CEO

Mr. Sanjay Dalmia
Executive Director

Mr. Amit Uplenchwar
Director (Strategy & Subsidiaries Operations)

Mr. Kamal Kishore Jain
Director (Plant Operations)

Mr. Ram Patodia
President & CFO

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

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

Mr. Rakesh Gaur
President (Railways)

Mr. M A Baraiya
President (HR & Admin)

Mr. Ramesh Bhootra
President (International Business)

Mr. Hitendra Pooniwala
President (International Business)

Mr. G L Gupta
President (Procurement & SCM)

Mr. Uday Pawar
Assistant Vice President (Assurance, Risk & Audit)

Management Discussion and Analysis



Global Economy

The Covid-19 pandemic is a global shock 'like no other', involving simultaneous disruptions to both supply and demand in an interconnected world economy. Significant reductions in income, rising unemployment, disruptions in the transportation, service, and manufacturing industries have been rampant in the wake of the pandemic. The shock of the COVID pandemic has prompted governments to raise their investments to unprecedented levels, with over USD 10 trillion being allocated globally.¹

The economic damage is already evident and represents the largest economic repercussion the world has experienced in decades. Global growth has declined by 3.3% in 2020, the deepest global recession in decades, despite the extraordinary efforts of governments to counter the downturn with fiscal and monetary policy support.²

Outlook:

Activity in many sectors has picked up and partially adapted to pandemic

GLOBAL GDP GROWTH (%)



Source: World Economic Outlook, IMF, April 2021

restrictions. Vaccine rollout, although uneven, is gaining momentum and government stimulus is likely to provide a major boost to economic activity. But prospects for sustainable growth vary widely between countries and sectors. Faster and more effective vaccination

deployment across the world is critical. Global growth is projected at 6% in 2021, moderating to 4.4% in 2022. Growth in emerging market and developing economies (EMDEs) is envisioned to firm to 6.7% in 2021.³

¹Global Economic Outlook- KPMG

²World Economic Outlook Report, October 2020

³World Economic Outlook Report, April 2021

Indian Economy

The Indian macro-economic environment has become increasingly challenging after the pandemic. The impact of the pandemic and lockdown was disproportionately felt across industries. While industries such as hospitality and manufacturing were impacted immediately, the impact on the financial sector was felt gradually, as is evident from the quarterly GDP numbers. The Indian economy contracted by 7.3% in FY20-21 on account of the massive disruptions caused by the pandemic and the subsequent lockdown in Q1FY21. The GDP plunged a record -23.9% in Q1FY21 due to restricted mobility and social distancing measures that impacted almost all sectors of the economy.⁴

As the lockdown continued to be lifted in phases, the pace of rebound has been equally lopsided. Pent-up and festive demand, and the revival of several infrastructure projects by the government helped the manufacturing and construction sectors to bounce back. The same was reflected in subsequent quarters and GDP crossed into positive territory in Q3Y21 and Q4FY21. The optimism sustained further with the vaccination drives launched at the beginning of Q4FY21. The monetary policy support by the central bank, to infuse liquidity and increased government expenditure to drive demand kept the economy buoyant amidst the crisis.

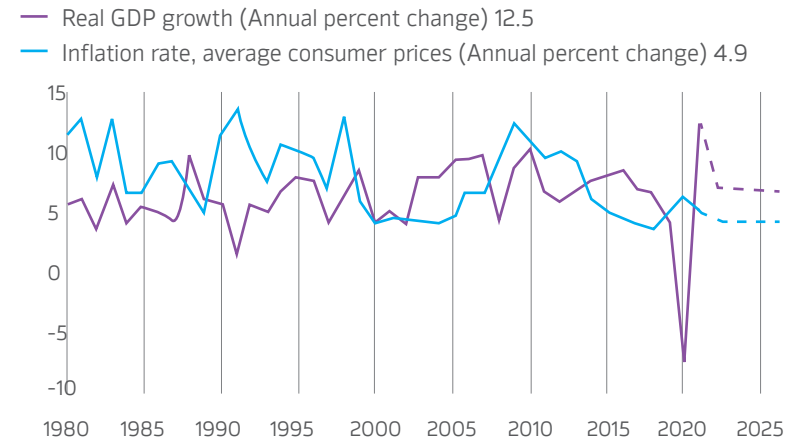
Outlook:

As India continues to grapple with the pandemic, recent high-frequency data suggests India may have turned towards the road to recovery. The GDP is projected to register a strong recovery of 9.3% in FY22, the highest among emerging and advanced economies, due to normalisation of economic activity.⁵

Nevertheless, the path to recovery may have a few challenges. The recovery momentum is prone to risks, depending on the availability of Covid-19 vaccines and the emergence of subsequent waves of the Coronavirus infection. High

inflation, job losses, poor wage growth, and low asset values may impact the consumer's purchasing power, especially among the low- and middle-income class.

Real GDP Growth Rate and Inflation Rate (%)



Source: World Economic Outlook, April 2021

Power Transmission and Distribution Industry

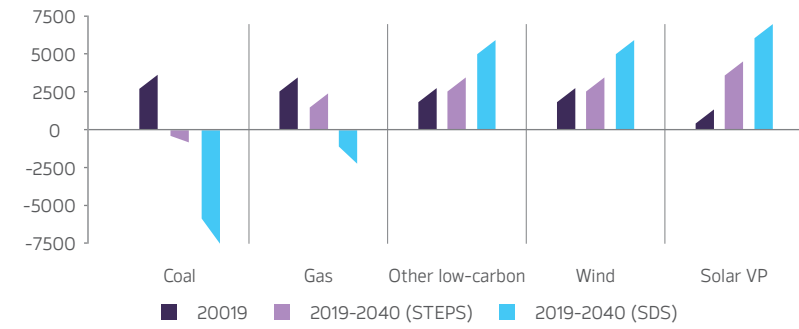
The global electricity industry continues to witness a transformational shift, with an increasing demand for electricity, driven by rapid growth in population and urbanisation and incremental use of renewable energy. These changes create significant opportunity for electricity generation as energy demand is expected to increase exponentially.

Global electricity demand fell by around 1% in 2020, predominantly in the first half of the year, as lockdowns restricted commercial and industrial activity. However, as the world economy recovers in 2021, electricity demand is forecast to grow by around 4.5%. With a projected GDP growth of 9% in China and 9.3% in India, in 2021, electricity demand is expected to grow by around 8% in both countries, in comparison to 2020.^{1,6,7}

Electricity demand growth in India is anticipated to outpace other regions till 2030, after which growth will be most pronounced in Southeast Asia and Africa. Electricity demand growth globally is likely to be way more than all other fuels.

The renewables segment is expected to contribute 80% of the growth in global electricity demand through 2030, as supportive policies and maturing technologies are enabling access to cheap capital in leading markets. Among renewables, solar is expected to attract significant investments as solar photovoltaics (PVs) become economical and enable low-cost electricity generation, compared to coal or gas-based plants in most countries. While solar would be the growth driver post 2022, followed by onshore and offshore wind, hydropower is likely remain the largest renewable source of electricity.⁸

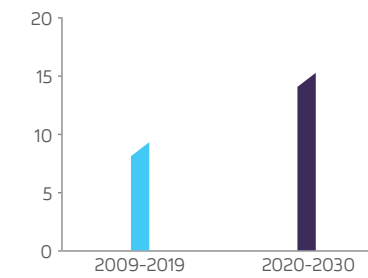
Change in Global Electricity Generation by Source, 2000-2040 (TWh)



Source: IEA, World Energy Outlook 2020

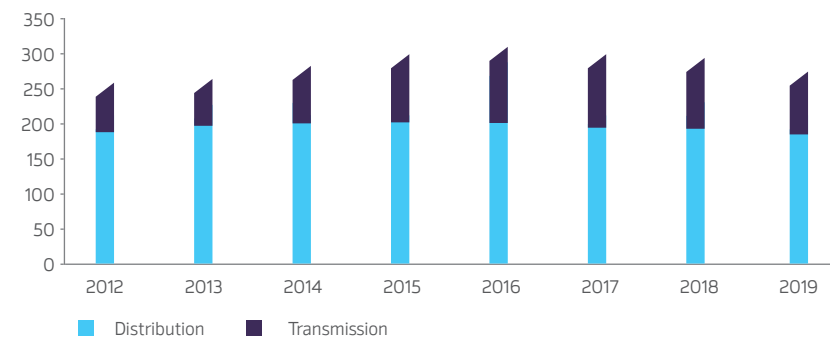
Grid investment is expected to reach USD 460 billion in 2030, two-thirds more than 2019 levels, which will create an additional 2 million km of transmission and 14 million km of distribution lines.⁹ The projected decadal network expansion plan, in new transmission and distribution (T&D) lines worldwide, is estimated to be 80% greater than that of previous decade. The aspirational growth in demand is due to high likelihood of grids becoming modernized, expanded and digitalized.

Global Electricity Network Expansion, 2009-2030 (Million Km)

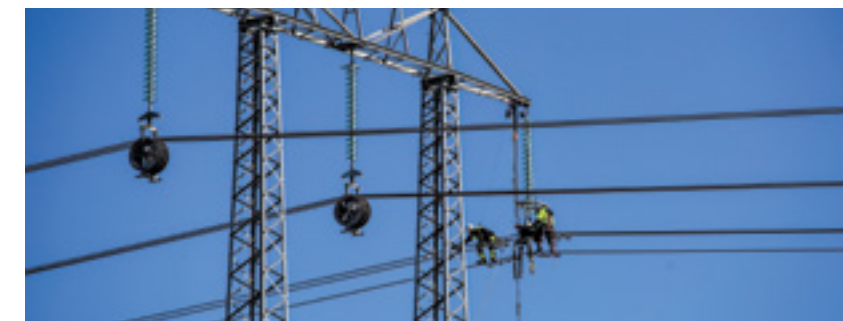


Source: IEA, World Energy Outlook 2020

Investment in Electricity Networks, 2012-2030 (USD Bn)



Source: IEA World Energy Outlook



⁹ World Energy Outlook 2020

¹⁰ IEA Electricity Market Report 2020



Regional focus

Africa

The African electricity sector is characterised by its expansive geography, limited inter-connectivity and trade, and the prevailing system adequacy issues. According to World Bank Doing Business 2020 survey results, indicate 42% Africans experienced, on average, at least 24 hours of outages over the period May 2018–May 2019, while 79% experienced at least 2 hours of outages. The estimations are stark when compared with only 5% of European countries, having customers experiencing at least 24 hours of outages and 13% in Asia.¹⁰

With approximately 600 million people in Africa devoid of access to electricity, the current momentum behind policy and investment plans is unlikely to meet the energy demand of Africa's population in full.

Policy makers are expected to address the persistent lack of access to electricity and the unreliability of electricity supply impeding the continent's development.

⁴ The Economic Times dated 1 June 2021

⁵ <https://pib.gov.in>.

⁶ World Economic Outlook, October 2020: A Long and Difficult Ascent

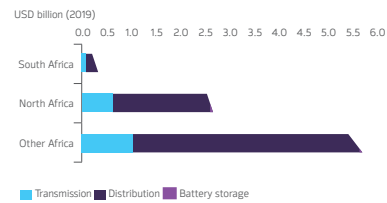
⁷ IEA: Electricity Market Report, December 2020

⁸ World Energy Outlook 2020

Electricity demand in Africa is 700 terawatt-hours (TWh), with the North African economies and South Africa accounting for over 70% of the total. Nevertheless, the other sub-Saharan Africa countries are expected to witness the fastest growth to 2040, which is likely to provide lucrative opportunities.¹¹

Electricity demand is expected to more than double to over 1600 TWh in 2040, and reach 2300 TWh in Africa, with most of the additional demand stemming from productive uses and emerging middle and higher-income households.

Investment in networks and battery storage in Africa, 2020 (USD Billion)



Source: IEA

Africa needs to significantly scale up electricity sector investment in generation and grids, which currently ranks among the lowest in the world. Despite being home to 17% of the world's population, Africa currently accounts for just 4% of global power supply investment. While achieving reliable electricity supply for all would require a fourfold increase in investments, approximately USD 120 billion a year through 2040, the mobilisation of investment at such scales are fraught with risks. The ecosystem will require a strong policy and regulatory environment to improve the financial and operational efficiency of utilities and effective use of public funds to catalyse private capital. It is imperative to nurture the continent's financial sector, which is critical for ensuring a sustained flow of long-term finance to energy projects.¹¹

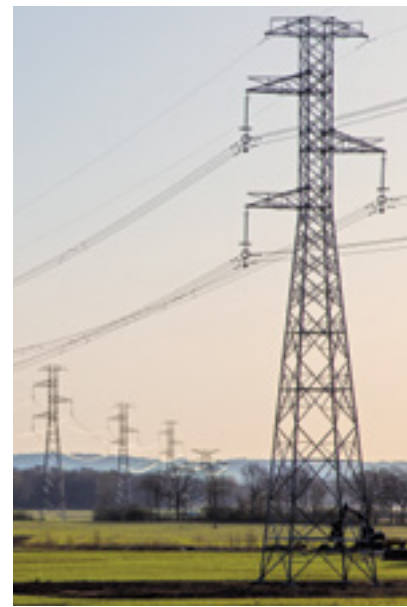
¹¹ IEA : Africa Energy Outlook 2019
¹² Eurelectric Report

Europe

Over the past five years, the European Union (EU) has made significant progress in developing the domestic market for electricity through proactive measures. The EU promoted energy efficiency action through renewable energy deployment, greenhouse gas (GHG) emissions reduction and a strong carbon price signal. In 2019, the EU proposed the European Green Deal (EGD), which is a set of 50 actions for the next five years covering all sectors, to prepare the EU economy for climate neutrality by 2050.

Power obtained by renewable sources dominated the European power mix in 2020. About 42% of the total electricity generation in 2020 is expected to have been generated from renewable sources. On the contrary, coal and nuclear based power generation plummeted to their lowest levels during this period, corresponding to the target set by the European Commission to reduce carbon emissions by 55% by 2030.¹²

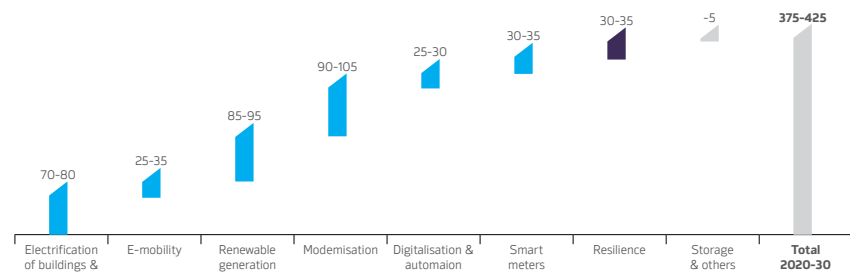
The European Union (EU) is in the process of transforming its economy to minimise greenhouse gas (GHG) emissions and electricity is expected to play a key role in this low-carbon revolution. Factors such as increasing demand for electricity derived from clean sources of energy and an increasing proportion of renewable sources in the production mix, are expected to reduce GHG emissions



from electricity generation. Moreover, the share of electricity in total energy use is expected to increase, especially in the transport sector (electrically chargeable vehicles) and in heating and cooling requirements. The extensive electrification demand, coupled with low-carbon electricity production, is expected to drive the power market in Europe.

Europe needs to invest between USD 456 billion to USD 516 billion in distribution grids between 2020 and 2030 to cope with the increasing volumes of variable renewable energy, upgrading the existing infrastructure and green hydrogen production, besides catering to the expected demand in heating and transport.¹²

Investment in Grids (Euro Billion)



Source: DSOs and national associations; Monitor Deloitte

Southeast Asia

The electricity demand in the region has been growing at 6% annually over the past two decades, driven by increasing use of various household appliances and electronic equipment along with massive power consumption from industrial activities. However, the Covid-19 pandemic reduced electricity demand in the ASEAN countries and it is anticipated to have fallen by 1% in 2020¹³.

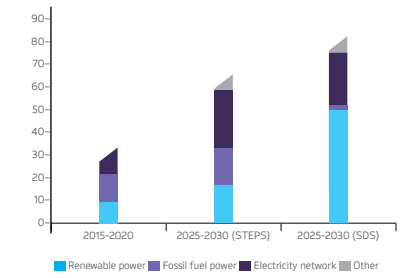
Coal-fired electricity generation is common in Southeast Asia with countries such as Indonesia, Vietnam and the Philippines relying heavily on thermal power stations. The ASEAN community's target of integrating

23% renewable energy by 2025 is emblematic of the intent to expand renewable sources of power generation. Established in the ASEAN Plan of Action for Energy Co-operation, the target has been implemented in the national plans of ASEAN member states. The commitment substantiates the necessity for increasing investments in the renewable energy capacity and electricity networks, to facilitate the flexibility needed to integrate renewables. The ASEAN Power Grid aims to adopt a fully integrated power grid system in Southeast Asia.

Significant investments in the power generation capacity are a requisite for desired transformation in Southeast Asia. Under the IEA Stated Policies

Scenario, cumulative investment between 2025 and 2030 is estimated at USD 350 billion and it can increase to USD 490 billion in the Sustainable Development Scenario¹⁴

Investment Projections (USD Billion)



Source: IEA

Latin America

The Latin America region witnessed a significant decline in electricity demand due to the economic recession in the global economy in 2020, with Brazil, Mexico and Argentina experiencing the greatest dip in the region. The coal-based power generation was severely hit as power generation inclined towards renewable sources including hydropower and solar energy, in 2020.

Rising population and lack of access to electricity are the key demand drivers for energy in the region. Currently, 4.8%

of people in Latin America lack access to electricity¹⁵. According to Economic Commission for Latin America and the Caribbean, the population is estimated to rise from 625 million in 2016 to 680 million in 2025 reaching up to 779 million in 2030. Consequently, the power generation in the region is expected to double by 2030, which will require more than USD 700 billion in investments to enhance the grid infrastructure.

Recent developments include Brazil's energy agency Empresa de Pesquisa Energética (EPE) approving the Plano

Decenal de Expansão de Energia 2026 or Decennial Energy Expansion Plan 2026 (PDE 2026). The plan includes an investment of USD 0.36 trillion for expanding the energy infrastructure by 2026, with one fourth investment flowing into the energy generation and transmission segments. The total investment for the power transmission segment is likely to reach USD 30.9 billion till 2026, including USD 20.2 billion expected to be invested in transmission lines and USD 10.6 Billion in substations that include border facilities.¹⁶

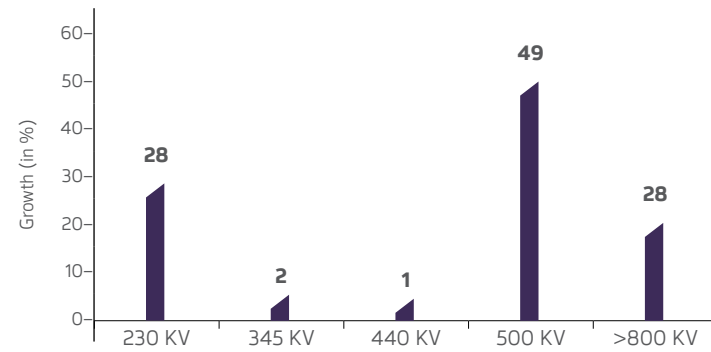


¹³ IEA: Global Electricity Market Report 2020; Regional Focus: Southeast Asia
¹⁴ IEA World Energy Outlook 2020
¹⁵ Eninrac Research Report
¹⁶ Eninrac Research Report, Latin America Power Landscape

Brazilian government is likely to add 54 GW of power generation capacity during 2018–26 to cater to the expected demand, with renewable energy sources contributing 72% of the electricity demand and thermal sources making up the rest. Additionally, Brazil's wind energy capacity is likely to increase by 29 % in the same period.

Consequently overall 60,004 km of line length is expected to be added to Brazil's network between 2018-26, along with more than 188 GVA of substation capacity. Of the total line length capacity, 20 per cent is likely to be based on direct current (DC) technology at the ±800 kV level and the rest on alternating current (AC) technology.

Growth in Voltage Wise Transmission Line Length (%) during 2018-2026 in Brazil



Source: Eninrac Research

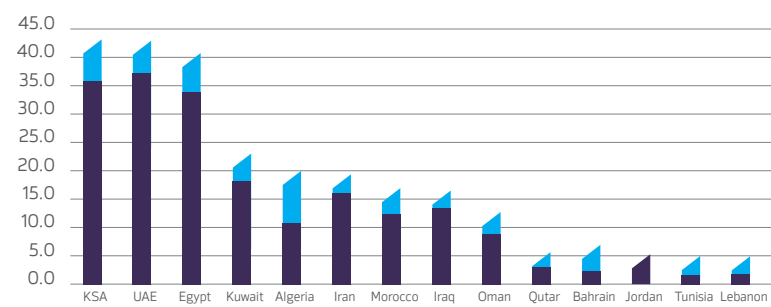
MENA

The power sector in the Middle East and North Africa (MENA) region is a major driver of business and investment opportunities, with about USD 30 billion of capital spending per year. The Covid-19 crisis led to a significant fall in the value of power project contract awards to USD 5.9 billion in the first half of 2020. The power sector activity in the region resumed pace in the second half of the year, especially in the renewable sector.

Over the past three years, sustainability and energy efficiency have been the primary focus areas in the region. With strong prospects of recovery in 2021, the outlook for the power sector in the MENA region is promising.

Planned investments in power transmission and distribution, to strengthen the grid, is expected to increase in several countries of the region. The factors spurring the investment are increased penetration of renewables and the recent push to increase regional interconnection.

MENA Electricity Investments, 2020-24 (USD Billion)



Source: APICORP

India

India is one of the fastest growing economies in the world and is considered important for the future of global electricity markets. Indian economy has made significant progress in the successful implementation of a wide range of electricity market reforms and deployment of renewable sources of energy. The country is making energy security a priority and continues to attract investments in thermal and renewable capacity.¹⁸

The power sector in India is highly diversified, consisting of conventional sources of power ranging from coal, lignite, natural gas, shale, hydro and nuclear power to non-conventional sources such as wind, solar and agricultural waste. As of October 2020, India was the world's third largest producer and second largest consumer of electricity with an installed capacity of 3,75,323 MW. The power mix consists of 2,31,591 MW of thermal, 45,798 MW of hydro, 6,780 MW of nuclear and 91,154 MW of renewables among others.¹⁹

¹⁷ Middle East and North Africa (MENA) Power Sector Outlook 2020: MEED Insights
¹⁸ India 2020 energy policy review
¹⁹ Ministry of Power, India

The electricity demand in India declined drastically due to the Covid-19 pandemic. While power demand from hospitals, essential services and the residential sector witnessed an uptick, demand from the industrial and commercial sectors fell significantly. The demand for power gained momentum with the resumption in economic activities during the second half of 2020 and is expected to reach pre-Covid levels by 2021. India's power sector is expected to be larger than that of the EU by 2040 to become the world's third largest in terms of electricity generation, resting on the favourable policies being deployed for the sector.²⁰

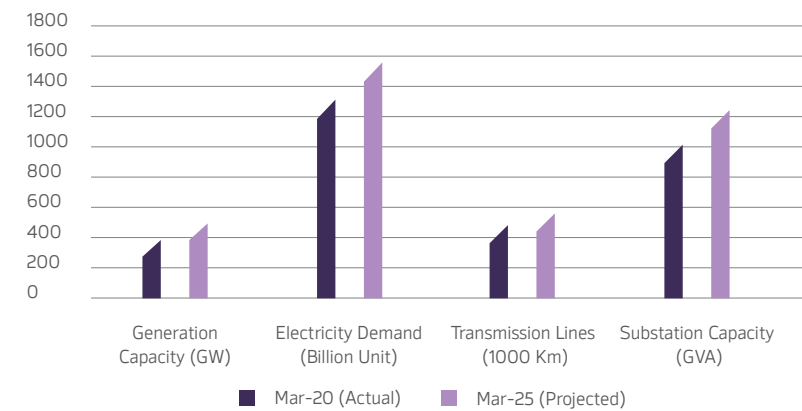
The economy holds potential for significant investments in the power sector, propelled by strong tailwinds from population growth and electrification potential across the country. A comprehensive network of transmission lines has been established over the years to evacuate power from generating stations with a Central Transmission

Utility being incorporated in FY20-21 to ensure seamless transmission of power. However, the power losses in the transmission and add space before the bracket sector continue to be a drag, despite the gradual decrease in losses since FY01-02.

Outlook

India's power market is witnessing a major transition that has redefined the future of the industry. Electricity demand in India continues to be powered by sustained economic growth. The Government of India aims to achieve 175 GW of renewable energy capacity, consisting of 100 GW solar power, 60 GW wind energy, 10 GW bio-power and 5 GW hydro power by the year 2022. Besides, Investment Information and Credit Rating Agency (ICRA) has forecasted an investment of ₹ 1.8 trillion in the power transmission segment over a period of five years from FY20-21 to FY24-25, indicating an optimistic outlook for the sector.²¹

Projected Generation Capacity, Demand and Transmission Capacity by March 2025



Source : ICRA Research



²⁰ IEA India Energy Outlook 2021
²¹ IBEF

Construction and Infrastructure Industry

The civil construction and infrastructure industry plays a pivotal role for the growth of the Indian economy. Over the past few years, the Indian Government has provided much-needed impetus to infrastructure development. Moreover, the focus on urban development and transport infrastructure will make the sector more competitive and improve the quality of living in urban areas.

The effect of Covid-19 on Indian infrastructure and the construction sector has been severe. The restrictions imposed by the government to contain the spread of the virus impacted supply chains, plant, equipment and manpower, resulting in increased risks and expenditures, project delays and disruptions. While 2020 posed several challenges that affected the construction activities and led to reverse migration of labour, the overall market for the infrastructure sector remained strong.

The Government of India launched the National Infrastructure Pipeline (NIP) in FY2020 with an initial planned expenditure of USD 1.4 trillion on various infrastructure projects through 2019-2025 to become a USD 5 trillion economy by 2024-25. The NIP aims to create job opportunities, improve living standards and offer equitable access to infrastructure for all, thus ensuring inclusive development of economic and social infrastructure projects. The coverage of NIP was expanded from 6,835 projects to 7,400 projects in FY21-22 and completion of 217 projects worth ₹1.10 lakh crore was presented in the Budget FY22.²¹

The government is actively promoting sustainable development in urban areas through schemes such as Smart Cities Mission and Housing for All. The Affordable Rental Housing Complex (ARHC) scheme, launched under Pradhan Mantri Awas Yojana, aims to provide migrant workers and the urban

poor with affordable rental accommodation to enhance their standard of living. The scheme is an important step towards realising the vision of 'Aatmanirbhar Bharat' as it serves to advance the objective of 'Housing for All'. A sizeable proportion of metro rail projects and highway construction projects by the Government is likely to accelerate the infrastructure development of India.

While allocation for the infra space had moderated in Union Budget 2021, outlay for infrastructure witnessed a significant uptick in Budget FY2022.

Union Budget Outlay for Key Segments of Infrastructure Industry (₹ Billion)

Particulars	FY20	FY21	FY22	FY22 (BE)
	Actual	Revised Estimates (RE)	Budget Estimates (BE)	growth over FY21 (RE) (%)
Railways	1,480	1,614	2,149	33
Roads	1,434	1,571	1,732	10
Water supply	182	170	600	253
Metro & MRTS	182	86	233	172
Affordable Housing	250	405	275	(32)
AMRUT	64	65	73	13
Smart City	32	34	65	90
Overall capex	3,623	3,944	5,126	30

Source: Budget 2022 Analysis

Some of the major highlights of Budget FY22 are:

- Funding boost for the National Infra Pipeline (NIP) by setting up a Development Financial Institution (DFI) with an initial corpus of ₹200 billion. The DFI aims to build a lending portfolio worth ₹5 trillion in three years.
- Debt financing of InVIT's by Foreign Portfolio Investors through amendments in legislation.
- Asset monetization of operating public infrastructure with an aim to finance new infrastructure along with a "National Monetization Pipeline" for potential brownfield infrastructure assets
- A revamped reforms-based, result-linked power distribution sector scheme with an outlay of ₹ 3.1 trillion over five years to provide assistance to Discoms for infrastructure creation.

Overall, the budget has led to optimism regarding the capex trajectory and will

lead to enormous opportunities for EPC and civil construction companies like KPTL.

Outlook

Enduring a significant economic shock in 2020, the construction industry is expected to witness a sharp rebound and grow by 11.6 % in 2021²² and is expected to become the third largest in the world by 2025. Having establishing a dedicated 'India Investment Grid' to attract investments, India is anticipated to invest over USD510 billion on infrastructure by 2030²³. The expansion of existing schemes such as National Infrastructure Pipeline and emphasis on Aatmanirbhar Bharat Abhiyan marks a promising future for the infrastructure industry in India.

Railways Industry

Indian rail network is the fourth largest in the world, after the United States, Russia and China. The rail network in India has a track length of 123,542 kilometres, spanning over 67,415 kilometres and nearly 7,300 stations. Around 13,000 passenger trains are

operated on the rail network, carrying over 23 million passengers daily²⁴. It is also the largest employer in India and the eighth largest in the world, employing over 1.4 million people²⁵.

Apart from being an energy-efficient and economical mode of transport, the railway network facilitates long-distance travel and transportation of bulk goods. With rapid urbanization, rising income and increased industrialization, passenger and freight traffic continue to grow at a fast pace.

The Government of India, through investor-friendly policies, has concentrated on investing in railway infrastructure. It has allowed Foreign Direct Investment (FDI) in railways and has encouraged the development of freight and high-speed train infrastructure.

Indian Railways (IR) capex received significant boost following the allocation of ₹ 2.1 trillion during the Budget, at 31% growth over FY20-21. The Indian Railways has planned to focus on developing new rail lines, doubling of tracks and electrification amongst others.

Indian Railways Investment Plans Under Key Heads (₹ Billion)

Key Heads	FY20 (Actual)	FY21 (RE)	FY22 (BE)	YoY Increase
New Lines (Construction)	127	150	170	13%
Gauge Conversion	41	34	22	-35%
Doubling	224	222	261	18%
Electrification	71	66	75	14%
Track Renewables	78	92	93	1%

Source : Press Reports, Edelweiss Research

Some of the initiatives undertaken to improve the railway infrastructure are:

Railway Electrification

Indian Railways aims to achieve net zero carbon emission through railway electrification, enhancing energy efficiency of locomotives and trains, green certification for stations and shifting towards renewable sources of energy. Electrification has been a priority to comply with the objective of transforming India into a green nation. As of November 2020, 66% of the track length has been electrified²⁶ and Indian Railways aims to achieve 100% electrification on the entire broad-gauge network by 2023.

The speed of electrification has increased significantly from 1,176 kilometres in FY14-15 to 4,378 kilometres in FY19-20. Despite the setback caused due to the Covid-19 pandemic, 1,682 route kilometres (RKMS) were electrified until November 2020²⁶. When completed, IR will accomplish a rare feat of becoming one of the world's major railway networks to entirely operate trains with indigenous power, without any reliance on imported fossil fuel. It is estimated to ensure savings on fuel/energy bill, amounting to around ₹14,500 crore per annum²⁶.

Station Redevelopment Program

Indian Railway Stations Development Corporation (IRSDC), a Special Purpose Vehicle, was incorporated in 2012 under the Ministry of Railways and Ircon International Limited (IRCON) with the objective of improving the facilities

of existing and new railway stations. Indian Railways has an ambitious plan of redeveloping 123 stations to convert them into Railopolis or 24x7 multi-modal hubs. The first phase of redevelopment covers 50 stations at an estimated cost of ₹ 50,000 crore²⁷.

Works on redevelopment of Habibganj station in Bhopal and Gandhinagar station in Gujarat are in progress. IR plans to transform these stations into world-class travel hubs that are similar to airports. The other stations which are being developed include, New Delhi, Surat, Chandigarh, Amritsar, Kanpur, Gwalior, Sabarmati besides others.

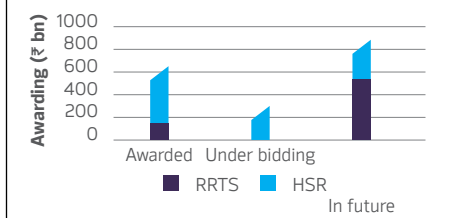
Semi Speed and High-Speed Rail

Railways - High Speed (HSR)/Semi-High Speed Rail (SHSR):

India is entering a new era of passenger rail transport through development of HSR and SHSR systems. Policy planners in India have proposed new rail-based alternatives for inter-city travel:

- **Regional Rapid Transport System (RRTS)**, connecting New Delhi with various cities in the National Capital Region (NCR).
- **High Speed Rail (HSR)** systems or 'Bullet Train' projects on various routes like Mumbai-Ahmadabad, Delhi-Varanasi, Mumbai-Nagpur, etc.
- **Semi-High Speed Rail (SHSR)** systems like Ahmadabad-Rajkot, Pune-Nashik, Thiruvananthapuram-Kasaragod, Haryana Orbital Rail Corridor, etc.

Status of project awarded for MAHSA and NCR-RRTS



Source: Government documents, Edelweiss Research

Projects such as the Mumbai-Ahmadabad HSR (MAHSR) and the Regional Rapid Transit System (RRTS) in NCR are already under construction. In addition, many other projects are at various stages of development. For e.g., the central government has approved the financing plan of the ₹640bn Trivandrum-Kasargod SHSR in Kerala and asked the state government to commence land acquisition. Similarly, the Maharashtra government has recently approved the ₹160 billion Pune-Nashik SHSR project. Apart from these, DPRs are being prepared for the following HSR projects:

- Delhi – Varanasi (865 km)
- Varanasi – Howrah (760 km)
- Delhi – Amritsar (465 km)
- Delhi – Ahmedabad (886 km)
- Mumbai – Nagpur (741km)
- Mumbai – Hyderabad (711 km)
- Chennai – Mysore (435 tkm)

With these projects being of significant size and scale, the outlays will naturally be high. Even for the two projects currently under construction viz. the MAHSR and NCR-RRTS, the cumulative project award will easily exceed ₹1 trillion.

²² <https://indiaincgroup.com/indias-construction-industry-set-for-a-rebound-in-2021/>

²³ 'Insights 2020: Blueprint for modern infrastructure delivery' by Mace

²⁴ <https://www.investindia.gov.in/sector/railways>

²⁵ Achievements of Ministry of Railways ebook 2020

²⁶ <https://pib.gov.in/>

²⁷ Bloomberg Quint, 20 Sep 2020

Dedicated Freight Corridor (DFC)

The DFC project aims to construct six freight corridors across the country to provide safe and efficient freight transportation. Construction of two freight corridors, the Western DFC connecting the states of Haryana and Maharashtra and the Eastern DFC connecting the states of Punjab and West Bengal, are in progress. The Western and Eastern DFCs span over 1,504 route kilometres and 1,856 route kilometres respectively.

The other four corridors which are in the planning phases are

- North-South (Delhi-Tamil Nadu),
- East-West (West Bengal-Maharashtra),
- East-South (West Bengal-Andhra Pradesh)
- and South-South (Tamil Nadu-Goa).

In 2020, the 306 kilometres long Rewari-Madar section in Western DFC and 351-kilometre long Khurja-Bhaupar section has been completed. Eastern DFC's Sonnagar-Gomoh Segment (263.7 km) will be constructed in 2021-22 and section Gomoh-Dankuni of 274.3 km is expected to be start soon.²⁸ The Ministry of Railways continue to monitor these projects to ensure its completion by June 2022.

The Dedicated Freight Corridor is expected to become a prime contributor to the economic development of India.

Modern Signalling and Telecommunication System

Modern signalling systems are expected to play a major role in enabling reliable and safe operation of trains in India. Electronic interlocking is being implemented on a large scale, to utilise the advantage of emerging technology and enhance efficiency. Axle Counters for Automatic clearance of Block Section (BPAC) is also used to ensure seamless arrival of trains

without manual intervention. Automatic Block Signalling has been adopted to increase line capacity and run more trains on existing High-Density routes of Indian Railways. Moreover, modern signalling system has been proposed in the High-Density routes of the Golden Quadrilateral and the Golden Diagonal.

Metro Rail

Metro rail is rapidly becoming the most common means of mass rapid transit in India with 13 cities having functional metro rail networks. In India, 702 kilometres of conventional metro is functional and 1,016 kilometres of metro and RRTS are under construction.

Delhi metro, the largest and busiest metro rail network in the country, witnessed inauguration of the first driverless metro in India in FY21. Metro projects in Navi Mumbai, Pune, Indore Kanpur, Agra, Meerut and Surat are expected to be operational soon.

The Union Budget 2021-22 proposed two new technologies, 'Metro Lite' and 'Metro Neo' as a cost-effective alternative to the existing technologies, without compromising on safety and experience. Besides, the budget has been proposed for the funding of the second phase of Kochi, Chennai, Bengaluru and Nagpur metro rail projects.

Outlook

Indian Railways aims to invest USD 190 billion over the next five years and the capex additions in the Budget FY22 are significant. The Ministry of Railways has developed a long-term strategic plan, the National Rail Plan, to improve the infrastructural capacity of railways and increase the modal share of railways from 27% to 45% by 2030, to meet the demands till 2050.²⁹ A Vision 2024 document has been developed that seeks to improve rail infrastructure and enhance capacity whilst removing impediments and improving safety of train operations.

Oil and Gas Infrastructure

Oil and gas industry, a core sector of Indian economy, plays a crucial role in the socio-economic development of the country. Energy consumption in India is proportional to the country's economic growth, making the sector investment-friendly. In several segments of the industry, including natural gas, petroleum products and refineries, the government has allowed 100% Foreign Direct Investment (FDI) to meet the rising demand.

India is the third largest consumer of crude oil and petroleum and the fourth largest importer of Liquefied Natural Gas (LNG) in the world. India currently has a total of 23 refineries, 18 in the public sector and 3 in the private sector along with 2 joint venture companies. Their combined refining capacity stands at 249 MMTPA (million metric tonnes per annum) in FY21³⁰.

Outlook

Currently, LNG constitutes a relatively small share of India's total energy consumption. Fossil fuels dominate the energy mix, with coal and oil accounting for 82% of consumption and natural gas constituting 6% of the total mix. Natural gas is considered the cleanest fossil fuel by broad consensus. To improve air quality, the Government of India has set an ambitious target to increase the share of natural gas in India's total energy consumption from approximately 6% to 15%, by 2030.³¹

The development of LNG infrastructure is vital to fulfil the growing demand and complement domestic production. According to The Ministry of Statistics and Programme Implementation (MoSPI) 66.4% or 988.9 billion cubic metres (BCM) of domestic natural gas reserves are offshore and only 33.6% or 499.6 BCM is on onshore. Consequently, massive infrastructure development is required to transport natural gas from offshore production sites to consumption centres. This includes new processing platforms,

offshore pipelines, cross-country pipelines and distribution pipelines. The government is expected to invest around USD 60 billion, till 2024, to establish infrastructure for natural gas consumption in the country and increase its share share in the energy mix by up to 15%, by 2030.³²

India has a relatively under-developed gas pipeline infrastructure compared to developed countries. National Gas Grid has been envisioned to ensure adequate availability and an equitable distribution of LNG and India has over 16,000km of pipeline which will require significant extension to build the 33,000km 'National Gas Grid' pipeline.

The proposed infrastructure plan includes pipelines, LNG (Liquefied Natural Gas) terminals and CGD (City Gas Distribution) networks.

- Development of additional 14,300 km pipelines to complete the National Gas Grid which are at various stages of development.
- The government has planned an additional 1,000 LNG fuel stations across the country, apart from the 6 operational LNG regasification terminals.
- Coverage of CGD projects is being expanded to 232 geographical areas spread over 400 districts across the country. The network is expected to cover approximately 53% of the country's geography and touch 70% of the population.
- National Gas Grid: India has built more than 16,000 km of gas network since the National Gas Grid (NGG) was conceptualized in 2000.

Logistics and Warehousing

Agriculture is the primary source of livelihood for about 58% population of India. The Indian food industry is poised for huge growth, increasing its contribution to world food trade every year due to its immense potential for

value addition, particularly within the food processing industry. Indian food and grocery market is the world's sixth largest, with retail contributing 70% of the sales. The Indian food processing industry accounts for 32% of the country's total food market, one of the largest industries in India and is ranked fifth in terms of production, consumption, export and expected growth. During FY19-20 crop year, food grain production was estimated to reach a record 295.67 million tonnes (MT). In 2020-21, Government of India is targeting food grain production of 298 MT.^{34, 35}

The agricultural warehousing market was valued at ₹ 145.82 billion in 2019 and is expected to reach ₹ 365.75 billion by the end of 2024. Growing need for proper storage of fruits and vegetables in the country is fuelling the demand of agri-warehousing in the country. Currently, India's total warehousing capacity is estimated to be 160 Mn tonnes. Around 30% of this capacity is managed by the private sector, and the rest is divided between FCI (Food Corporation of India), CWC (Central Warehousing Corporation), SWC (State Warehousing Corporation), state agencies and the co-operative sector.³⁵

Increasing demand for storage space, need for efficient handling of produce and supporting regulations have encouraged private players to make investments in the warehousing sector. Companies have adopted different models to build a profitable business. Private players are also focusing on providing premium warehousing services by building sophisticated large-scale storage spaces. End-to-end logistics service providers have started tapping the opportunities created by the government in the Agri-warehousing segment. India is expected to achieve the ambitious goal of doubling farm income by 2022. The agriculture sector in India is expected to gain momentum in the next few years due to increased

investment in agricultural infrastructure consisting of irrigation facilities, warehousing and cold storage.

Structural changes in the Indian agriculture sector, especially in FY21, is expected to liberalize the sector along with private sector participation. The New farm laws, enacted in FY21, seeks to provide pan India market access to farmers for selling produce, bypassing the state APMC. The market access is complemented by a dedicated electronic infrastructure (e-NAM) for providing real time price information and access to special services of Indian railways. Kisan rail was introduced for dedicated transportation of perishables and agri-product in FY21 while Krishi Udan, corresponding air services, is expected to be launched in FY22.³⁵ The end-to-end value chain is highly likely to integrate storage solutions at key nodes for better supply chain management. Under the Aatmanirbhar Bharat Abhiyan, the government announced a ₹1 trillion agriculture infrastructure fund to aid post-harvest management and marketing of agricultural produce for improving farm gate prices.

Company Overview

With nearly four decades of experience and presence in 63 countries, Kalpataru Power Transmission Limited (KPTL) is among the largest players in the global power transmission and infrastructure space. The Company offers comprehensive solutions encompassing design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railway projects on a turnkey basis. As a diversified conglomerate spanning power transmission & distribution, oil & gas pipeline, railways, infrastructure development, civil construction and agri-commodity warehousing, the Company combines its technical prowess and excellent execution strategies to deliver exceptional service to its varied clientele. The Company is

²⁸ <https://pib.gov.in>

²⁹ Union Budget 2021-22

³⁰ <https://pib.gov.in>

³¹ www.investindia.gov.in

³² The Economic Times

³³ IBEF

³⁴ Care Ratings

³⁵ IBEF, Press Reports

also involved in development of assets and has a portfolio of power T&D and road assets along with two Biomass based power plants in Rajasthan, India.

Operational Review

Geographically, the consolidated revenue of the Company can be divided into two different segments – domestic and international. Revenue from the domestic segment was ₹ 8,217 Crore (63.46%) and the international segment recorded revenue of ₹ 4,732 Crore (36.54%) in FY20-21.

Engineering, Procurement and Construction (EPC)

EPC is the largest business segment of KPTL, with 96% share in consolidated revenue for FY20-21 and similar share in FY19-20. The revenue of EPC Segment is ₹12,426 Crore in FY20-21, compared to ₹12,195 Crore in FY19-20.

The Company continues to strengthen its position in the domestic and international EPC segment and is proactively working to increase its presence in high-growth markets of SAARC, Africa, Latin America, Europe and South East Asia. The company has made acquisitions in Sweden and Brazil to capitalise on opportunities in the T&D business. The company's subsidiary, JMC has won projects in Mongolia and Maldives during FY20-21.

During FY20-21, production (including outsourced) and dispatches of transmission line towers/structures were 1,56,214 MT and 1,57,095 MT respectively, as compared to 1,73,094 MT and 1,67,206 MT in FY19-20. In FY20-21, the Company erected around 1,15,800 MT of transmission towers at various locations domestically and internationally and executed about 3,330 ckm of stringing.

For the FY20-21, on a consolidated basis, the EPC segment has received new orders of approximately ₹ 16,359 Crore. The aggregate value of orders on hand

as on 31st March 2021 is appropriately ₹27,900 Crore. The details of business-wise orders received are as below:

Transmission and Distribution Business (T&D):

Transmission & Distribution (T&D): Numerous transmission line and substation orders in international and domestic markets totaling approx. ₹ 6,289 Crore has been secured by KPTL. In India, the Company secured orders from Power Grid Corporation Ltd. (PGCIL), State Electricity Boards (SEBs) and private clients.

Oil & Gas Pipeline:

During FY20-21, the Company secured several orders of ₹1,057 Crore from various oil & gas marketing companies in India.

Railways:

The Company's Railway business has garnered orders worth ₹1,097 Crore related to gauge conversion, railway electrification and associated works from Rail Vikas Nigam Ltd. (RVNL), Central Organisation for Railway Electrification (CORE) and G-RIDE in FY20-21.

Civil Construction:

Our subsidiary, JMC Projects (India) Ltd. received orders of approximately ₹7,916 Crore in FY20-21 in its Buildings & Factories and Water business.

Financial Review

On a standalone basis, the Company achieved revenue from operations of ₹7,671 Crore in FY20-21 as against ₹7,904 Crore in FY19-20, a decline of 3%. Domestic and International sales were affected due to the challenges related to COVID-19 pandemic. PAT was up by 33% in FY20-21 to ₹615 Crore from ₹463 Crore in FY19-20. Profitability has increased due to reduction in finance cost and sale of two of the transmission assets.

Net property, plant and equipment (including capital work in progress) and Intangible assets, at the end of FY20-21 stood at ₹663 Crore as against ₹633 Crore in the previous year. During the year under review, depreciation was at ₹115 Crore and net addition in the property, plant and equipment (including capital work in progress) is ₹109 Crore. Net current assets increased to ₹2,169 Crore (Includes ₹370 Crore of current assets pertaining to Assets held for Sale) as against ₹1,950 Crore in the previous year due to higher working capital. Borrowing[#] levels of the Company are ₹1,107 Crore in FY20-21 as against ₹1,334 Crore in FY19-20.

The net debt[#] is ₹777 Crore in FY20-21 against ₹970 Crore in FY19-20. The Borrowing levels remain at a comfortable level with net debt/equity ratio of 0.20:1. The finance cost was around 1.42% of the revenue during FY20-21 as against around 2.10% of the revenue during FY19-20.

The Company enjoys A1+ and AA Stable rating for its short-term and long-term borrowing from both CRISIL and CARE. The Company has sufficient working capital to support its growth plan.

Consolidated revenue of the Company grew by 2%, with revenue of ₹12,949 Crore in FY20-21 as compared to ₹12,676 Crore during FY19-20. Net debt at consolidated level stood at ₹2,304 Crore in FY20-21 as against ₹3,458 Crore in FY19-20. The consolidated order book of the Company is approximately ₹27,900 Crore as on 31 March 2021.

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

The key financial ratios are given below:

	Standalone		Consolidated	
	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21
Debtor's Turnover (No. of Days)	167	183	138	147
Inventory Turnover (No. of Days)	34	28	35	30
Interest Coverage Ratio	5.00	8.66	2.24	3.17
Current Ratio	1.35	1.42	1.29	1.36
Debt Equity Ratio*	0.38	0.29	1.22	0.80
Operating Profit Margin (%)**	11.18	12.71	11.55	13.03
Net Profit Margin (%)	5.86	8.02	3.07	5.11

*Debt is inclusive of current maturities and excluding interest free loans from entities other than bank and financial institutions.

**Operating Profit (Profit before tax, depreciation, interest and other income)

At standalone and consolidated level, there has been increase in interest coverage ratio and Net profit margin by more than 25% due to increase in profit, reduction in debt and finance cost on account of sale of two of the transmission assets.

At consolidated level, there has been improvement in debt equity ratio by more than 25% due to reduction in debt on account of sale of two of the transmission assets.

Further, the Return on Net worth ratio (Standalone) during FY20-21 was 15.92% as compared to 13.10% during FY19-20 which improved by 282 bps on account of higher profitability. Also, the Return on Net worth ratio (Consolidated) during FY20-21 was 17.95% as compared to 11.60% during FY19-20 which improved by 635 bps given higher profitability.

Risk Management

Nature	Description	Mitigation Measure
Macroeconomic risks	The latter part of the year saw the risk of the pandemic affecting operations across the globe. The Company was not immune to the same.	The company is broad basing its business and exploring niche opportunities across geographies to diversify the risk. It continues to maintain a strong governance framework and internal and financial controls to mitigate any possible economic slowdown.
Cybersecurity risks	Threats of cyber-attacks and hacking are well-known and poses a significant threat to a company's operations. In addition to external threats, there are risks of information being leaked or changed by individuals within the Company.	Online cyber-security awareness campaign on phishing and e-mail security are conducted on a regular basis. Network devices, server operating system and hardware are upgraded periodically. The Company also actively monitors security logs to detect any malicious attempt and takes the necessary to mitigate the risk. Adequate data safety is ensured during its creation, storage, transit and retrieval.
Legal and Compliance risks	With operations in multiple geographies, the Company is exposed to risks related to various statutes, laws and regulations.	The Company takes steps to adhere to all laws in its true spirit. Teams within the Company monitor changes in laws and regulations and proactively takes steps to ensure compliance to regulatory standards. The Company also employs the services of country specific legal advisors and subject matter experts to offer advice on legal matters and compliances.
Financial risk	Interest Rate Risk, Exchange Rate Risk and Liquidity Risk are the major Financial Risks. Exchange rates and Interest rate fluctuations impact the Company's finances as changes in interest rate affects the variable interest on the Company's debt.	The Company dynamically manages interest rate risks through a mix of fund-raising products across maturity profiles. For mitigating currency risk, it has a strategy of mixing its domestic and foreign order books spread across various geographies. It also uses currency forward contracts to mitigate foreign exchange related risk exposure. The Company constantly monitors its liquidity levels, economic and capital market conditions and maintains access to sources of liquidity through banking lines, trade finance and capital markets.

[#]Inclusive of current maturities and excluding interest free loans from entities other than bank and financial institutions

Nature	Description	Mitigation Measure
People risk	Risk of maintaining employee relations, attracting and retaining talent, and creating an engaged set of employees have become important in an environment where talent is becoming scarce.	The Company takes active steps to constantly engage with the employees and understand their aspirations, needs and any issues they may have. Policies, practices, compensation and developmental conversations are modified based on constant feedback from employees. The Company has a systematic employee hiring policy and to attract the best talents in the industry. The Company regularly conducts Periodic training and mentoring to develop future leaders within the organisation.
Operating risk	The company is involved in the EPC business and exposed to various operational risks that may lead to unplanned interruptions of operational processes, delaying execution of projects, affecting the company's topline and bottomline.	The Company has set policy and procedures to minimize the risk associated with projects. Projects are analysed within the operational risk spectrum, adopting best practices to ensure timely execution and maximum value creation for all stakeholders
Safety risk	The Company operates across multiple locations and is subject to various stringent safety laws and regulations. Non-adherence to process and employee safety requirements, provisions of safety laws and regulations may impact business continuity and reputation.	The Company has built a strong safety management system that encompasses its operational ecosystem. Safety trainings are conducted to meet the requirements of employees, contractors and other relevant stakeholders as a part of the safety competency and capability enhancement initiative. The Company follows strict policies to ensure safety of employees and contractors, and abide by environmental regulations to preserve natural resources.
Input Price Risk/ Commodity Price Risk	The Company's business is significantly dependent on availability, cost and quality of raw materials and fuel for the construction and development of projects undertaken. The principal raw materials include steel, zinc, aluminium conductors, copper, cement and insulators. Prices and supply of may vary due to global economic conditions, supply demand mismatch, competition, production levels, and taxes.	The Company currently manages such risk through a mix of back-to-back sourcing of materials and hedging through commodity futures. This moderates risks posed by volatile raw material prices. In the domestic market, most of the T&D orders have a price variation clause linked to applicable industry indices protecting the profitability from volatility in major input prices.

Internal Control

The Company has adequate system of internal controls in place. The Company has documented internal control policies and procedures covering all financial and operating functions. The Company has aligned its internal controls with the requirements of Companies Act, 2013. The Company also complies with the requirements of ISO 37001:2016 which establishes global standard best practices for companies to manage bribery related risks.

The Company has adopted Internal control is the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. The Company is committed to ensuring an effective Internal Control environment that will help in preventing and detecting

errors and irregularities, thus ensuring security of Company's assets and efficiency of operations. The Company has an internal control mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs. This is demonstrated through various means including, but not limited to Code of Conduct together with the Whistle Blower Policy and Anti Bribery & Anti Corruption Policy for raising concerns about unethical behaviour, improper practice, any misconduct, any violation

of legal or regulatory requirements, actual or suspected fraud by any official of the Company without fear of punishment or unfair treatment, appraising Senior Management and the Audit Committee of the Board periodically on the internal processes of the Company with respect to Internal Controls, Statutory Compliances and Assurance etc.

Periodically, the Audit Committee takes cognizance of the significant risk assessment processes, audit plans, reported observations, recommendations and adequacy of Internal Controls and provides directions and guidance including external benchmarking of best practices for further action, if any. Extensive use of technology ensures robustness and integrity of financial reporting and internal controls, allows optimal use and protection of assets, facilitates accurate and timely compilation of financial statements and management reports and ensures compliance with statutory laws, regulations and company policies. The Company has Group Assurance division besides external firms that reviews internal controls and operating systems and procedures.

Environment, Health and Safety (EHS)

KPTL strives to abide by the the highest EHS standards with a dedicated approach and a strong commitment to fulfil its obligation.

We encourage our employees to imbibe EHS policy and procedures into routine practice and motivate them to incorporate safety procedures in all operations and functions.

To achieve the organizational goal of zero harm, the Company aims to integrate safety in construction work procedures. Moreover, KPTL is committed to promote a safe working environment by adopting safe working in day-to-day operations to prevent injury and illness to employees, contractors & visitors and continuing compliance with corporate, state and local statutory obligations governing the business.

In FY20-21, KPTL inculcated safety drives and delegated safety ownership to line management, employees and contractors for prevention and mitigation of incidents, with a focused approach on the following areas:

COVID-19 precaution drive:

- Designed and rolled out detailed pictorial guideline for work resumption after lockdown.
- Design of COVID-19 tracker for reporting, tracking and maintaining a checklist, as per Corporate EHS guidelines. It helped to implement measures that curbed the spread of COVID 19, in compliance with guidelines issued by local authorities, Ministry of Health & Family Welfare, Government of India and countries where we operate.
- Consistent follow-up & monitoring on daily basis for effective implementation of COVID-19 preventive measures.
- Weekly circulation of COVID-19 dashboard to top management of Kalpataru group.
- Periodical health check-ups of workers and staff for health monitoring and protection from COVID-19.
- Daily Training /Awareness session /Encouragement program/ Yoga for worker engagement during the lockdown.
- Weekly video conference with business units, project sites and country heads to examine the COVID-19 prevention drive.

Process Driven Structure

- Virtual project site EHS audit from corporate and regional offices.
- Safety walk through by project managers along with team leaders and EHS personnel on weekly basis.
- Developing digital reporting tool for observations, incidents, work permit, inspection, MIS.

- EHS reward and recognition policy to encourage employee for EHS performance.
- Effective and Constant Daily Safety reporting from all sites.
- EHS Disciplinary Policy to maintain discipline and increase productivity.

Robust EHS Review Mechanism

- Formation of EHS steering committee at business units, regional offices and site level for robust & effective EHS review mechanism: introduced EHS steering committee to implement detailed guidelines at business units, regional offices and site level.
- Monthly EHS Snapshot: Business unit wise monthly EHS updates circulated to the leadership team to adopt a focused approach across KPTL project sites.
- EHS Walk around Project Site: Regular rounds by BU Head / RO Head /project site line management team around the sites helps to resolve the EHS issues and encourages the staff to implement EHS policies in day-to-day activities.
- Fortnightly EHS review: Fortnightly review for monitoring status of initiatives and ongoing EHS performance.
- Fire safety audits of major business buildings of KPTL to avoid any untoward incident.
- EHS council meet for all business units and regional offices heads to review the site EHS status and Road Map for the upcoming quarter.
- Annual feedbacks from clients/ customers to understand their expectations on safety.

More Focus on Training

- Organized different webinar sessions for all employees – Total training Man-hours – 4040 Hrs.
- Virtual Reality (VR) simulation used for the various types of EHS

training to easily understand the training content.

- EHS training is organized with the help of professionals.
- Daily motivation and encouragement program for workers during lockdown period.

Effective Communication

- EHS Toll free number to capture and report incidents from site instantly.

- Reporting of Incidents to RO/ Corporate through Fast track incident communication/reporting and investigation of incident through Why-Why Analysis helps to derive root causes of incidents.

- Incident sharing & analysis of case study through Safety alerts.

- Rolled-out EHS E-journal on a quarterly basis for knowledge sharing.

- EHS dashboards/EHS statistic boards to reflect and monitor performance.

The Company has been consistently transcending EHS compliance across all project sites with high standards of safety in the organization, with robust health and safety systems, processes, safer equipment and trainings. This has helped it to achieve various Awards and appreciation in 2020-21.

Corporate Social Responsibility

KPTL has always been at the forefront of CSR activities as a responsible and responsive corporate citizen. KPTL believes that sharing success with the larger communities and societies is both a responsibility as well as an opportunity to make a difference to the lives of people. Kalpataru Foundation and Kalpataru Welfare Trust are the two CSR arms of the Company. In the communities we operate, be at Mumbai, Gandhinagar, Rajasthan, Raipur or any Project location, KPTL takes pride in working with all sections of society, selecting projects with adequate care, and working in areas that fulfil the needs of beneficiaries.

Kalpa-Arogya Seva (Project KARE)

Under Project KARE, the Company runs medical dispensaries in the name of Kalpa Arogya Seva Kendras (KSAK) in Gandhinagar and Mumbai. KSAK Gandhinagar is a state-of-the-art medical dispensary which provides a range of diagnostic and treatment services to economically distressed people in and around Gandhinagar on a regular basis. This medical dispensary is a multi-specialty dispensary with ultra-modern facilities (X-Ray, Sonography, Dental, ENT equipments, ECG equipment

etc.) The cutting-edge equipment in the pathological laboratory is highly effective in catering to the medical requirements of those in need. Apart from the facilities, the dispensary has about 30 eminent personalities from the medical fraternity of Gandhinagar including General practitioners, various specialists, Ophthalmologist, MD Surgeon etc. attending to the medical requirements of the poor and needy. The patients are provided free medicine along with specialized doctor consultations at minimal charges. In FY20-21, KSAK Gandhinagar has initiated setting up of an MRI centre comprising advanced technologies of Magnetom Sempra MRI-1.5 T. Magnetic resonance imaging (MRI) scanners, use strong magnetic fields and radio waves to generate images of the organs in the body. At the MRI centre, the Company will provide subsidized services to the poor and needy. The specialized centres are likely to reduce the dependence on private clinics and provide access to better healthcare facilities to the marginalized sections of society. Periodic Osteopathy Camps and Health awareness programs are organized at KSAK Mumbai. After the success of Gandhinagar and Mumbai, the Company has initiated establishment of its third KSAK centre at Raipur, Chattisgarh in

2021 close to our manufacturing facility. The Company realised that that other than the government Primary Health Centre, there is no medical dispensary in the vicinity of about 10 kms of the manufacturing plant, which cover about 12-15 villages, that can provide medical treatment to the poor and needy at a nominal cost. Hence, the Company conceived the idea of opening KSAK Raipur near to plant.

Benefitted more than

3,13,000

patients at KSAK, Gandhinagar till FY 21

Benefitted more than

13,000

patients at KSAK, Mumbai till FY 21

The Company also aimed to improve healthcare facilities with the establishment of a general hospital, Jankikund Chikitsalaya near Satna, Madhya Pradesh, to serve deprived rural communities. The hospital is being constructed now.

To support people suffering from Parkinson's disease, the Company organized group multidisciplinary rehabilitative therapy, training activities,

need based individual counselling services, awareness initiatives, distribution of resource material and information dissemination to People with Parkinson's (PwP's), caregivers and senior citizens at various locations in Mumbai.

166

Sessions conducted in FY 21

627

People Benefitted

Through Vision Foundation of India, KPTL provided Free Eye Surgeries to people who cannot afford the fees for surgeries. The beneficiaries include people from weaker socio-economic families, especially from rural areas & urban slums.



Surgery Date: 25th March, 2021

Mrs. Anandi Devi had become bilaterally blind with cataracts. Her vision was (PL+). She could not work, cook, or even walk without help. Her son carried her on his back from their very remote village so that she could attend the Hospital screening camp in Aurangabad district. Following successful cataract surgery, her vision was completely restored (6/24) on the next day of the surgery. She was able to see her son's face and was able to walk home herself with her son.

500

Surgeries undertaken in FY 21

3675

People Benefitted as on 31st March 2021

Kalpa Aapda Seva

KPTL understands the unfortunate impact of the novel COVID-19 and its effect on the underprivileged. It has therefore provided its support for Combating and Containing the Novel Corona Virus (CoVID-19) through various relief activities including construction of a 1000 bedded COVID Hospital in Thane, Mumbai, engagement with NGOs that provide food to vulnerable communities, labourers and supported the local administration for relief efforts. The Company also made contributions to Relief Funds including PM Cares Fund to support the government machinery to fight the pandemic. The Company arranged food for labourers at Railway Stations. It also provided more than 50,000 free meals to the poor and needy during the pandemic.

50,000+

Free meals

kalpa Vidhya kalpa Kaushal (kVKK)

KPTL has undertaken the development of Smt. Sugni Devi Pukhraj Munot Government Senior Secondary School located in Pipar City, Jodhpur, Rajasthan, as an Adarsh school, to improve its infrastructural facilities. The Company has changed the entire landscape of the School and is on the way to develop it as an Adarsh School. Through its constant efforts, KPTL not only develops and renovates schools but, also provides access to books and learning materials, makes provision for digital learning through mini science centre, computers

and laptops etc. Kalpataru Foundation runs Kalpataru Skill Development Academy to provide residential practical skill development training. Trainings are provided in 3 Trades, namely Welder, Fitter and Grinder. The Company also provided scholarship to deserving students and made arrangements for a school bus for carrying for carrying deaf and mute students to school.

600+

Students benefitted

30+

Trainees

Kalpa Gramodaya

The Company is executing a TL Project at Imphal West, Manipur. The local populace in the project area comprises of people from various ethnic backgrounds. Considering this, the Company is constructing a community hall for the promotion of local art and culture through the promotion of fairs, community programs, cultural activities etc. It will also act as a self employment tool for the local population as this will serve as a market place where people can carry out businesses in the long term.

SAVE our envlrOnment save oUR animals ("SAVIOUR")

The Company undertook various welfare programs for Animals. KPTL runs various CSR Projects to prevent animal cruelty and secure the welfare of animals throughout India, alleviate animal suffering and instills a feeling of compassion in people to make them realize their responsibility towards animals. The Company also works towards the establishment of panjrapoles that offer shelter to animals in sickness and old age, and constantly upgrade veterinary skills and services.

Human Resources (HR)

The year 2020-21 has been a challenging year across the world. COVID-19 is an unprecedented crisis which has unleashed severe uncertainties and economic difficulties. We, like most of the entities across the world needed to think quickly and be nimble in our actions.

In the face of this challenge, we have questioned the way we work and think differently to lead KPTL to recovery and adapt to changing times.

As an organization, our priority was to ensure a safe work environment for our teams across the world through our COVID-19 response mechanism. We initiated determined actions to build such an environment that ensured the safety of our teams at work and to ensure continuity of work at projects and factories.

With collective efforts, within one month, 94% operations resumed with the necessary safety measures in place.

In 2020, we have had to challenge our thought process and transform many practices to meet the crisis head on. KPTL placed critical importance on the holistic wellbeing of our team members, ensuring that they are able to cope with change and to maintain enthusiasm towards achieving business goals.

While the year was marked by enormous efforts to ensure employee wellbeing, we were also able to transition our Learning and Development efforts to virtual means, to ensure the development of our teams. One of the most important aspects of KPTL's people strategy is to hear what our teams have to say; Covid-19 Employee Survey and Reach Out – Employee Engagement Survey were carried out to understand and address the concerns of our teams across the world.

- Efforts to mitigate the risk and impact of COVID were taken up across KPTL. To help build employee immunity against COVID, Homeopathy & Ayurvedic medicines as prescribed by Ministry of AYUSH, Government of India,

were distributed to all employees including overseas project sites employees.

- Online consultation support was extended to employees of KPTL through the doctors associated with our Kalpa-seva Arogya Kendra.
- Covid-19 Employee Survey: In order to understand the pulse of employees and find the best possible ways to work in the new normal, Covid-19 survey was conducted. 2,054 employees responded to the survey, where the parameters of analysis were Well-Being and Health, Company Confidence, Leadership, Communication and Awareness, Business Continuity and Support Received. Subsequently, an action plan was framed and necessary steps were taken to enhance employee well-being and experience.
- Employee Wellness: To prepare the employees for the challenging time during the pandemic KPTL had collaborated with UIB India and residential doctors for various health & well-being sessions. Sessions like Ergonomics and Spine Health Session, Stress Management and Emotional Wellbeing, COVID Awareness, Emotional Intelligence, Eye Care during Covid, were conducted.
- Mental Wellbeing and Mind Body Nutrition (holistic stress management): With growing anxiety, during the pandemic, in addition to regular meditation sessions two important sessions were organized to facilitate employee wellbeing. A session on Mental Wellbeing was attended by 147 employees and a session on Mind Body Nutrition (holistic stress management) was attended by 180 participants (employees and their family members).
- **Talent Development & Review Council:** Nurturing talent is a way of life at Kalpataru Group. For this purpose, the **KPTL Talent Development and Review Council**

(**TDRC**) was introduced this year. TDRC operates at Business level and at Organization Level and facilitates a closer review of high potentials and further enables planned career progression road map for such individuals. Awareness Sessions were conducted for senior leadership and their active participation in the process will help us in institutionalizing the TDRC. High potential individuals, across KPTL has been covered this year.

○ Long Term Leadership Development:

- a) **ELEVATE - Early Leadership Excellence, Visioning and Talent Engagement Program** - is a long-term continuous development journey of 9 months for high potential employees for Deputy Manager to Sr. Managers levels. The intervention is facilitated in collaboration with renowned external agencies. This journey is a combination of classroom sessions at periodic intervals, practical implementation of learning, Group Coaching and talent review.

This aims at Transitioning 2 passages of leadership pipeline i.e.

1. Leading self to leading others and
2. Leading others to leading managers

- b) **LEAP - Leadership Excellence and Pride** is also a long term development journey of 9 months for high potential employees at Assistant General Manager to Assistant Vice President level in collaboration with external experts. The program focuses on predefined competencies relevant at organization level and aims to address relevant transitional aspects of leadership in the broader perspective.

This aims in Transitioning 2 passages of leadership pipeline i.e.

1. Leading Managers to Leading Function and
2. Leading Function to Leading Business

- **Key Contributors Incentive:** The Key Contributors Incentive Policy aims at retaining and rewarding consistent performers who display critical leadership qualities in their roles and the ability to become future leaders at KPTL.

- **Virtual Learning and Development Initiatives:** Despite the COVID 19 pandemic, we organized 500+ technical & soft skills programs on virtual platforms like Zoom, MS Teams etc. We have covered 98% employees in one or more programs.

Learning Management System: The LMS has been our most critical resource in continuing our learning programs, even during the pandemic.

- 98% employees have accessed one or more courses
- Total 21000+ courses completed

- 60+ technical & soft skills courses are live & functional
- 7 Technical modules of Transmission Line were upgraded
- 12 new soft skills modules Analytical Thinking, Leadership for Middle Managers, Strategy in Practices, Stress Management etc. were launched
- Modules based on Organization policy like ABAC and KCoC were updated.

Swagat Induction Program: Amid the COVID crisis, the Induction and orientation of new joiners was facilitated virtually through Swagat Induction Program, whereby, all the important aspects of the organization like introduction with Sr. Leaders, Policies & Practices, Behavioral Competency Framework, Performance Review & Development, ABAC & KCoC policies were covered.

- **Anti Bribery – Anti Corruption Management System:** KPTL undertook a massive training and recertification drive for the ABAC Policy under ABMS. This is a part of our commitment to the ABMS certification of the company and our strong devotion to remain

rooted in ethical practices. Over 97% employees have been successfully trained and certified with the help of LMS based ABAC module and training drives.

The HR strategy is of KPTL focuses on Aligning, Executing and Renewing. The focus remains on aligning HR initiatives to meet business needs, executing initiatives to deliver real time results ensuring partnership with businesses and continual renewal of our approach approach to meet the ever-changing needs of business.

Cautionary Statement

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

Board's Report

DEAR MEMBERS,

Your Directors are pleased to present the **40th ANNUAL REPORT** of **Kalpataru Power Transmission Limited** ("the Company") together with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from Operations	12,949.44	12,675.84	7,670.70	7,904.03
Profit before Depreciation, Tax and amortization expense	1,141.27	1,006.65	777.57	752.21
Less: Depreciation and amortization expenses	373.45	339.64	114.60	110.48
Profit before Tax and Exceptional Items	767.82	667.01	662.97	641.73
Exceptional items	209.64	4.06	168.35	23.94
Share of Profit / (Loss) from Joint Venture	(32.21)	(23.38)	-	-
Tax Expense	283.21	258.10	216.10	202.62
Profit for the period	662.04	389.59	615.22	463.05
Other Comprehensive Income (net of tax)				
Items that will be reclassified subsequently to Profit or Loss	8.89	(37.72)	15.50	(24.44)
Items that will not be reclassified subsequently to Profit or Loss	0.70	(1.51)	(0.07)	0.51
Total Comprehensive Income for the period	671.63	350.36	630.65	439.12
Retained Earnings – Opening balance	1,943.35	1,752.96	2,201.00	1,868.29
Add: Profit for the period	671.02*	389.59*	615.22	463.05
Add: Impact of Ind AS 116 (net of taxes)	-	(2.36)	-	(1.18)
Less: Acquisition of non-controlling interest	-	58.12	-	-
Less: Dividends	0.63	46.04	-	46.04
Less: Interim Dividend	126.57	54.15	126.57	54.15
Less: Corporate Tax on Dividend	-	20.59	-	18.97
Less: Transfer to Debenture Redemption Reserve	-	5.47	-	-
Less: Transfer to General Reserve	12.25	12.25	10.00	10.00
Less: Transfer to Capital Redemption Reserve	1.16	-	1.16	-
Less: Transfer to other reserves	0.21	0.22	-	-
Retained Earnings – Closing balance	2,473.55	1,943.35	2,678.49	2,201.00

* Profit for the year attributable to Owners of the Company

OUR RESPONSE TO COVID-19

In FY 2020, as the COVID-19 pandemic first broke, your Company promptly reacted by providing the required support to its employees, clients and the community. Our people are our biggest strength and protecting their health and well-being, including those at remote project sites is crucial to us. Your Company took numerous initiatives to protect its employees' health, financial and emotional wellbeing in these unprecedented times. Your Company initiated the "Kalpa Aapada Seva Project", a large-scale program for

combating and containing COVID-19. We adopted a holistic strategy to safeguard and support our employees, vendors, subcontractors, local communities and frontline workers.

Your Company had collaborated with residential doctors for various health & well-being sessions. Health and wellbeing webinars and virtual conferences for topics like Ergonomics and Spine Health Session, Stress Management and Emotional Wellbeing, COVID Awareness, Emotional Intelligence, Eye Care, were conducted. In addition, to help employees create immunity against COVID, medicines as prescribed by

Government of India were distributed to all employees. Our relief efforts are delivering assistance on-the-ground, such as engagement with NGOs to provide over 50,000 meals to vulnerable communities and distribution of dry ration kits to migrant and daily wage workers in India. Part of our support to the local communities, your Company distributed medicines, masks, sanitizers etc. to the local health centers and communities, constructed a medical room facility, contributed to the social solidarity fund for fight against the corona virus and supported the local communities by distributing basic amenities like food, books, stationery, masks, sanitizers etc. at various International locations. Your Company helped to establish a 1,000 bed dedicated COVID hospital equipped with intensive care units (ICUs) testing lab and dialysis center at Thane, Maharashtra. At various site locations, our teams have procured medical equipment, PPE kits, gloves, masks and sanitizer and handed them to the local Government Hospitals and health care centers. For our partners - vendors, suppliers and subcontractors who have been most exposed to the crisis, we shorten the lead time for payments with systematic immediate payments. Your Company have ensured that all our subcontractor workers were retained at site with ensured hygiene standards at labour camps with daily needs as per government guidelines.

OPERATIONAL HIGHLIGHTS

First quarter of the Financial Year was mostly under lockdown imposed for containment and curtailment of novel Corona virus (COVID-19). However, your Company continued with its robust performance during the year.

During FY 2020-21, the Standalone revenue of your Company decreased by about 3% to ₹ 7,670.70 Crores as against ₹ 7,904.03 Crores in the previous financial year. Total Export revenue (including overseas projects) was ₹ 3,550 Crores or approx. 46% of revenues.

The Standalone net profit for the year increased by 33% to ₹ 615.22 Crores as against ₹ 463.05 Crores in the previous financial year. The Company successfully delivered on the Profitability front with Core EBIDTA 10.5% at about ₹ 808 Crores with margins (PAT) on standalone level at 8% primarily driven by operational excellence while the initiatives for cost rationalizations and productivity enhancement continue to gain momentum.

Your Company has supplied 1,57,095 MTs of Transmission Line Towers during the year under review.

Your Company has a standalone order book of ₹ 13,890 Crores excluding fairly placed bids. Your Company has received

Orders in excess of ₹ 8,440 Crores (including orders received by Linjemontage I Grastorp AB) in the current financial year 2020-21.

The consolidated revenue of your Company increased by about 2% to ₹ 12,949.44 Crores as against ₹ 12,675.84 Crores in the previous financial year.

The consolidated net profit for the year increased by about 70% to ₹ 662.04 Crores as against ₹ 389.59 Crores in the previous financial year mainly on account of exceptional gain and Operational excellence by the Group.

COVID-19 global pandemic induced lockdown was imposed pan-India in the initial part of FY 2020-21. The second wave of COVID-19 started showing its impact in the last quarter and is still continuing till the date of this report. Due to the project-based nature of business, there was no material adverse impact on operations or finances of the Company during FY 2020-21.

AWARDS & RECOGNITION:

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

- Bronze Trophy was conferred to the Company's Gandhinagar manufacturing plant and 765 KV D/C Vindhychal – Varanasi Transmission Line project at the NSC India Award, 2020 by the National Safety Council set up by the Ministry of Labour, Govt. of India.
- Platinum Award was conferred to the Company at 45th International Convention on Quality concepts at Dhaka, Bangladesh by BANGLADESH SOCIETY OF TOTAL QUALITY MANAGEMENT (BSTQM). The Theme for the Convention was "Unlocking imagination through QCC".
- Your Company's Unira Power Plant was conferred with appreciation certificate and recognition from District Administration as well as State Medical & Health Department for remarkable local contribution in fighting COVID-19 crisis.
- Your Company's Raipur manufacturing plant was conferred with "Greentech Safety Excellence Award, 2020" from Greentech Foundation.
- Your Company's Raipur Manufacturing Unit was conferred with "Gold Award" by Grow Care India for exemplary performance in Safety, Operations and Environment Protection.

Board's Report

- F) Your Company's Raipur Plant was conferred with Runners Up position for excellence in Safety, Health & environment (SHE) practices at the CII Chhattisgarh SHE Awards 2020-21.
- G) Your Company's Raipur manufacturing plant was also conferred with Silver Medallion at IMEXI (Integrated Manufacturing Excellence initiatives) Prize Ceremony organized by Kaizen Hansei, a strategic partner of the Kaizen Institute, India.
- H) Your Company's Gandhinagar Manufacturing Plant was conferred with Gold Trophy in the category "Challenges & Initiatives post COVID-19" by the Surat Chapter of Quality Circle Forum of India (QCFI) at Chapter Convention on Quality Concepts, 2020.
- I) Confederation of Indian Industries - South Region has recognized the Company's 765 kV D/C (HEXA) Virudhunagar – Coimbatore Transmission line Project as 3 Star rated project in appreciation of its EHS practices.
- J) National Safety Council of India bestowed Merit Certificate to your Company for best EHS Practices during execution of 765 KV DC Bikaner – Khetri Transmission Line Project.
- K) Your Company received special recognition on attaining "The Expert Panel Evaluation Milestone" at the BML Munjal Award – 2020. The BML Munjal Awards for 'Business Excellence through Learning & Development' recognizes organizations who have demonstrated business excellence through innovation in learning & development.
- L) Your Company was recognized with the Gold Trophy & National Award for HR Best Practices - 2019 and received "Certificate of Merit" from National Institute of Personnel Management (NIPM). Participating companies were evaluated on various aspects of HR like People Strategy, Innovative HR Practices, Learning & Organizational Development, HR Technology etc.
- M) At Rail Infra and Mobility Business Digital Awards, 2020, your Company was conferred with Certificate of Appreciation for being selected as "Electrical Solution Provider of the Year" in the Corporate (Rail Business) category. Further, President (Railways) of the Company was selected as Rail Business Leader of the year at said awards.
- N) 13 Artisans and Supervisors of your Company's Railways business received Awards & Certificates at 12th Edition of CIDC Vishwakarma Awards.
- O) The World HRD Congress has recognized your Company under the category Best Leadership Development Program for Middle Management for long-term leadership development intervention Leadership Excellence and Pride (LEAP) along with the Talent Development and Review Council (TDRC).
- P) Indian Society for Training & Development, the leading body for Training & Development in India has recognized your Company at the 30th National Award for Innovative Training Practices for the year 2019-20. This award recognizes that innovative training practices and sustainable processes to continually improve such practices prevails in your Company.
- Q) Various Clients of the Company recognized its EHS practices and provided below certificates of appreciation:
- Bharat Petroleum Corporation Limited granted certificate of Appreciation to your Company in appreciation of achievement of 12 million LTA Free man hours.
 - Power Grid Corporation of India Limited granted certificate of Appreciation to your Company for 765 kV Ajmer – Bikaner Transmission line Project in recognition of significant achievement of "Zero Accident" during the period from October, 2019 to March, 2021 without any Loss time accident and maintaining improved EHS Standards .
 - Indian Oil Corporation Limited granted Certificate of Appreciation for winning first position in exhibiting best safety performances while executing construction and laying of Paradeep Hyderabad Pipeline Project for the year 2020. For the same project, KPTL also received appreciation certificate for achieving 2 million safe man hours.
- It also granted Certificate of Appreciation on achieving 1.5 million safe man hours without LTI between January, 2020 to January, 2021 during the execution of ETBPNMTPL R-LNG Pipeline Project.
- GAIL (India) Limited granted Certificate of Appreciation to your Company on achieving 1 million safe man hours without LTI between February, 2019 to January, 2021 during the execution of Dabhi Durgapur Pipeline Project.
 - Da Afghanistan Breshna Sherkat (DABS) granted Certificate of Appreciation to certain official(s) of your Company for EHS performance during execution of 220 kV Sheberghan to Andkhoy Transmission Line Project.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF YOUR COMPANY

There are no material changes and commitments, affecting the financial position of your Company which has occurred between end of financial year 2020-21 and the date of Directors' Report.

DIVIDEND

Your Company has declared and paid an Interim Dividend of ₹ 8.50 (425%) per equity share of ₹ 2 each on February 13, 2021. In addition, your Board has recommended a Final Dividend of ₹ 1.50 (75%) per equity share of ₹ 2 each for the year ended March 31, 2021.

TRANSFER TO RESERVES

Your Company has transferred following amounts to various reserves during the financial year ended March 31, 2021:

Amount transferred to	Amount in (₹ in Crores)
General Reserve	10.00
Capital Redemption Reserve	1.16

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

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

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

• JMC Projects (India) Ltd. ("JMC Projects" or "JMC")

JMC is one of the leading construction companies in India, with more than ₹ 3,650 Crores revenue, having presence in South Asia, East Asia and East Africa. It is certified under ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and Occupational Health & Safety Management system (OHSMS) conforming to ISO 45001:2018 at all offices and projects.

The company's presence spans across residential complexes and townships, hospitals, hotels, commercial complexes, institutions, factories and buildings, water

supply and irrigation projects, roads and highways, airports, flyovers and elevated corridors, metro rail and other urban infrastructure projects, industrial units and power plants. JMC's integrated capabilities span the spectrum of 'EPC' solutions with Safety, Quality and On-time delivery as the 3 pillars.

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

For the FY 2020-21, JMC has received new contracts of more than ₹ 7900 Crores including a project in Mongolia. As of March 31, 2021, the aggregate value of orders on hand of JMC stands at approx. ₹ 14,009 Crores. Your Company's shareholding in JMC stands at 67.75% during the year under review.

• Shree Shubham Logistics Ltd ("SSLL"):

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

During the year under review, SSLL has been awarded a new contract for 10 years by RSWC under PPP model for managing and operating its warehouses with 48 locations and capacity of 7.18 lac MT.

• Linjemontage I Grastorp AB ("LMG"):

LMG, a Swedish EPC company headquartered in Grastorp, Sweden along with its two wholly owned subsidiaries were acquired by the Company's wholly owned subsidiary in Sweden namely Kalpataru Power Transmission Sweden AB in March 2019. During the year under review, LMG along with its two subsidiaries has bagged Orders of approx. ₹ 565 Crores and has an Order Book of approx. ₹ 1071 Crore as on March 31, 2021. This year the performance

Board's Report

of the company has been impressive. Whilst on one side it has further strengthened its position in the European markets and achieved a significant growth in revenue of about 83.60%, it has also observed an approx. 133% improvement in the net profit. LMG continues to add more capabilities like entry into 400 kV transmission lines business, expanding its presence to many regions in Sweden including North of Sweden and adding new services. The team size at LMG has also been scaled up and it has emerged as one of the top suppliers in terms of quality of service and safety.

• **Fasttel Engenharia Ltda. ("Fasttel"):**

On January 27, 2021, your company incorporated a wholly owned subsidiary namely Kalpataru Power Do Brasil Participacoes Ltda ("KPBPL"). KPBPL entered into definitive Agreement to acquire 51% stake in Fasttel, a Brazilian EPC company. Fasttel, founded in 1988, is based in Curitiba city in the state of Parana in southern part of Brazil and specializes in Engineering, Procurement, and Construction (EPC) and maintenance of power transmission lines, substations and distribution systems across various voltage range up to 750 kV. The company mainly operates into three business areas, comprising of EPC of substations, transmission and distribution network services with revenue of around USD 47 Million in 2020 and has a profitable track record. The acquisition of Fasttel is of strategic fit to KPTL in order to capture local market opportunities in Brazil and expand business in Latin American market. On April 7, 2021, KPBPL completed the acquisition of 51% stake in Fasttel along with management control. As on acquisition date, Fasttel had a strong Order Book of approx. ₹ 669 Crores.

During the year under review, two new companies namely Kalpataru Power Senegal SARL, in the Republic of Senegal and Kalpataru Power DO Brasil Participacoes Ltda., in Brazil were incorporated as Wholly Owned Subsidiaries of your Company. Fasttel became 51% step-down subsidiary of the Company w.e.f. April 7, 2021.

During the year under review, Jhajjar KT Transco Private Limited ceased to be a Joint Venture Company of the Company.

Accordingly, as on the date of this Report your Company has 26 direct and indirect subsidiaries and 1 joint venture company.

Pursuant to provisions of section 129 of the Companies Act, 2013, your Company shall place Consolidated Financial statements before the members for its approval. Further, pursuant to provisions of Section 136 of the Companies Act, 2013, your Company will make available the Annual Accounts

of the Subsidiary Companies and the related information to any Members of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary companies are also uploaded on the website of the Company i.e. www.kalpatarupower.com and will also be kept open for inspection at the Registered Office of your Company and that of the respective Subsidiary company.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statements for the year under review pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements presented by your Company have been prepared as per Ind AS and include the financial results of its Subsidiary companies, Associates and Joint Venture companies.

DIVESTMENT/MONETIZATION OF TRANSMISSION LINE SPV's

On July 3, 2019, your Company entered into 3 (three) binding agreements with CLP India Private Limited ("CLP") to sell its stake in 3 (three) power transmission assets namely, Kalpataru Satpura Transco Private Limited ("KSTPL"), Alipurduar Transmission Limited ("ATL") and Kohima-Mariani Transmission Limited ("KMTL") (referred jointly as SPVs), for an estimated enterprise value of ₹ 3,275 Crores. The transaction was subject to requisite approvals and compliances (conditions precedents).

Though the Company completed the sale of its entire stake in KSTPL on November 20, 2019, however, due to non-fulfilment of the conditions precedent, the binding agreement for sale of stake in ATL was terminated w.e.f May 1, 2020.

Subsequently, your Company entered into definitive agreements with Adani Transmission Limited to sell its stake in ATL, subject to requisite approvals and compliances of conditions. On November 26, 2020, the Company completed the sale and transfer of ~49% of the total equity shares of ATL with an agreement to sell the balance 51% after obtaining requisite regulatory and other approvals and in a manner consistent with Transmission Service Agreement.

Furthermore, your Company entered into definitive agreement on May 29, 2020 with India Grid Trust, an infrastructure investment trust, to sell its stake in Jhajjar KT Transco Private Limited ("JKTPL"), subject to receipt of relevant approvals and compliances of conditions. Your Company completed the sale of its entire stake in JKTPL on October 5, 2020.

During FY 2020-21, all the three Elements of KMTL Project were successfully commissioned and the Company is in advanced stage of completion of sale of KMTL to CLP as per terms of definitive agreement and in a manner consistent with Transmission Service Agreement.

BUY BACK OF EQUITY SHARES

The Board of Directors of the Company at its meeting held on May 20, 2020 approved the buy-back by the Company of its equity shares of face value of ₹ 2/- each ("Equity Shares") from the open market through the stock exchange mechanism in compliance with Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, and the Companies Act, 2013, and other applicable rules / law, at a maximum price of ₹ 275/- per Equity Share ("Maximum Buyback Price") payable in cash, for an aggregate maximum amount not exceeding ₹ 200 Crores. During the Buyback period, the Company bought back a total of 58,06,262 Equity Shares, utilizing a total of ₹ 142.69 Crores (excluding Transaction Costs). The Equity Shares were bought back at an average price of ₹ 245.75 per Equity Share. The Buyback of the Company was closed on November 27, 2020 (being last working day) and all the formalities including payments and extinguishment of shares were completed within stipulated time. Post completion of Buyback, the Equity Share Capital of the Company reduced to ₹ 29,78,18,416 comprising of 14,89,09,208 Equity shares of ₹ 2 each.

DIRECTORS

At the 39th Annual General Meeting held on August 12, 2020, the shareholders approved the re-appointment of:

- (i) Mr. Manish Mohnot (DIN: 01229696) as the Managing Director & CEO for a period of 5 years effective from April 1, 2020; and
- (ii) Ms. Anjali Seth (DIN: 05234352) as an Independent Director of the Company to hold office for a second term of 5 (five) consecutive years, commencing from May 19, 2020 and ending on May 18, 2025.

Your Board is of the opinion that the Independent Director re-appointed during the year possesses integrity, expertise, experience and proficiency.

Further, during the year under review, Mr. K. V. Mani (DIN: 00533148), Independent Director of the Company ceased to be Director w.e.f. January 20, 2021 due to his sudden

demise. Mr. Imtiaz Kanga (DIN: 00136272), Non-Executive Non-Independent Director of the Company resigned from the Board w.e.f. April 19, 2021 due to personal reasons driven by some family commitments.

Your Directors place on record their sincere appreciation for the contribution made by Late Mr. K. V. Mani and Mr. Imtiaz I. Kanga during their tenure as Directors of the Company.

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

In terms of Section 152 of the Companies Act, 2013, Mr. Parag Munot (DIN: 00136337), being the longest in the office, shall retire by rotation at the ensuing AGM and being eligible, offers himself for reappointment. The Board of Directors of the Company at the recommendation of Nomination and Remuneration Committee has recommended for his reappointment.

In its meeting held on May 11, 2021, the Board of Directors, at the recommendation of Nomination and Remuneration Committee, has approved the re-appointment of Mr. Sanjay Dalmia, (DIN: 03469908) as Executive Director of the Company for a further period of 3 years effective from August 8, 2021 subject to approval of shareholders of the Company.

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

BOARD MEETINGS

During the year under review, the Board met Six (6) times on May 20, 2020, August 12, 2020, August 24, 2020, November 4, 2020, December 8, 2020 and February 13, 2021.

The number of Meetings of the Board that each Director attended is provided in the Report on Corporate Governance, appended to, and forming part of, this Report.

Board's Report

COMMITTEES

In order to adhere to the best corporate governance practices, to effectively discharge its functions and responsibilities and in compliance with the requirements of applicable laws, your Board has constituted several Committees including the following:

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

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

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

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Manish Mohnot, Managing Director & CEO, Mr. Ram Patodia, Chief Financial Officer and Mr. Rajeev Kumar, Company Secretary are the Key Managerial Personnel (KMPs) as per provisions of Companies Act, 2013. There has been no change in KMP during the year under review.

CORPORATE GOVERNANCE

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

The Report on Corporate Governance, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure

Requirements) Regulations, 2015 is attached. The Report on Corporate Governance also contains certain disclosures required under Companies Act, 2013 for the year under review.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE SOCIAL RESPONSIBILITY

Your Company has been always at forefront of voluntary CSR even before the provisions of Companies Act, 2013 have made it imperative to institutionalize the CSR activities. Kalpataru Foundation and Kalpataru Welfare Trust are the two CSR arms of the Company. Our vision is to enhance the quality of life of people from marginalised and vulnerable communities, by empowering them and catalysing change through innovative and sustainable solutions. In the communities we operate, be at Mumbai or Gandhinagar or Raipur or any Project location, your Company takes pride in working with all sections of society, selecting projects with infinite care, and working in areas that are needs of the Target beneficiaries. Your Company cherish the Kalpataru Spirit of maximizing societal value for needy.

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

BUSINESS RESPONSIBILITY REPORT

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility

Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

VIGIL MECHANISM

The details of Vigil mechanism ("Whistle Blower Policy") of the Company are given in the 'Report on Corporate Governance', appended to, and forming part of, this Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

STATUTORY AUDITORS AND AUDITORS' REPORT

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

Statutory Auditor's comments on the Annual Financial Statements of the Company for year ended March 31, 2021, both on Standalone and Consolidated basis, are self-explanatory and do not require any explanation as per provisions of Section 134(3)(f) of the Companies Act, 2013. There were no qualifications, reservation or adverse remark or

disclaimer made by Statutory Auditor in their reports on the Standalone and the Consolidated Annual Financial Statement of the Company for the year under review.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mr. Urmil Ved, Practising Company Secretary, Gandhinagar, as its Secretarial Auditor to conduct the Secretarial Audit of your Company for FY 2020-21. The Report of the Secretarial Auditor for the FY 2020-21 is annexed to this report as **Annexure B**.

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

COST AUDITOR

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

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of Electricity and Steel products of the Company need to be audited. In compliance to the above, the Board of Directors upon the recommendation of the Audit Committee, appointed M/s. K. G. Goyal & Associates, Cost Accountants, as the Cost Auditor of your Company for the FY 2020-21.

RISK MANAGEMENT FRAMEWORK

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

The Risk Management framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how

Board's Report

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

PARTICULARS OF REMUNERATION

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

B. In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names of the top ten employees in terms of remuneration drawn and names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules forms part of this Report.

Having regard to the provisions of the second proviso to Section 136(1) of the Act and as advised, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said Annexure is open for inspection at the Registered office of your Company. Any member interested in obtaining copy of the same may write to Company Secretary.

PERFORMANCE EVALUATION

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

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

Your Company's policy on remuneration for the Directors', Key Managerial Personnel and other employees are forming part of this Report and is annexed as **Annexure D1**. The same is also

placed on website of the Company www.kalpatarupower.com. There has been no change in the said Policy during the year under review.

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

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

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

DIVIDEND DISTRIBUTION POLICY

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

ANNUAL RETURN

The Annual Return of the Company as on March 31, 2021 is available on the website of Company ie. www.kalpatarupower.com

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in its ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions or

which is required to be reported in Form No. AOC-2 in terms of Section 134(3)(h) read with Section 188 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

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

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

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

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

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

POLICY ON CODE OF CONDUCT AND ETHICS

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

been certified with ISO:37001 for establishing Anti Bribery Management System across the organization.

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

- in the preparation of the annual accounts for the year ended on March 31, 2021, the applicable accounting standards read with requirement set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at March 31, 2021 and of the profit of the company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- they had prepared the annual accounts on a going concern basis;
- they, had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively and;
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2020-21.

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

Board's Report

SECRETARIAL STANDARDS

The Company has followed the applicable Secretarial Standards ie. SS-1 and SS-2, relating to 'Meetings of Board of Directors' and 'General Meetings' respectively.

GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the year under review:

- Details relating to deposits covered under Chapter V of the Companies Act, 2013.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- Issue of shares (including sweat equity shares) to employees of the Company under any scheme or any stock options scheme
- Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- 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.
- No fraud has been reported by the Auditors to the Audit Committee or the Board.

- There has been no change in the nature of business of the Company.
- There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 11, 2021

ANNEXURE A to Board's Report

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy

Kalpataru Power Transmission Limited's CSR Policy

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

Your Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. Apart from long term ongoing projects, the Company has undertaken various other programme and projects under its CSR Policy in the field of Healthcare including Preventive Healthcare, Promoting Education, Rural Development, Animal Welfare, Skill Development etc. Further, the Company also ran CSR Project for Combating and Containing Novel Corona Virus (CoVID-19) through various relief activities. The CSR activities of the Company are carried out directly or through Implementing Agencies including Kalpataru Foundation and Kalpataru Welfare Trust.

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

2. Composition of the CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Sajjanraj Mehta	Chairman / Independent Director	2	2
2.	Mr. Mofatraj P. Munot	Member / Executive – Promoter	2	2
3.	Mr. Parag M. Munot	Member / Non-Executive – Promoter	2	1
4.	Mr. Manish Mohnot	Member / Managing Director & CEO	2	2

3. Weblink where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

www.kalpatarupower.com/CSR

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

Not Applicable

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

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be setoff for the financial year, if any (in ₹)
		Not Applicable	

ANNEXURE A to Board's Report

6. Average Net Profit of the Company as per Section 135(5): ₹ 37,434.71 lakhs

7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 748.69 lakhs

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

(c) Amount required to be set off for the financial year: Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 748.69 lakhs (In addition to this, the Company also earmarked unspent CSR obligation of FY 19-20 amounting to ₹ 258.48 lakhs as CSR obligation of FY 20-21)

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

Total Amount Spent for the Financial Year (in ₹ lakhs)	Amount Unspent (in ₹ lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
403.42	610.00	30-04-2021	Nil		

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
SN.	Name of Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the Project 1. District 2. State	Project Duration	Amount allocated for the project (in ₹ lakhs)	Amount spent in the current financial year (in ₹ lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹ lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation – Through Implementing Agency	
										Name	CSR Reg. No.
1.	KALPA-AROGYA SEVA ("KARE") - Installation of MRI Machine at KSAK, Gandhinagar and Opening of KSAK at Raipur	Promoting health care including preventive health care	Yes	Gandhinagar, Gujarat and Raipur, Chattisgarh	2 Years	629.83	126.51	503.32	No	Kalpataru Welfare Trust	CSR00004358
										Kalpataru Foundation	CSR00001842
2.	KALP VIDHYA KALP KAUSHAL - Infrastructure Development at Higher Secondary School, Pipar	Promoting education	Yes	Jodhpur, Rajasthan	2 Years	91.90	7.90	84.01	No	Kalpataru Foundation	CSR00001842
3.	KALP GRAMODAY - Construction of all weather cremation sheds for poor local people	Rural development projects	Yes	Khorpa, Raipur Chhattisgarh	2 Years	25.00	2.33	22.67	No	Kalpataru Foundation	CSR00001842
TOTAL						746.73	136.74	610.00			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
SN.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No)	Location of the project 1. State 2. District	Amt. spent for the project (in ₹ lakhs)	Mode of implementation Direct (Yes/No)	Mode of implementation –Through implementing agency	
							Name	CSR Registration Number
1.	KALPA-aRogya sEva ("KARE") - COVID-19 relief efforts, Medical Centre at Gandhinagar, Upgrading Healthcare facility at Jankikund Chikitsalaya, Support for people suffering from Parkinsons, Assistance for Eye surgeries, contribution of critical illness etc.	Promoting health care including preventive health care	Yes	Mumbai, Maharashtra, Jaipur, Rajasthan, Gandhinagar, Gujarat, Satna, Madhya Pradesh, Assam, Bihar, PAN India	193.04	No	1) Kalpataru Foundation 2) Kalpataru Welfare Trust 3) Vision Foundation of India 4) Parkinson's Disease and Movement Disorder Society	
2.	Kalp Vidhya Kalp Kaushal (kVkk) - Skill Development Centre, School Bus for specially abled, Scholarship to the needy.	Promoting education along with employment enhancing vocational skills	Yes	Durgapur, West Bengal, Jodhpur and Jaipur, Rajasthan	14.75	No	1) Kalpataru Foundation 2) Jodhpur Badhir Kalyan Samiti	
3.	Kalpa Gramoday - Construction of Community Hall for general welfare of local people through promotion of local art, self employment activities etc.	Rural development projects, Promotion of Indian Art and Culture	Yes	Imphal West, Manipur	40.00	No	1) Social Affairs for Voluntary Empowerment	
4.	SAVE our envlrOnment save oUR animals (Project "SAVIOUR") - Improving the conditions and welfare of Animals including Street dogs in India and setting up Animal care centre	Animal Welfare	Yes	New Delhi and PAN India	15.00	No	1) People for Animals 2) Federation of Indian Animal Protection Organisations	
TOTAL					262.79			

*Not applicable for FY 2020-21

(d) Amount spent in Administrative Overheads: ₹ 3.90 lakhs

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

(f) Details of CSR Spent during the financial year, if any (8b+8c+8d+8e): ₹ 403.42 lakhs

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

Sr. No.	Particulars	Amount (₹ in lakhs)
(i)	Two percent of average net profit of the company as per Section 135(5)	₹ 1,007.17 (It includes the unspent CSR obligation of FY 19-20 amounting to ₹ 258.48 lakhs as CSR obligation of FY 20-21)
(ii)	Total amount spent for the Financial Year	₹ 1,013.42
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil*

ANNEXURE A to Board's Report

Sr. No.	Particulars	Amount (₹ in lakhs)
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

* Considering that excess CSR expenditure has been done against the unspent CSR obligation of FY 2019-20 and hence no set-off available as the same pertains to period before the set-off related amendment in CSR Rules.

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

Sr. No.	Preceding Financial year	Amount transferred to Unspent CSR Account under Section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not Applicable as this table becomes relevant for the period post amendment in CSR Rules							

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which the project commenced	Project Duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed /Ongoing
Not Applicable as this table becomes relevant for the period post amendment in CSR Rules								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – Not Applicable

- Date of creation or acquisition of the capital asset(s):
- Amount of CSR spent for creation or acquisition of capital asset:
- Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

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

The Company is executing certain multi year Ongoing Projects. Due to such Ongoing projects and plan of spending funds in multi years, the Company was not able to spend two per cent of the average net profit as per Section 135(5) in the current financial year. In respect of Unspent CSR funds, the Company has parked the Budgeted amount in the separate Bank account.

Manish Mohnot
Managing Director and CEO
(DIN: 01229696)

Date : May 11, 2021
Place : Mumbai

Sajjanraj Mehta
Chairman CSR Committee
(DIN: 00051497)

ANNEXURE B to Board's Report

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kalpataru Power Transmission Limited** (hereinafter called the Company) for the financial year ended on March 31, 2021. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- The Companies Act, 2013 (the Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 (SCRA) and the rules made thereunder;
- 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'):-

- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (during the year under review not applicable to the Company);
- The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (during the year under review not applicable to the Company);
- The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- 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; (during the year under review not applicable to the Company)
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (during the year under review not applicable to the Company);

ANNEXURE B to Board's Report

- h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
- i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India; and
- (ii) Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

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

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

- (a) The Electricity Act, 2003, the Central Electricity Authority Regulations and the Rajasthan Electricity Regulatory Commission Regulations.
- (b) The Indian Boilers Act, 1923 and rules framed there under.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those

held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

- (i) Company has bought back and extinguished 58,06,262 Equity Shares of the face value of ₹ 2/- each from the open market through Stock Exchanges at an average price of ₹ 245.75 per Equity Share.
- (ii) Company has redeemed 7.90% listed Rated Unsecured Redeemable Taxable Non-convertible Debentures amounting to ₹ 100 crores.

Urmil Ved

Practicing Company Secretary
(ICSI Unique Code I1996GJ080100)
FCS No. 8094, COP No. 2521
Peer Review Cert. No.: 597/2019 Date: May 11, 2021
ICSI UDIN: F008094C000277759 Place: Gandhinagar

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

Annexure-A

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

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

1. Maintenance of secretarial record, device proper systems to ensure compliance with the provisions of all applicable laws, rules and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the test check basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on test check 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.

Urmil Ved

Practicing Company Secretary
(ICSI Unique Code I1996GJ080100)
FCS No. 8094, COP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN: F008094C000277759

Date: May 11, 2021
Place: Gandhinagar

ANNEXURE C1 to Board's Report

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2020-21 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2020-21 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for Financial year 2020-21 (₹ in crore)	% change in Remuneration in the Financial Year 2020-21	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Mofatraj P. Munot Executive Chairman	16.40	37.82%	213.26
2	Mr. Parag M. Munot Promoter Director	2.22	66.92%	28.87
3	Mr. Sajjanraj Mehta Independent Director	0.72	46.94%	9.36
4	Mr. Vimal Bhandari Independent Director	0.56	64.71%	7.28
5	Mr. Narayan K Seshadri Independent Director	0.57	72.73%	7.41
6	Mr. K. V. Mani* Independent Director	0.19	26.67%	2.47
7	Ms. Anjali Seth Independent Director	0.27	50%	3.51
8	Mr. Imtiaz Kanga [®] Promoter Director	0.20	81.82%	2.60
9	Mr. Manish Mohnot Managing Director & CEO	14.71	46.66%	191.29
10	Mr. Sanjay Dalmia Executive Director	5.57	20.30%	72.43
11	Mr. Ram Patodia Chief Financial Officer	1.81	26.57%	
12	Mr. Rajeev Kumar Company Secretary	0.72	*	NA

* Mr. K.V.Mani, Independent Director ceased to be Director of the Company w.e.f January 20, 2021 due to his sudden demise

[®] Mr. Imtiaz. I. Kanga resigned w.e.f April 19, 2021.

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

- ii) The median remuneration of employees of the Company during the financial year under review was ₹ 7.69 lakhs.
- iii) In the Financial year under review, there was an increase of 7.75% in the median remuneration of employees.
- iv) There were 3,296 permanent employees on the rolls of Company as on March 31, 2021.
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the financial year 2020-21 was 2.79%. No increment was given in fixed salary of managerial personal during FY 20-21. However, there was increase of 18.09% in managerial remuneration attributable to higher managerial commission declared in May, 2021.
- (vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 11, 2021

ANNEXURE D1 to Board's Report

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

1. PURPOSE

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

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

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

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

- The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the Company successfully.
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Maintain appropriate balance between fixed and incentive pay in remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Align the growth of the Company and development of employees and accelerate the performance.
- To motivate and retain the quality employees and attract other highly qualified executives to enter into KPTL's service, when require.

- To give a rational and fair treatment to employees, and to recognize importance of every one with team spirit and enhancing the value of human wealth.
- To create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company.
- Encourage people to perform to their highest level.
- Allow the Company to compete in each relevant employment market.
- Provide consistency in remuneration throughout the Company.
- Align the performance of the business with the performance of key individuals and teams within the Company.

2. DEFINITIONS

- "**Board**" means Board of Directors of the Company for the time in force.
- "**Company**" or "**KPTL**" means "Kalpataru Power Transmission Limited", having CIN L40100GJ1981PLC004281, and registered office at 101, Part III, G.I.D.C. Estate, Sector - 28, Gandhinagar - 382 028, Gujarat, India
- "**Committee**" or "**NRC**" means "Nomination and Remuneration Committee" of the Board of the Company, as may be reconstituted by the Board and as may be subsist from time to time.
- "**Director**" means person appointed as Director on the Board of the Company pursuant to the applicable provision of the Companies Act 2013 and includes independent Directors of the Company.
- "**Division**" or "**Business Unit**" or "**Department**" means every division of the Company viz Transmission Line (Domestic), Transmission Line - International, Railway, Biomass, Infra, 'Accounts, Finance, Taxation, Secretarial and Legal', P&M, Information Technology (IT), HR & Admin, Quality Management & MR, Procurement, Development, Health and Safety (EHS), Contracts, Business Development, BOT Projects, and also includes Division as renamed and new Divisions setup from time to time.

ANNEXURE D1 to Board's Report

- (f) **“Department Head”** or **“Functional Head”** or **“Business Unit Head”** or **“BU Head”** means Employee of the Company who are designated as such or in charge of one or more Department or Business Units and person who are designated as Head for the time being, by the Executive Director or CEO.
- (g) **“Executive Director”** means person appointed as Whole-time director, Executive Director, Managing Director, Deputy Managing Director and Joint Managing Director and holding office as such pursuant to the applicable provision of the Companies Act 2013.
- (h) **“Employees”** Employees means and includes person who is confirmed for full time employment of the Company time to time.
- (i) **“Key Managerial Personnel”** or **“KMP”** means person as defined in the Companies Act, 2013 and as appointed and in employment of the Company as a Chief Executive Officer or Managing Director or Manager, Whole Time Director, Chief Financial Officer and Company Secretary.
- (j) **“Remuneration Policy”** or **“this Policy”** means this Policy for remuneration of Directors, KMP and employees of the Company as set out hereby, recommended by the Committee and approved by Board of KPTL, as amended from time to time.
- (k) **“Senior Management”** means personnel in employment of the Company who are members of core management team excluding Board of Directors and normally this shall comprise all members of management one level below chief executive officer/ managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company Secretary and Chief Financial Officer.
- (l) **“Steering Committee”** means Committee comprising of Managing Director & CEO, Executive Director, Chief Financial Officer, President (HR & Admin) & respective BU Head

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

3. EFFECTIVE DATE OF THE POLICY

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

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

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

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

5. MONITORING AND IMPLEMENTATION OF THIS POLICY

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

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

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

6.1 Sitting fees

The Non-Executive Directors are paid Sitting Fees. The Company pays sitting fees of ₹ 75,000/- per meeting to the NEDs for attending the meetings of the Board and ₹ 25000/- for attending meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Risk Management Committee.

6.2 Reimbursement of expenses

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

6.3 Remuneration

The Company may upon passing of resolution by the Board of Directors of the Company consider payment of remuneration to Non-Executive Directors by way of commission as a percentage of profits on an annual basis, pursuant to the applicable provision(s) of the Companies Act, 2013 and rules made thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing Agreement) and approval of shareholders of the Company. The Commission would be

at a rate not exceeding 1% or 3% per annum of the profits of the Company, as may be applicable to the Company, as per the provision of the Companies Act, 2013 and as approved by shareholders from time to time.

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

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

6.4 In case of no profit or inadequate profit

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

6.5 Review of remuneration of Non-Executive Directors

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

- Financial performance and net-worth of the Company as per audited financial statement for last 3 financial years.
- Value of order book position and operational performance track in last two years.
- Performance of the Board as whole considering the evaluation of the Board done by Independent Directors.
- Diversity and composition of Board considering experience, expertise, technical knowledge and skills relating to business and future plan of the Company, position held in other organizations and directorship in other companies.

ANNEXURE D1 to Board's Report

7. REMUNERATION OF EXECUTIVE DIRECTORS

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

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

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

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

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

7.1 Fixed Component

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

7.2 Variable Component

The Executive Directors are also paid remuneration by way of incentive/commission as percentage of profit of the Company as per audited financial statement, within range as approved by the shareholders. Commission is calculated with reference to net profits of the Company in

a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings and applicable statutory provision stipulated in Section 197 of the Companies Act, 2013 and other applicable provisions as may be applicable time to time.

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

7.3 Facilities

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

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

7.4 Remuneration in case of no profit or inadequate profit

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

8. STOCK OPTIONS TO EMPLOYEES/DIRECTORS

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

9. PECUNIARY RELATIONSHIPS OR TRANSACTIONS

The Independent Directors of the Company do not have any pecuniary relationships or transactions with the

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

10. REMUNERATION OF SENIOR MANAGEMENT

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

10.1 Review of Remuneration of Senior Management

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

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

10.2 Recommendation of the Committee

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

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Senior Management members of the quality required to run the Company successfully.
- Relationship of remuneration to performance meets appropriate performance benchmarks.
- There should be appropriate balance between fixed and variable pay reflecting short and long-term

performance objectives appropriate to the working of the company and its goals.

11. REMUNERATION OF EMPLOYEES

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

- Fixed Components** comprises salary, allowances, perquisites, PF etc.
- Variable Components** linked to performance of Individual Employee vis-à-vis performance of the Business and Company. Variable pay shall be determined after end of the financial year in terms of performance management system manual of the Company and KRA achievement of individual Employee.

12. PERFORMANCE MANAGEMENT SYSTEM (PMS)

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

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

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

ANNEXURE D1 to Board's Report

13. CLARIFICATION AND REVIEW OF THE POLICY

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

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

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

14. AMENDMENTS IN THE POLICY

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

On behalf of the Board of Directors

Place: Mumbai
Date: May 11, 2021

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

ANNEXURE D2 to Board's Report

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

1. CRITERIA / QUALIFICATION FOR APPOINTMENT AS DIRECTOR

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

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

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

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

- Should have knowledge on skills, processes etc.
- Should possess relevant experience and Qualification to discharge functions of Independent directors.

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

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

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

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

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

ANNEXURE D2 to Board's Report

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

4. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

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

In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including,

but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively. The Committee shall also oversee the conduct of the annual review of Board effectiveness.

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

5. AMENDMENTS IN THE POLICY

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

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 11, 2021

ANNEXURE E to Board's Report

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

(A) Conservation of energy-

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

1. It is Company's continuous endeavor to use energy efficient lights and therefore, the Company keeps on replacing the conventional CFL fittings lights with LED Lights from time to time as per requirement and usage cycle. Below are the replacement details of FY 20-21
 - At Raipur Plant, replaced approx. 300 nos. of conventional Lights having electrical load of 111 Kw with energy efficient LED lights having electrical load of 60 Kw which resulted into reduction in energy consumption by about 1,86,000 Units per annum
 - At Gandhinagar Plant, installed 40 nos. of 150W LED Flood Lights resulting into reduction in energy consumption by about 34,000 Units per annum
 - For indoor and outdoor lighting in various SV & IP stations / Terminals as part of Design & Engineering, KPTL installed LED lights in Mehsana Bathinda Pipeline Project as an energy saving measure. More than 2816 nos. of LED Lights were installed.
 - At Biomass Power plants, your Company has replaced total 38 numbers of Conventional HPMV/HPSV lights having electrical load of 23469 Watt p.a. with energy efficient LED lights having electrical load of 6709 Watt p.a. This has resulted in annual saving of approximately 16,760 units p.a.
2. Your Company introduced Encapsulated Pickling rooms to reduce energy consumption up to 1,27,000 Units per annum at Raipur Plant. Earlier electrical load of Scrubber with Open area was 110 Kw which after installation of Encapsulated pickling rooms reduced to 75 Kw.
3. At Gandhinagar manufacturing plant, the Company introduced energy monitoring system, in which consumption is being recorded and consumption pattern is constantly observed. With continuous monitoring, it has helped in reduction of energy losses.

Further, your Company has replaced mechanical loading and unloading governor in air compressors with Electrical pressure switch. This will save electrical energy of compressor motor in no load condition and reduce carbon emission. Approx. 48000 units are expected to be saved per annum with such switches.

4. At Gandhinagar plant, under innovation project, your Company has reduced carbon emission by reduction in Diesel consumption. Your Company has strategically re-located raw material yard at one place and reduced material handling of Mobile crane and Transportation of trailers which will save approx. 16,000 litres of diesel annually at our plant.
5. Your Company has introduced new PPRC – Poly propylene random co-polymer compressed gas line against old GI line. This new line will be 100% leakage proof, saving in running of air compressors and thus electrical energy of approx. 60,000 units per annum.
6. At Raipur Plant, Molten Zinc recovery plant has been installed to recover the zinc from the hazardous waste as Zinc Oxide resulting into improving the yield of Zinc & also reduce the quantity of hazardous waste.
7. At Biomass Power Plants, your Company has replaced ARC Valve of Boiler feed pump with new latest version, resulting into annual saving of 15750 units p.a.

(ii) the steps taken by the Company for utilizing alternate sources of energy:

- In pipeline projects going in Kerala, Rajasthan, Haryana & Punjab, KPTL installed Solar Power Panels 4 each of 300 Watts & 800 Watts and Solar Pole light 80 Nos as an alternate sources of energy.
- Your Company has used apart from the main biomass fuel-Mustard Crop Residue-other alternative biomass fuels for its Biomass Power Plants in order to ensure the availability of biomass in various seasons throughout the year.

(iii) the capital investment on energy conservation equipment: The Company made capital investment of ₹ 2.29 Crores on energy conservation equipment during FY 2020-21.

ANNEXURE E to Board's Report

(B) Technology absorption-

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

- Hi-tech fuel sensors were installed in heavy equipment deployed in various activities of pipeline construction, which helped Company in monitoring & control the fuel consumption remotely through internet.
- Pursuant to innovation project carried out at Gandhinagar plant, your Company has emphasized for Business process re-engineering with Lean manufacturing including new technology adoption for Oil cooling & material handling. Further, continuing towards improvement, your Company has installed software for method & time study.
- Fuel efficient excavators – The Company invested and deployed special fuel efficient excavators which are 20% more efficient than the conventional excavators which were being used earlier.
- Mud recycling systems for HDD machines – Special mud recycling technology is adopted by the Company by investing in Mud recycling system, which saves around 70% of bentonite required during drilling operations, by recycling the same. This is helping in minimizing the cost and environmental impact by reducing the quantity of the residue to be disposed.
- At Raipur Plant, your Company implemented Digital transformation initiatives to enhance quality and ease of operation through technology intervention like Ground water consumption and Level on line monitoring by digital flow meter and piezo meter, On line Effluent quality Monitoring System, usages of Soft copy of shop drawing during manufacturing and inspection process to save cost, energy consumption etc.
Further, at plant, for Angle bending operation your Company switched to Induction heating as against Light Diesel Oil (LDO). Induction heating is fast, precise, clean and energy efficient.
- At Gandhinagar Plant, your Company introduced digitalization of OEE (Performance monitoring tool) measurement system in Manual machines like Notching, Bending & Straightening. This is continuous online monitoring system in synchronization with SAP for measurement of productivity.
- Your Company has updated welding technology by adding X-Y carriage system & Beveling machine. Your Company is on the way for Robotic welding system establishment.

- Drying/preheating oven with Drag chain conveyors: Your Company introduced Drying / preheating oven with indirect hot air heating through thermal recovery from galvanizing furnace flue gas which leads to reduced energy consumption during galvanizing process. Further, Drag chain conveyors were used for reducing multiple handling of material.
- Vision Inspection with material handling conveyor: As Industry 4.0 continues to expand and improve automation, the use of smart cameras and vision sensors to collect real-time data for decision making has saved time and resources and has become critical for quality control opportunities in production.
- Every agro waste/ forestry waste has a different chemical composition and reacts differentially in the controlled atmosphere of the Boiler. Different new agro wastes, forestry wastes were mixed and matched with the Mustard Crop Residue (Main fuel) to have optimum Electricity Generation and the Plant Efficiency at Biomass Plants.

Other than the main fuel i.e. Mustard Crop Residue (MCR), at Padampur Biomass Power Plant, your Company have used about 26% alternate fuels during the year under review.

• Research and Development:

The Company has been continuously putting effort to develop new transmission towers with different challenges. The Company is doing many research activities in the areas of material weight reduction, alternate material, process design, process improvement also.

(ii) the benefits derived:

- **Benefits derived as a result of R & D:**
 - (a) Market expansion and improved competitive position through significantly improved products for new markets.
 - (b) Improved competency for designing process & products for customers.
 - (c) Up-gradation of technical skill of employees for higher productivity & more consistent quality.
- **Future Plan of Action:**
R&D is a continuous activity instead of one-time activity. Therefore, your Company is looking to

adapt new and upgraded technologies in order to stay ahead of its competitors. Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavors. At Pipeline projects, your Company is looking the possibility of switching from conventional X-Ray to Digital X-ray as NDT technique for welded joints. This will help in reducing the cycle time of developing the X-Ray films and give better results, which will generate faster fault analysis.

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

Details of technology imported	Year of Import	Whether the technology been fully absorbed	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof
NIL			

(iv) the expenditure incurred on Research and Development:

Particulars	(₹ in Crores) 2020-21
Capital Expenditure	0.02
Revenue Expenditure	12.30
Total	12.32
Total R&D expenditure as a percentage of total turnover	0.16%

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

	(₹ in Crores)
Foreign Exchange Earnings	2,068.17
Foreign Exchange Outgo	730.70

On behalf of the Board of Directors

Place: Mumbai
Date: May 11, 2021

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

ANNEXURE F to Board's Report

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

1.1. Applicability

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

1.2. Philosophy

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

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

1.3. Objective

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

1.4. Regulatory Framework

1.4.1. Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, which was notified vide Notification dated July 8, 2016 provides that top five hundred listed entities based on their market capitalization calculated as on 31st day of March of every Financial Year shall formulate a Dividend Distribution Policy which shall be disclosed in the annual reports and on the websites of such Company.

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

1.5. Definitions

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

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

1.5.3. “Board” means Board of Directors of the Company.

1.5.4. “Company” shall mean Kalpataru Power Transmission Limited.

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

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

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

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

1.6. Interpretation

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

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

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

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

2. POLICY

2.1. Policy

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

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

2.2. Procedure

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

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

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

2.3. Parameters for Declaration of Dividend

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

2.3.1. Internal Factors

a. **Profits Earned:** The extent of stability and magnitude of company's earnings will directly influence the dividend declaration. Thus, the

dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.

b. Capital Expenditure Requirements and future working capital requirements

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

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

e. Leverage profile and liabilities of the Company.

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

2.3.2. External Factors

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

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

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

ANNEXURE F to Board's Report

- d. **Fiscal Policy:** The tax policy of the country also influences the dividend policy of a company. The rate of tax directly influences the amount of profits available to the company for declaring dividends.
- e. **Capital Markets:** In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

2.4. Circumstances under which the Shareholders may not expect Dividend

- 2.4.1. The shareholders of the Company may not expect Dividend under the following circumstances:
 - a. Due to operation of any other law in force
 - b. Due to inadequate profit or losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year
 - c. Due to any restrictions and covenants contained in any agreement as may be entered into with the Lenders
 - d. Whenever Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital or undertakes any acquisitions or restructuring
 - e. Significant higher working capital requirements adversely impacting free cash flow.
 - f. Whenever it proposes to utilise surplus cash for buy-back of securities

2.5. Utilisation of Retained Earnings

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. These earnings may be utilized

for internal financing of various projects of the Company and for fixed as well as working capital. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

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

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

3. DISCLOSURE

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

4. GENERAL

- 4.1 The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. Such amended Policy shall be placed before the Board for noting and necessary ratification at its subsequent meeting.
- 4.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 11, 2021

Report on Corporate Governance

I. Company's philosophy on Corporate Governance

KPTL's philosophy on Corporate Governance is built on strong foundation of transparency, compliance, ethics, accountability, responsibility, values and trust. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large.

KPTL's essential character revolves around its strong set of core values i.e. Business Ethics, Customer Centricity and Quality. We believe that Corporate Governance is a voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders needs. KPTL strongly believes that the best Corporate Governance practices have been the key enablers in enhancing stakeholders' trust & confidence, attracting & retaining financial & human capital and meeting societal aspirations.

At KPTL, the Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of our stakeholders.

The Company is in compliance, in letter and spirit, with the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regards to corporate governance.

Towards achievement of this philosophy, KPTL's management systems are certified with ISO 37001:2016. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the new international standard designed to help organizations implement an anti-bribery management system.

II. Board of Directors

A. Composition of the Board

As on March 31, 2021, the Board of Directors of the Company had 9 Directors, comprising of 6 Non-Executive Directors, 2 Executive Directors (including Executive Chairman) and 1 Managing Director & CEO. Out of 6 Non-Executive Directors, 4 are Independent Directors including 1 Woman Director. As on the date of this Report, the Board of Directors of the Company had 8 Directors comprising of 5 Non-Executive Directors, 2 Executive Directors (including Executive Chairman) and 1 Managing Director & CEO. Out of 5 Non-Executive Directors, 4 are Independent Directors including 1 Woman Director. No Directors are related to each other except Mr. Mofatraj P. Munot and

Mr. Parag M. Munot, who are related as Father and Son respectively. The Board structure is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The shareholders of the Company at Annual General Meeting (AGM) held on August 12, 2020 approved the re-appointment of Mr. Manish Mohnot as Managing Director & CEO of the Company for a period of 5 years w.e.f. April 1, 2020.

Further, the shareholders at the same AGM have also approved the re-appointment of Ms. Anjali Seth as Independent Director for a second term of 5 consecutive years w.e.f. May 19, 2020.

During the year under review, Mr. K.V. Mani, Independent Director ceased to be Independent Director w.e.f. January 20, 2021 due to his sudden demise.

Subsequently, post end of financial year, Mr. Imtiaz I. Kanga, Non-Executive Director resigned from the post of Director w.e.f. April 19, 2021. Therefore, as on date of this report there are total 8 Directors on the Board of the Company.

None of the Directors of the Company is on the Board of more than 7 listed companies including as an Independent Director. Further, none of the Directors of the Company is acting as a Whole Time Director/managing Director of any listed company as well as Independent Director in more than 3 listed companies. None of the Director of the Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees across all the public limited companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairpersonship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone have been considered.

B. Meetings of Board of Directors

During the year ended March 31, 2021, the Board met 6 times on May 20, 2020, August 12, 2020, August 24, 2020, November 4, 2020, December 8, 2020 and February 13, 2021. The maximum time gap between any two meetings was 84 days. All Information as required under Regulation 17(7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board of Directors. The Company has complied with the provisions of Secretarial Standards on Board Meetings (SS-1) issued by the Institute of Company Secretaries of India with respect to convening of Board Meetings during the year.

Report on Corporate Governance

C. Directorship held and Directors' attendance

The names of the other listed entities where Directors of the Company hold directorships and the category of directorship held in such listed entity as on March 31, 2021 are as under:

Name of the Directors	Name of Other Listed Entity where Director of KPTL is a Director	Category of Directorship held in such Listed entity
Mr. Mofatraj P. Munot	NIL	-
Mr. Parag M. Munot	NIL	-
Mr. Sajjanraj Mehta	NIL	-
Mr. Vimal Bhandari	(1) DCM SHRIRAM LTD (2) JK TYRE & INDUSTRIES LTD (3) BHARAT FORGE LTD (4) RBL BANK LTD	Independent Director Independent Director Independent Director Non-Executive Non-Independent Director
Mr. Narayan K. Seshadri	(1) ASTRAZENECA PHARMA INDIA LTD (2) PI INDUSTRIES LTD (3) SBI LIFE INSURANCE COMPANY LTD	Independent Director Independent Director Independent Director
Ms. Anjali Seth	(1) JMC PROJECTS (INDIA) LTD (2) CAPRIHANS INDIA LTD (3) ENDURANCE TECHNOLOGIES LTD (4) CENTRUM CAPITAL LTD (5) NIRLON LIMITED	Independent Director Independent Director Independent Director Independent Director Independent Director
Mr. Imtiaz I. Kanga*	NIL	-
Mr. Manish Mohnot	JMC PROJECTS (INDIA) LIMITED	Non-Executive - Non Independent Director
Mr. Sanjay Dalmia	NIL	-

*Mr. Imtiaz I. Kanga resigned w.e.f April 19, 2021

The name and category of Directors on the Board of KPTL, their attendance at the Board meetings held during the year and also at the last Annual General Meeting, the number of Directorships and Committee Memberships and Chairpersonships held by them in other Indian companies as on March 31, 2021 are given below:

Name of the Directors	Category	Attendance at		No. of		
		Board Meetings	Last AGM	Other Director-ship#	Other Committee Chairpersonship*	Other Committee Membership*
Mr. Mofatraj P. Munot	Executive Chairman (Promoter)	6	Yes	12	-	-
Mr. Parag M. Munot	Non – Executive (Promoter)	6	Yes	13	0	1
Mr. Sajjanraj Mehta	Independent Director	6	Yes	2	1	1
Mr. Vimal Bhandari	Independent Director	6	Yes	6	1	1
Mr. Narayan K. Seshadri	Independent Director	6	Yes	13	4	6
Mr. K. V. Mani*	Independent Director	5	Yes	-	-	-

Name of the Directors	Category	Attendance at		No. of		
		Board Meetings	Last AGM	Other Director-ship#	Other Committee Chairpersonship*	Other Committee Membership*
Ms. Anjali Seth	Independent Woman Director	6	Yes	7	3	8
Mr. Imtiaz I. Kanga ⁶	Non – Executive (Promoter Group)	6	Yes	-	-	-
Mr. Manish Mohnot	Managing Director & CEO	6	Yes	6	-	1
Mr. Sanjay Dalmia	Executive Director	6	Yes	-	-	-

Including Private Limited Companies.

*Represents Memberships/Chairpersonships of Audit Committee & Stakeholders' Relationship Committee of public limited companies only

*Mr. K.V.Mani, Independent Director ceased to be Director of the Company w.e.f January 20, 2021 due to his sudden demise

*Mr. Imtiaz. I. Kanga resigned w.e.f April 19, 2021

D. Separate meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company met once during a year, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

E. Confirmation of Independence

In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management.

F. Directors' Profile

In case of appointment or re-appointment of Director (s), a brief resume of Director(s), nature of their expertise in specific functional areas and company names in which they hold Directorships,

Memberships/ Chairmanships of Board Committees, and shareholding in the Company are provided in the Notice of the Annual General Meeting annexed to this Annual Report.

G. Code of Conduct

The Board has laid down code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.kalpatarupower.com.

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director & CEO confirming the compliance of the Code of Conduct as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained and is given below:

DECLARATION

All Board Members and Senior Management Personnel have, for the year ended March 31, 2021 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For Kalpataru Power Transmission Limited

Place: Mumbai
Date : May 11, 2021

Manish Mohnot
Managing Director & CEO

Report on Corporate Governance

III. Audit Committee:

The Audit Committee comprises of 4 Directors out of which 3 are Independent Directors and 1 is Executive Director. The Chairman of the Audit Committee is an Independent Director.

The Company is in compliance of the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Audit Committee.

The Audit Committee has the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, as it considers necessary.

The role and responsibilities of the Committee include the perusal and review of information specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia including the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013
 - Changes, if any, in accounting policies and practices & reasons for the same
 - Major accounting entries involving estimates based on the exercise of judgment by management
 - Significant adjustments made in the financial statements arising out of audit findings
 - Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- modified opinion (s) in the draft audit report
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings & follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Additionally, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;

- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor
- Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice in terms of Regulation 32(7).

The Committee met 6 times during the year on May 20, 2020, August 12, 2020, November 4, 2020, December 8, 2020, February 13, 2021 and March 11, 2021 and the attendance of Members at the Meetings were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Sajjanraj Mehta	Independent Director	Chairman	6/6
Mr. Mofatraj P. Munot	Executive - Promoter	Member	6/6
Mr. Vimal Bhandari	Independent Director	Member	6/6
Mr. Narayan K. Seshadri	Independent Director	Member	6/6

The other Board Members, Managing Director & CEO, Chief Financial Officer, representatives of Statutory Auditors and Internal Auditor are the regular invitees to the Committee Meetings. Other executives including Business Unit Heads are invited as and when required. The Cost Auditors is invited to attend the Audit Committee meeting where cost audit report is discussed. Mr. Rajeev Kumar, Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of significant related party transactions as submitted by the management, and other

information as mentioned in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 12th August, 2020.

IV. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of 3 Directors out of which 2 are Independent Directors and 1 is Executive Director. The Chairman of the Committee is an Independent Director. The composition of the

Report on Corporate Governance

Committee adheres to the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The role of the Nomination and Remuneration Committee as specified in Part D of the Schedule II, inter-alia includes following:

- To formulate criteria for determining qualification, positive attributes & Independence of director and recommend to board a policy relating to remuneration for the Directors, KMP and other employees;
- To formulate criteria for evaluation of performance of Independent Directors and Board.
- To devise a policy on diversity of Board of Directors;

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors
- Recommend to the board, all remuneration, in whatever form, payable to senior management.
- To perform any other functions as may be assigned to Committee by the Board from time to time.

The Committee met once during the year on May 20, 2020 and the attendance of Members at the Meeting is as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Vimal Bhandari	Independent Director	Chairman	1/1
Mr. Mofatraj P. Munot	Executive - Promoter	Member	1/1
Mr. Sajjanraj Mehta	Independent Director	Member	1/1

Performance Evaluation

The Board has prepared performance evaluation policy for evaluating performance of Individual Directors including Chairman of the Company, Board as a whole and its Committees thereof. The criteria of the Board evaluation includes Board composition, talent, experience and knowledge, presentations and discussions at the Board Meeting, frequency of the Board Meeting, feedback and suggestion given to the management, participation in the discussion etc.

The performance of Non-Independent Directors including Chairman of the Company and the Board as a whole, after taking views of the Executive and Non-Executive Directors were evaluated by the Independent Directors at their Meeting held on May 11, 2021.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meetings held on May 11, 2021 in the manner prescribed in the Performance Evaluation Policy.

The evaluation of the Independent Directors were made on the basis of attendance at the Meeting of the Board, Committee and General Meeting, knowledge about the latest developments, contribution in the Board development processes, participation in the Meetings and events outside Board Meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company etc.

Succession Planning

The Company believes that sound succession plans for the senior leadership are very critical for a robust future of the Company. The Nomination and Remuneration Committee and the Board of Directors of the Company on a periodic basis reviews the structured succession plan for senior leadership.

Director's Remuneration

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employee is available on the website of your Company www.kalpatarupower.com. There has been no change in the policy since last financial year. The Remuneration Policy is in consonance with the existing industry practice.

Remuneration paid or payable to Executive Chairman, Managing Director & CEO and Executive Director for the FY 2020-21 is as under:

Name of Director	Salary and allowances	Perquisites	Contribution to PF	Commission / Incentive	Total	Stock Options granted
Mr. Mofatraj P. Munot	4.40	-	-	12.00	16.40	-
Mr. Manish Mohnot	3.53 [#]	0.01	0.17	11.00	14.71	-
Mr. Sanjay Dalmia	1.90 [#]	0.01	0.09	3.57	5.57	-

[#]includes leave encashment availed during year under review

The contractual agreement with Mr. Manish Mohnot, Managing Director & CEO and Mr. Sanjay Dalmia, Executive Director can be terminated by either party giving 6 months' prior notice. None of the managerial personnel is entitled for any severance pay.

In terms of agreement/re-appointment terms approved / to be approved by members, commission/incentive to Mr. Mofatraj P. Munot, Executive Chairman, Mr. Manish Mohnot, Managing Director & CEO and Mr. Sanjay Dalmia, Executive Director, is decided annually by Board of Directors on recommendation of Nomination and Remuneration Committee.

Sitting Fees and Commission on net profit paid or payable to Non-Executive Directors for the Financial Year 2020-21 is as under:

Name of Director	Sitting Fees	Commission	Total
Mr. Parag M. Munot	0.05	2.17	2.22
Mr. Sajjanraj Mehta	0.07	0.65	0.72
Mr. Vimal Bhandari	0.06	0.50	0.56
Mr. Narayan K. Seshadri	0.07	0.50	0.57
Mr. K. V. Mani*	0.04	0.15	0.19
Ms. Anjali Seth	0.05	0.22	0.27
Mr. Imtiaz Kanga ^{**}	0.05	0.15	0.20

*Mr. K.V.Mani, Independent Director ceased to be Director of the Company w.e.f January 20, 2021 due to his sudden demise

**Mr. Imtiaz. I. Kanga resigned w.e.f April 19, 2021

Commission is paid to the above mentioned Directors on the basis of qualifications, experience, attendance at the Meetings, Directorship in other companies, time spent on strategic matters and contribution to the Company, financial performance and net worth of the Company, Order book position, track record of operational performance, performance evaluation of Board etc.

The Board of Directors of the Company approved payment of commission during the year to the Director(s) who were not in Whole-Time employment of the Company in recognition of their performance during FY 2020-21 not exceeding in aggregate 1% of net profits for the FY 2020-21, calculated under Section 198 of the Companies Act, 2013.

Information of Directors as on March 31, 2021 is as under:-

Name	Age	Designation	Date of initial appointment	Shares held
Mr. Mofatraj P. Munot	76	Executive Chairman	June 27, 1989	1,00,05,822
Mr. Parag M. Munot	51	Director	September 30, 1991	79,63,615
Mr. Sajjanraj Mehta	69	Director	July 25, 1998	10,000
Mr. Vimal Bhandari	62	Director	June 28, 2002	Nil
Mr. Narayan K. Seshadri	63	Director	January 29, 2007	Nil
Ms. Anjali Seth	62	Director	March 28, 2015	Nil
Mr. Imtiaz Kanga *	68	Director	March 8, 2016	1,00,000
Mr. Manish Mohnot	48	Managing Director & CEO	November 1, 2006	Nil
Mr. Sanjay Dalmia	58	Executive Director	August 8, 2018	16,100

*Mr. Imtiaz Kanga resigned w.e.f April 19, 2021.

Report on Corporate Governance

There is no pecuniary relationship or transaction of the Company with any Non-Executive Director other than the payment of sitting fees and remuneration, including commission, as given here above. All related party transactions are disclosed in notes to accounts.

V. Stakeholders' Relationship Committee:

The Stakeholders Relationship Committee is Chaired by an Independent Director and comprises of 3 Directors. This composition of the Committee is in conformity with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the year under review, due to sudden demise of Mr. K. V. Mani Chairman of the Stakeholders' Relationship Committee, the Board of Directors at their meeting held on February 13, 2021, appointed Ms. Anjali Seth to act as Chairperson & member of the Committee. As on

The Committee met one time during the year on November 4, 2020 and the attendance of members at the Meetings were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. K. V. Mani*	Independent Director	Chairman	0/1
Ms. Anjali Seth#	Independent Director	Chairperson	-
Mr. Manish Mohnot	Managing Director & CEO	Member	1/1
Mr. Parag M. Munot	Non-Executive –Promoter	Member	1/1

*Mr.K.V.Man, ceased to be the Chairman of the Committee due to his sudden demise.

#Ms. Anjali Seth was appointed as Chairperson of the Committee w.e.f February 13, 2021.

Mr. Rajeev Kumar, Company Secretary is the Compliance Officer of the Company.

Investor Complaints at the beginning of the year	NIL
Investor Complaints received during the year	6
Investor Complaints resolved during the year	6
Investor Complaints pending at the end of the year	NIL

The Board has delegated the powers of approving transfers and transmission of shares, issue of duplicate shares, issue of share certificates after split/consolidation/renewal and transmission of shares, to a Share Transfer Committee which is comprising of Mr. Parag Munot, Mr. Manish Mohnot and Mr. Ram Patodia. The Committee met one time during the year. No request for transfer of shares was pending as on March 31, 2021.

VI. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of 4 Directors out of which Chairman is an Independent Director.

March 31, 2021 the Committee comprises of Ms. Anjali Seth, Mr. Parag M. Munot and Mr. Manish Mohnot.

The role of the committee inter-alia includes the following:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The terms of reference of Committee broadly comprises following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which includes the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR Projects or Programs or activities undertaken by the Company.

The Committee met 2 times during the year on November 4, 2020 and January 27, 2021. The composition of the CSR Committee and the attendance of Members at the Meeting were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Sajjanraj Mehta	Independent Director	Chairman	2/2
Mr. Mofatraj P. Munot	Executive – Promoter	Member	2/2
Mr. Parag M. Munot	Non-Executive – Promoter	Member	1/2
Mr. Manish Mohnot	Managing Director & CEO	Member	2/2

VII. Risk Management Committee

The Company has constituted Risk Management Committee in compliance with Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements). Majority of members of the Committee, including the Chairman, are members of Board of Directors.

The Role and Responsibilities of Risk Management Committee are as under:

- Review the existing Risk Management Policy, framework, processes, Risk Management Structure and Risk Mitigation Systems and re-frame and modify the same as required from time to time.
- To review strategic risks and operational risks and other aspects which impacts the Company and in specific Risk related to Cyber Security.
- Overseeing implementation/monitoring of Risk Management Plan, Framework, Processes and Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification as may be applicable.

The Committee met 3 times during the year on May 20, 2020, November 4, 2020, February 13, 2021. The composition of the Risk Management Committee and the attendance of Members at the Meeting were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Narayan Seshadri	Independent Director	Chairman	3/3
Mr. Manish Mohnot	Managing Director & CEO	Member	3/3
Mr. Sanjay Dalmia	Executive Director	Member	3/3
Mr. Ram Patodia	CFO	Member	3/3
Mr. Kamal Kishore Jain	Director (Plant Operations)	Member	3/3

VIII. Subsidiary Companies:

The List of Subsidiary and Associate Companies of the Company, is available on the website i.e. www.kalpatarupower.com

Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

JMC Projects (India) Limited, a listed company, is a material subsidiary company. There is no other subsidiary which qualifies the test of material subsidiary. Accordingly, the requirement of having an independent director of the

Company on the Board of unlisted material subsidiary company did not attract during the year under review.

There is no material unlisted subsidiary of the Company and hence the Company is not required to annex Secretarial audit report of unlisted subsidiaries.

The minutes of Board Meetings of unlisted subsidiary companies are being placed before the Board of Directors of the Company from time to time. All significant transactions and arrangements entered into by the unlisted subsidiaries of the Company are also placed for consideration of the Audit Committee. The other requirement of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

Report on Corporate Governance

IX. General Body Meeting:

a. The details of last 3 Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Date	Time	Venue
2019-20	August 12, 2020	2:00 p.m.	AGM was held through Video Conferencing pursuant to the MCA circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020
2018-19	July 30, 2019	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2017-18	August 7, 2018	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar

Special Resolutions in Last 3 AGMs:

In AGM held on August 12, 2020, Two Special Resolutions were passed as under:

- Re-appointment of Mr. Manish Mohnot (DIN: 01229696) as Managing Director & CEO of the Company
- Re-appointment of Ms. Anjali Seth (DIN: 05234352) as an Independent Director of the Company

In AGM held on July 30, 2019, Seven Special Resolutions were passed as under:

- Appointment of Mr. Sanjay Dalmia (DIN: 03469908) as an Executive Director of the Company
- Re-appointment of Mr. Sajjanraj Mehta (DIN: 00051497) as an Independent Director
- Re-appointment of Mr. Vimal Bhandari (DIN: 00001318) as an Independent Director
- Re-appointment of Mr. Narayan K. Seshadri (DIN: 00053563) as an Independent Director
- Re-appointment of Mr. K. V. Mani (DIN: 00533148) as an Independent Director
- Authority for creation of charge, security etc. for an amount not exceeding in aggregate ₹ 12,000 Crores (Rupees Twelve Thousand Crores)
- Issue of 12,54,900 Equity Shares on a preferential basis to Tano India Private Equity Fund II ("Tano") for consideration other than cash i.e. in consideration of 1,46,45,499 equity shares held by Tano in Shree Shubham Logistics Limited

In AGM held on August 7, 2018, Two Special Resolutions were passed as under:

- Issuance of redeemable Non-Convertible Debentures upto ₹ 300 Crores by the Company within a period of 1 year in one or more tranches.
- Approval for continuing the Directorship of Mr. K. V. Mani (DIN: 00533148) as an Independent

Non-Executive Director of the Company till his original term upto March 31, 2019 although he shall attain age of seventy five years

Postal Ballot

No Postal Ballot was conducted during the year. There is no resolution which is proposed to be passed through Postal Ballot.

X. Disclosures:

a) Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussion and Analysis.

b) Related Party Transaction

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year, the Company had not entered into any contract / arrangement / transaction with related parties, which could be considered material in accordance with the policy of the Company on materiality of related party transactions or which could have potential conflict with the interests of Company at large.

The Company has received declarations from Senior Management Personnel that there was no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

The Company has formulated a policy on dealing with Related Party Transactions, such policy has been disclosed of the Company's website <http://www.kalpatarupower.com/corporate-governance/>

c) Accounting treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

d) Risk Management

The Company has constituted Risk Management Committee to ascertain and minimize risk and to take appropriate decisions for regular assessment and minimization of risks. The working of this Committee is being periodically reviewed by the Board.

e) Compliance

There have been no non-compliance by the Company with respect to any matter related to capital markets nor any penalty or stricture was imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

f) Whistle Blower Policy (Vigil Mechanism)

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a vigil mechanism (whistle-blower policy) under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct. The reportable matters may be disclosed to the ABMS Committee which operates under the supervision of the Audit Committee. Further, the functioning of the vigil mechanism is being monitored by the Audit Committee from time to time. Employees may also report violations to the Chairman of the Audit Committee in exceptional cases. During the year, no employee was denied access to the Audit Committee.

The Whistle Blower Policy has been disclosed on the Company's website <http://kalpatarupower.com/corporate-governance/>

g) Familiarization programme for Independent Directors

The Company has familiarized its Independent Director's regarding the Company, and its policies, their roles, rights and responsibilities etc. Presentations are made by senior personnel of the Company to the Independent Directors covering nature of Industry, business model, business performance and operations, challenges & opportunities available etc. Certain programmes are merged with the Board/Committee meetings for the convenience of the directors. Separate programs are conducted for them as per their requirement. Over and above specific Familiarization Programmes, presentations were made at the Board meetings by MD & CEO / CFO covering performance of peers, Operational review of major operating subsidiaries, forex and commodity exposure, updates on capital expenditure, strategic and operational risks and its mitigation plan, business performance, operations, working capital management, major litigations, major achievements etc.

Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. The Details of

Familiarisation programme for Independent Directors has been disclosed on the Company's website <http://kalpatarupower.com/corporate-governance/>

h) Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining 'material' subsidiaries, such policy has been disclosed on the company's website <http://kalpatarupower.com/corporate-governance/>

i) Foreign Exchange Risk and Hedging Activities

The Company's activities exposes it to the risk of fluctuations in foreign currency exchange rate. Company has in place a robust risk management framework for monitoring and mitigation of the risk of fluctuations in the currency exchange rates. Such risks are monitored regularly and necessary actions are taken to mitigate them in line with the Risk Management Policy of the Company. The Company enters into forward foreign exchange contracts to hedge the exchange rate risk. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2021 are disclosed in Note No. 44 in Notes to the standalone financial statements.

j) Commodity Price Risk and Hedging Activities

The details regarding exposure of the Company to commodity and commodity risks faced throughout the year in terms of SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2018/000000141 dated November 15, 2018 is as under:

1. Risk management policy of the Company with respect to commodities including through hedging

As a part of broader Risk Management Policy, the Company has a dedicated framework to manage commodity risk. The Company's business is significantly dependent on availability, cost and quality of raw materials and fuels for the construction and development of projects undertaken. Prices of commodity items used in the manufacturing and project execution mainly includes steel, zinc, aluminum conductors, copper, etc. Prices of these are varied due to global economic conditions, supply demand mismatch, competition, production levels, and taxes etc. The Company currently manages such risk through the price escalation clause in some of the Contracts whereby the fluctuation in the input cost is passed on to the Client. In case of firm price contracts, the Company enters into a Commodity Forward Contract to hedge its price risk or pass on back-to-back firm price contract to its vendor/contractor. The Company addresses the risk of fluctuation in commodities which cannot be hedged by building adequate contingencies based on market trends. The Company manages such risk as per its Risk Management Policy and Procedures.

Report on Corporate Governance

2. Exposure of the Company to commodity and commodity risks faced by the entity throughout the year

A. Total exposure of the Company to commodities in ₹: ~ 1,38,896 Lakhs (only for material commodities)

B. Exposure of the Company to various commodities:

Commodity Name (material commodity)	Exposure in towards the particular commodity (in lakhs)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Aluminum	44,605	MT 27,427	-	-	26%	-	26%
Zinc	12,796	MT 6,229	-	-	5%	-	5%
Steel	63,670	MT 148,974	-	-	-	-	-
Copper	17,825	MT 2,740	-	-	25%	-	25%

* Above Exposure does not include the Exposure of Variable Price Contracts wherein the fluctuation in the input cost is passed to the Client

C. Commodity risks faced by the Company during the year and how they have been managed:

Commodities are a significant part of the Direct cost incurred by the Company for its business activities including fabrication of towers and erection of the transmission lines and substations. Material commodities for the Company are Steel, Aluminum, Zinc and Copper. Thus, movement in the prices of these commodities exposes the Company towards the risks of fluctuations on its profitability. The Company has a robust mechanism to monitor such risks and ensure that the risk of major fluctuations are mitigated. Risk Management Committee of the Company based on the exposure of the Company and Risk Management Policy recommends the procurement/treasury team for the hedging strategy. The Company uses the future commodities contracts for hedging the prices or passes on back to back firm price contract to its vendors. Further, the Company also addresses the risk of fluctuation in prices by building adequate contingencies based on market trends and including for commodities which cannot be hedged (viz. steel).

k) Matrix containing skills/expertise/competence of the board of directors

The list of core skills/expertise/competencies identified by the board of directors as required in the context of KPTL business(es) and sector(s) for KPTL to function effectively and those actually available with the board are as under:

Skills/expertise/competence	Whether available with the Board or not?	Mofatraj P. Munot	Parag M. Munot	Sajjanraj Mehta	Vimal Bhandari	Narayan Seshadri	Anjali Seth	Imtiaz Kanga	Manish Mohnot	Sanjay Dalmia
Industry knowledge/experience (EPC Industry)										
Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Industry knowledge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Understanding of relevant laws, rules, regulation and policy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
International Experience	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Contract management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical skills/ experience										
Accounting and finance	Yes		Yes	Yes	Yes	Yes		Yes	Yes	Yes
Marketing	Yes	Yes	Yes					Yes	Yes	Yes
Information Technology	Yes					Yes			Yes	
Talent Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leadership	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Skills/expertise/competence	Whether available with the Board or not?	Mofatraj P. Munot	Parag M. Munot	Sajjanraj Mehta	Vimal Bhandari	Narayan Seshadri	Anjali Seth	Imtiaz Kanga	Manish Mohnot	Sanjay Dalmia
Compliance and risk	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Legal	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Business Strategy	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Behavioral competencies										
Integrity and ethical standards	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Mentoring abilities	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Interpersonal relations	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

l) Credit ratings

Instrument/Facilities	Ratings	
	CRISIL	CARE Ratings
Long term facilities	AA/Stable	AA; Stable
Short term facilities	A1+	A1+

There have been no revisions in the Credit ratings for all debt instruments of the Company during the year under review.

m) Certificate from a Company Secretary in practice

The Company has obtained a certificate Mr. Urmil Ved, Practicing Company Secretary that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Clause 10(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Kalpataru Power Transmission Limited** having CIN: L40100GJ1981PLC004281 and having registered office at Plot 101, Part - III, GIDC Estate, Sector - 28, Gandhinagar, Gujarat- 382028 (hereinafter referred to as 'the Company') produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my 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 me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021, have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Report on Corporate Governance

Sr. No.	Name of Director	DIN	Date of Appointment	Date of Cessation
1.	Mr. Mofatraj Pukhraj Munot	00046905	27/06/1989	-
2.	Mr. Parag Mofatraj Munot	00136337	30/09/1991	-
3.	Mr. Sajjanraj Mehta	00051497	25/07/1998	-
4.	Mr. Keezhapandal Veeraraghavan Mani	00533148	24/01/2001	20/01/2021
5.	Mr. Vimal Bhandari	00001318	28/06/2002	-
6.	Mr. Manish Dashrathmal Mohnot	01229696	01/11/2006	-
7.	Mr. Narayan Keelveedhi Seshadri	00053563	29/01/2007	-
8.	Ms. Anjali Karamnarayan Seth	05234352	28/03/2015	-
9.	Mr. Imtiaz Ismail Kanga	00136272	08/03/2016	19/04/2021
10.	Mr. Sanjay Shivratna Dalmia	03469908	08/08/2018	-

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these, based on my 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.

Urmil Ved

Practicing Company Secretary
(ICSI Unique Code I1996GJ080100)
FCS No. 8094, COP No. 2521
Peer Review Cert. No.: 597/2019
ICSI UDIN:F008094C000277869

Date: May 11, 2021
Place: Gandhinagar

n) Fees paid to Statutory Auditors and network firm/entities

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Fees paid to	Amount (₹ in Crores)
B S R & Co. LLP (includes Audit fee, certification fees and reimbursement of expenses)	2.84
Other network entities	-

o) Disclosure in relation to Sexual Harassment

The disclosure in relation to The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Number of complaints filed during the financial year	Nil
Number of complaints disposed of during the financial year	Nil
Number of complaints pending as on end of the financial year	Nil

P) The Company has not issued any shares through preferential allotment or QIP and hence, details of utilisation of funds as specified under Regulations 32 of SEBI (LODR) Regulations, 2015 is not applicable.

XI. Means of Communication:

a. Financial Results

The Company has furnished Financial Results on a quarterly basis to the Stock Exchanges in the format and within the time period prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company generally publishes its Quarterly Results in Economic Times – English & Gujarati, Jay Hind-Gujarati and Gandhinagar Samachar - Gujarati.

The results of the Company were displayed on its website www.kalpatarupower.com. The official news releases are being placed on Company's website and simultaneously sent to Stock Exchanges where the shares of the Company are listed.

b. News, Release, Presentations etc.

Official news, Press releases, Analyst / Investor presentation, conference call transcript etc. are displayed on the website of the Company www.kalpatarupower.com

c. Compliance

The Company has regularly submitted its quarterly compliance report to the Stock Exchanges for compliance of requirements of corporate governance under Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has complied with all the applicable mandatory requirements under various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a certificate from its Statutory Auditors M/s. B S R & Co. LLP, Chartered Accountants to this effect and the same is annexed to this Report. The Company has also complied with certain non-mandatory requirements prescribed in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as the Company's Financial Statements for the year ended March 31, 2021 are with unmodified audit opinion, etc.

d. Website

The Company maintains a website www.kalpatarupower.com which depicts detailed information about the business activities of the Company. It contains a separate dedicated section

namely "Investors" where all information relevant to members is made available. The achievements and important events taking place in the Company like receipt of major orders are announced through electronic media and posted on the Company's website also. The Company's other press coverage and Analyst / Investor / Corporate presentation is also made available on the website. All the submissions made by the Company to Stock Exchanges are also disclosed on the website of the Company. The Annual Report of the Company is also available on the website of the Company www.kalpatarupower.com in a downloadable form.

XII. General Shareholder Information:

• Annual General Meeting and Record Date

Date, time and venue : July 15, 2021 at 2.00 p.m. of Annual General Meeting

IST
The Company is conducting meeting through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) pursuant to the MCA circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

Record Date: : Thursday, July 8, 2021

Dividend Payment Date : On or before August 14, 2021

• Financial Calendar

Financial Year : April 01 to March 31

• Financial Results:

First Quarter Results : by August 14, 2021

Half Year Results : by November 14, 2021

Third Quarter Results : by February 14, 2022

Annual Results : by May 30, 2022

Report on Corporate Governance

Listing

At present, the equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE). The Non-Convertible Debentures issued by the Company are listed on BSE Limited.

Name of Stock Exchange	Stock Code	Address
BSE Limited	522287	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001, Maharashtra, India.
National Stock Exchange of India Limited	KALPATPOWR	'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex, Bandra (E), Mumbai - 400 051, Maharashtra, India.

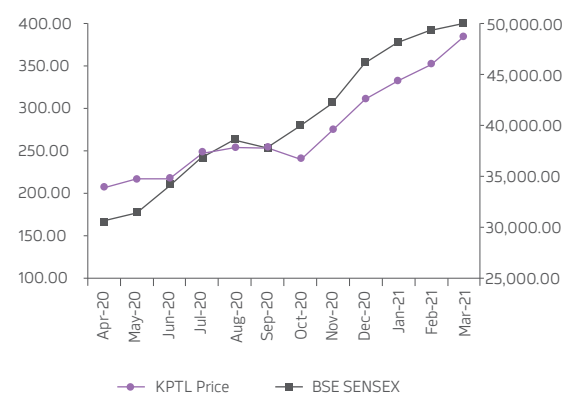
The Company has already paid the listing fees for the year 2021-22 to both the Stock Exchanges.

Stock Market Data

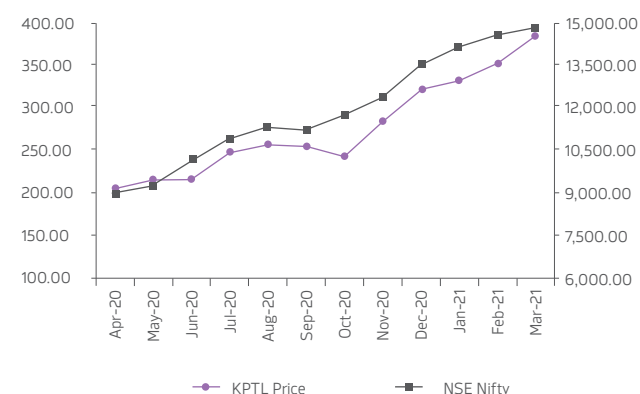
Monthly High and Low price of the Company's shares with a face value of ₹ 2 each for financial year 2020-21 on BSE and NSE are as under:

Month	BSE Limited			National Stock Exchange of India Ltd.				
	High Share Price ₹	Low Share Price ₹	S&P BSE Sensex during the Month		High Share Price ₹	Low Share Price ₹	Nifty 50 during the Month	
			High	Low			High	Low
Apr-20	241.10	172.00	33,887.25	27,500.79	241.20	171.70	9,889.05	8,055.80
May-20	256.00	180.00	32,845.48	29,968.45	249.00	184.10	9,598.85	8,806.75
Jun-20	235.65	199.85	35,706.55	32,348.10	235.55	198.00	10,553.15	9,544.35
Jul-20	276.85	219.70	38,617.03	34,927.20	277.45	219.10	11,341.40	10,299.60
Aug-20	290.95	221.25	40,010.17	36,911.23	291.00	224.25	11,794.25	10,882.25
Sep-20	278.25	232.10	39,359.51	36,495.98	278.85	232.05	11,618.10	10,790.20
Oct-20	254.80	228.00	41,048.05	38,410.20	254.90	230.50	12,025.45	11,347.05
Nov-20	324.00	228.00	44,825.37	39,334.92	323.40	245.25	13,145.85	11,557.40
Dec-20	366.00	257.00	47,896.97	44,118.10	366.75	277.00	14,024.85	12,962.80
Jan-21	356.00	309.45	50,184.01	46,160.46	354.80	309.15	14,753.55	13,596.75
Feb-21	395.00	309.30	52,516.76	46,433.65	395.75	309.15	15,431.75	13,661.75
Mar-21	406.20	362.50	51,821.84	48,236.35	406.85	362.00	15,336.30	14,264.40

KPTL's High Low Avg. Price Comparison with BSE Sensex High Low Avg.



KPTL's High Low Avg. Price Comparison with NSE Nifty High Low Avg.



Registrar & Transfer Agent (RTA)

Link Intime India Private Limited

506-508, Amarnath Business Centre -1
Beside Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road,
Navrangpura, Ahmedabad - 380 009,
Gujarat, India
Email: ahmedabad@linkintime.co.in
Tel. & Fax: 91 79 26465179

Share Transfer System

As per direction of Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from April 1, 2019. The transfer deed(s) once lodged prior to deadline and returned

due to deficiency in the document may be re-lodged for transfer even after the deadline of April 1, 2019.

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These certificates have been submitted to the Stock Exchanges.

A Company Secretary-in-Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. The Audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

Distribution of Shareholding as on March 31, 2021

No. of Shares of ₹ 2 each	Members		No. of Share Held	
	Number	% of Total	Number	% of Total
Upto 500	50,678	92.3938	43,86,945	2.9461
501 - 1,000	2,463	4.4904	19,88,706	1.3355
1,001 - 2,000	847	1.5442	12,54,133	0.8422
2,001 - 3,000	230	0.4193	5,81,207	0.3903
3,001 - 4,000	134	0.2443	4,84,702	0.3255
4,001 - 5,000	79	0.144	3,75,066	0.2519
5,001 - 10,000	173	0.3154	12,41,170	0.8335
10,001 and Above	246	0.4485	13,85,97,279	93.075
Total	54,850	100	14,89,09,208	100

Shareholding Pattern as on March 31, 2021

Sr. No.	Category	No. of Shares held	% of Shares held
A Promoter & Promoter Group Holding :			
1	Promoter	1,79,69,437	12.07%
2	Promoter Group	6,61,45,226	44.42%
B Non Promoters' Holding :			
1 Institutions			
	Mutual Funds	3,21,20,312	21.57%
	Alternate Investment Funds	11,94,851	0.80%
	Foreign Portfolio Investor	94,31,143	6.33%
	Financial Institutions & Banks	85	0.00%
	Insurance Companies	72,59,765	4.88%

Report on Corporate Governance

Sr. No.	Category	No. of Shares held	% of Shares held
2	Non-Institutions		
	Individuals	1,01,18,951	6.79%
	Bodies Corporate	11,91,557	0.80%
	NRIs	16,64,323	1.12%
	Others	18,13,558	1.22%
	Total	14,89,09,208	100%

*Out of above, Promoters & Promoter group have pledged 4,27,33,869 Equity Shares constituting 50.80% of their holding in the Company and 28.70% of total equity of the Company.

Unclaimed Shares

There are no unclaimed shares lying with the Company in Demat Suspense account / Unclaimed Suspense account.

Dematerialization of Shares and Liquidity

99.71% Shares are in demat form as on March 31, 2021

ISIN No. (For Dematerialized Shares) INE220B01022

The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed by the Members.

Dividend for the year	Date of Declaration of Dividend	Last date upto which members are entitled to claim the dividend
2013-14	September 27, 2014	October 27, 2021
2014-15	September 29, 2015	November 2, 2022
Interim Dividend 2015-16	March 14, 2016	April 14, 2023
2016-17	August 11, 2017	September 13, 2024
2017-18	August 7, 2018	September 8, 2025
2018-19	July 30, 2019	August 29, 2026
Interim Dividend 2019-20	March 4, 2020	April 3, 2027
Interim Dividend 2020-21	February 13, 2021	March 14, 2028

During the year under review, the Company has credited ₹ 5.22 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to applicable provisions of Companies Act, 2013.

During the year under review, in accordance with the provisions of Companies Act, 2013 the Company has transferred 18,391, equity shares of ₹ 2/- each, to the credit of IEPF Authority, in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2021 on the Company's website (www.kalpatarupower.com), as also on the website of IEPF Authority (www.iepf.gov.in).

Outstanding GDRs/ADRs/Warrants/Convertible Instruments

The Company has no GDRs/ADRs/Warrants/Convertible Instruments outstanding as on March 31, 2021

Transfer of Unpaid / Unclaimed amounts to Investor Education and Protection Fund (IEPF)

Pursuant to provisions of Companies Act, 2013, dividends which remain unclaimed / unpaid over a period of seven years are required to be transferred by the Company to the IEPF constituted by the Central Government.

Debenture Trustees

8.45% and 8.11% Unsecured Redeemable NCDs of ₹ 100 Crores each

Vistra ITCL (India) Limited
The IL&FS Financial Centre, Plot C- 22, G Block,
Bandra Kurla Complex, Bandra(E),
Mumbai 400 051,
Maharashtra, India.
Tel:- + 91 22 2659 3535
Fax:- + 91 22 2653 3297
Website: www.vistraitcl.com

Zero Coupon Unsecured Taxable Rated Redeemable Non-Convertible Debenture of ₹ 100 Crores

Axis Trustee Services Limited
The Ruby, 2nd Floor, SW,
29 Senapati Bapat Marg,
Dadar West,
Mumbai – 400 028,
Maharashtra, India.
Tel No : +91-22-62260054
Fax : +91-22-43253000
Website: www.axistrustee.com

Plant Location

Main Plant

Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Gujarat, India.
Tel : 079 – 23214000
Fax : 079- 23211966

2nd Plant at Gandhinagar

Plot No. A-4/1, A-4/2, A-5,
G.I.D.C. Electronic Estate,
Sector – 25,
Gandhinagar – 382 025
Gujarat, India.
Tel.: 079-23214400
Fax : 079-23287215

Raipur Plant:

Khasra No.1778, 1779
Old Dhamtari Road
Village : Khorpa
Tehsil : Abhanpur
Dist : Raipur – 493 661
Chattisgarh, India.
Tel. : 0771 2772700
Fax : 0771 2446988

Biomass Energy Division (Power Plant)

27BB, Tehsil Padampur
Dist. Sri Ganganagar - 335 041
Rajasthan, India.
Tel. : 0154 – 2473725
Fax : 0154 –2473724

Near Village Khatoli
Tehsil Uniara,
Dist. Tonk - 304 024
Rajasthan, India.
Tel.: 01436 – 260665
Fax.: 01436 – 260666

R&D Tower Drawing & Design Centre

Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Gujarat, India.
Tel : 079 – 23214000
Fax : 079- 23211966

R & D Proto Tower Development & Validation Centre

At Punadara Village
Near Talod Dam
Taluka – Prantij
Dist. Sabarkantha - 387 610
Gujarat, India.
Tel : 02770- 255414

Registered Office (Address for Correspondence)

Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Gujarat, India.
Tel : 079 – 23214000
Fax : 079- 23211966

Corporate Office

"Kalpataru Synergy"
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santa Cruz (East),
Mumbai – 400 055
Maharashtra, India.
Tel.: 022 – 30645000
Fax: 022 – 30643131

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: May 11, 2021

CEO/CFO Certificate

Board of Directors
Kalpataru Power Transmission Limited

We, Manish Mohnot, Managing Director & CEO and Ram Patodia, Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee:
 - (i) That there is no significant changes in internal control over financial reporting during the year;
 - (ii) That there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) That there is no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : May 11, 2021

Manish Mohnot
Managing Director & CEO

Ram Patodia
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To the Members of Kalpataru Power Transmission Limited

1. This Certificate is issued in accordance with the terms of our engagement letter dated June 21, 2019 and addendum to the engagement letter dated March 12, 2021.
2. We have examined the compliance of conditions of Corporate Governance by Kalpataru Power Transmission Limited ('the Company'), for the year ended on March 31, 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance of conditions of Corporate Governance as stipulated under Listing Regulation is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2021.

Mumbai
May 11, 2021

6. We conducted our examination of the above corporate governance compliance by the company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
1. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement

Opinion

2. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
3. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

4. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
ICAI UDIN: 21105317AAAADH9356

Business Responsibility Report

Kalpataru Power Transmission Limited (“KPTL” or “the Company”) views sustainability as being socially responsible and believes in inclusive growth of all sections of the society. Foundations of economic growth can be strengthened only if the entire society is a part of the growth story. Sustainable growth is embedded in and inseparable part of our culture.

This Business Responsibility Report has been prepared in accordance with Regulation 34(2)(f) of the Securities Exchange Board of India (SEBI) (Listing Obligation and Disclosure Requirements) Regulations 2015 and the National Voluntary Guidelines on Social, Environmental & Economic Responsibilities of Business (NVGs) released by Ministry of Corporate Affairs, Government of India. This Report provides a broad overview of the activities carried out by the Company against the nine principles outlined in the NVG.

Section A: General Information about the Company

1. Corporate Identity Number (CIN)	: L40100GJ1981PLC004281
2. Name of the Company	: Kalpataru Power Transmission Limited
3. Registered Address	: Plot No. 101, Part – III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India.
4. Website	: www.kalpatarupower.com
5. Email ID	: cs@kalpatarupower.com
6. Financial year reported	: April 1, 2020 to March 31, 2021

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Kalpataru Power Transmission Limited (KPTL) is engaged in the business of power transmission and infrastructure EPC space executing projects that deliver complete solutions covering design, testing, manufacturing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis. The Company is also engaged in High voltage substation business both in air insulated (AIS) and gas insulated (GIS) segment in domestic as well as international markets. The Company has also set up two Biomass power generation plants in Rajasthan.

Industrial Group	Description
251	Manufacture of structural metal products, tanks, reservoirs and steam generators
421	Construction of roads and railways
422	Construction of utility projects
351	Electricity Power Generation, Transmission and Distribution

As per National Industrial Classification – The Ministry of Statistics and Programme Implementation

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

- Design, Testing, Fabrication and Manufacturing of Transmission Line Towers and erection, procurement and construction of transmission lines and substations on a turnkey basis
- Railways EPC services for executing civil infrastructure, Bridges, new track laying, Track rehabilitation, Gauge conversion, signaling & telecommunication, over-head electrification, traction substation projects for Railways and manufacturing of Railway Structures.
- EPC contracting services for cross-country pipelines, terminals and gas gathering stations across diverse territories

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5) –

KPTL is undertaking business activity in about 54 international locations. The major locations include Cameroon, Bangladesh, Kenya, Sierra Leone and United Arab Emirates.

(b) Number of National Locations

KPTL is undertaking business activity in about 150 national locations. The Company's manufacturing plants are situated at Gandhinagar and Raipur.

10. Markets served by the Company: Local/State/National/International: All

Section B: Financial Details of the Company

1. Paid up capital (₹)	: ₹ 29.78 Crores
2. Total turnover (₹)	: ₹ 7,670.70 Crores
3. Total profit after taxes (₹)	: ₹ 615.22 Crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:	: 1.53% (including amount deposited in a separate bank account for incurring on multi-year projects)

5. List of activities in which expenditure in 4 above has been incurred:

The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. It has various long term multiyear as well as short term projects and programs under its CSR Policy. During the year under review, it took various initiatives like Installing MRI machine at Kalpa Seva Arogya Kendra, Gandhinagar, Opening of Medical dispensary at Raipur, Infrastructure Development at Higher Secondary School in Rajasthan, Construction of Dasgatra (Burial sheds) in Raipur District, COVID-19 relief efforts through establishment of COVID-19 hospital and food distribution, Upgrading Healthcare facility at Jankikund Chikitsalaya in Madhya Pradesh, Support for people suffering from Parkinsons, Assistance for Eye surgeries, contribution of treatment of critical illness, Skill Development Centre in South India, School Bus for specially abled children, Scholarship to the needy students, Construction of Community Hall for general welfare of local people through promotion of local art, self employment activities, Improving the conditions and welfare of Animals including Street dogs in India and setting up Animal care centre etc.

For detailed information regarding CSR Activities of the Company, you may refer **Annexure A** to Directors' Report.

Section C: Other Details

1. Does the Company have any subsidiary company/companies?

Yes, the Company has 26 subsidiary companies (including step-down subsidiaries) in India and abroad as on March 31, 2021.

2. Do the subsidiary company/companies participate in the Business Responsibility (BR) initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(s).

The subsidiaries have their own BR initiatives which are influenced by the Company. The Company encourages all its subsidiary companies to participate in group wide BR initiatives to the extent that they are material in relation to the business activities of the subsidiaries. In addition, JMC Projects (India) Limited, Listed subsidiary of the Company has its own Business Responsibility initiatives which are reported in its Business Responsibility Report as a part of Annual Report.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. KPTL engages with relevant Stakeholders for sustainability initiatives. The suppliers, contractors and Vendors are sensitized on Sustainability through various KPTL Policies and Programs. KPTL actively engages with several stakeholders' like local communities, government and other entities in the value chain and promote BR initiatives in its value chain. At present, the number of entities, which directly participate in the BR initiatives, would be less than 30%. With respect to ethical and non-corrupt practices, almost all of KPTL's vendors and contractors confirm to the adoption of KPTL principles.

Business Responsibility Report

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy/ policies:

DIN Number	: 01229696
Name	: Mr. Manish Mohnot
Designation	: Managing Director & CEO

b) Details of the BR head:

Name	: Mr. Ram Patodia
Designation	: Chief Financial Officer
Telephone Number	: +91 22 3064 5000
Email id	: ram.patodia@kalpatarupower.com

2. Principle-wise (as per NVGs) BR Policy / policies

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Ethics, Transparency and Accountability	Sustainable & safe Goods and Services	Well-being of all employees	Interests of disadvantaged and marginalized Stakeholders	Promote human rights	Protection of Environment	Policy Advocacy	Inclusive growth and equitable development	Provide value to their customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	All the policies are compliant of respective principles of NVG guidelines, the Companies Act, 2013 and confirm to International standards of ISO : 9001, ISO : 14001, OHSAS 18001 and ISO : 37001 as applicable to respective policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	Y	Y	-
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sr. No.	Questions	Ethics, Transparency and Accountability	Sustainable & safe Goods and Services	Well-being of all employees	Interests of disadvantaged and marginalized Stakeholders	Promote human rights	Protection of Environment	Policy Advocacy	Inclusive growth and equitable development	Provide value to their customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9

6	Indicate the link for the policy to be viewed online?	All the policies except HR Policies can be viewed at www.kalpatarupower.com . HR Policies are restricted to employees of the Company and uploaded on the Company's Intranet accessible to all employees.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been widely communicated to the target internal Stakeholders. The communication is an ongoing process to cover all the target stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	-	Y	-	Y	Y

(b) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle									
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The Company does not have financial or manpower resources available for the task	Not Applicable								
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

Business Responsibility Report

3. Governance related to BR:

- (i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Company's Business Responsibility performance is assessed annually.

- (ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company publishes BR Report annually as a part of its Annual Report.

This report comprises the Company's 5th Business Responsibility Report as per the NVGs and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report. The Company currently does not publish a separate Sustainability Report.

The Hyperlink for viewing this report is www.kalpataru.com.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group /Joint Ventures /Suppliers / Contractors /NGOs / Others?

At KPTL, a value system has been built that serves as a moral compass which guides the Company and its stakeholders in their business practices. It is the KPTL's Policy to conduct all its business activities with honesty, integrity and highest ethical standards. KPTL has adopted Code of Conduct ("KCoC") and framed Anti Bribery and Anti Corruption policy to remain consistently vigilant and ensure ethical conduct of its operations. Moving a step ahead, KPTL has been certified with ISO 37001:2016. ISO 37001:2016 specifies requirements and provides guidance for establishing, implementing, maintaining, reviewing and improving an anti-bribery management system. It is a benchmark for corporate compliance program with focus on anti-bribery and anti-corruption practices and is the new international standard designed to help organizations implement an anti-bribery management system.

The Anti Bribery and Anti Corruption Policy has a wide coverage and is extended to the KPTL's employees workforce, subsidiaries, joint ventures, Suppliers, Contractors, sub-contractors, NGO's and all other individuals or entities with which KPTL deals or enters into Transactions in India or abroad.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Investor Complaints at the beginning of the year	NIL
Investor Complaints received during the year	6
Investor Complaints resolved during the year	6
Investor Complaints pending at the end of the year	NIL

The Company strongly emphasizes on adherence of Business Ethics by all its stakeholders. A vigilance mechanism is in place for Directors and employees to report their concerns about actual or suspected fraud, unethical behavior or violation of the Company's ethics and Code of Conduct. This is ensured through the Whistle-Blower policy. During the year under review, one complaint was received under Whistle-Blower policy and the same was satisfactorily resolved by the management.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):

- I. Reduction during sourcing / production / distribution achieved since the previous year through the value chain?
- II. Reduction during usage by consumers (energy, water) achieved since the previous year?

At KPTL, its management ensures that environment, health and safety aspects are taken into consideration at the inception stage itself, while manufacturing products or providing services to customers.

The state-of-the-art manufacturing facilities deploy leading manufacturing practices to ensure continuous reduction in consumption of energy and resources. An innovation project was carried out at Gandhinagar plant for Business process re-engineering with Lean manufacturing including new technology adoption for Oil cooling & material handling. The Company has introduced individual oil chillers & oil coolers for CNC machines against old cooling towers, which will enhance Hydraulic Oil life with less machine maintenance and also save good litres of water every day. At Raipur Plant, KPTL introduced Encapsulated Pickling rooms to reduce energy consumption. Earlier electrical load of Scrubber with Open area was 110 Kw which after installation of Encapsulated pickling rooms reduced to 75 Kw. The Company has replaced mechanical loading and unloading governor in air compressors with Electrical pressure switch. This will save electrical energy of compressor motor in no load condition and reduce carbon emission. For Angle bending operation, KPTL switched to Induction heating as against Light Diesel Oil (LDO). Induction heating is fast, precise, clean and energy efficient. The Company introduced Drying / preheating oven with indirect hot air heating through thermal recovery from galvanizing furnace flue gas which leads to reduced energy consumption during galvanizing process. Last year, the Company replaced gas furnace by 75KW induction furnace for hot bending of steel sections which led to reduction in Index consumption of Gas by about 8-10%. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies. For Energy Audit, the Company also engaged External consultants to study the existing pattern of energy use at the plants and identification of the areas where extra energy could be saved by employing suitable techno-economic measures. The implementation of suggested measures has brought down the energy consumption at the optimum usage level.

The Company executes Transmission Line Projects on EPC basis which requires the Company to carry out range of Project execution activities like Bush clearing and Construction of Access Roads, Soil investigation, Piling & Pile caps, Foundation work including earthing, Erection of Tower, Stringing of Conductor & OPGW, Painting of towers, dismantling of overhead lines, Excavation works, Transportation of materials etc. Hence, it becomes imperative on part of the Company to ensure protection of Environmental, biophysical, cultural archaeological and socio-economic values within the project area. To achieve this, on a case to case basis, the Company adheres to a Generic as well as detailed site specific Environmental

and Social Management Plan to avoid, minimize and mitigate any construction effects on the environment and surrounding communities. Through this plan, KPTL monitors to maintain Air Quality, Water Quality, Soils Disturbance, Terrestrial Vegetation & Avian Wild Life, protection of protected area, Quality of Life of surrounding community etc. Construction waste is disposed-off in accordance with the approved environment plan for the project. Furthermore, Environment & Social Impact Assessment (ESIA) Study is carried out by KPTL clients prior to floating tenders wherein multilateral funding agencies and export credit agencies are involved. As an EPC contractor, during the project execution, KPTL ensures strict compliances to ESIA guidelines as per the norms. Construction waste is disposed-off in accordance with the approved environment plan for the project.

The Company is also engaged in the business of EPC contracting services for laying Oil and Gas pipelines. Cross country Pipeline Engineering incorporates both social & environmental concerns while designing the yield/tensile strength, depth/cover and wall thickness of pipes. Pipeline route selection also incorporates both social as well as environmental concerns to ensure that local population gets employment opportunities while safe distance is maintained and necessary equipment's & techniques are used to minimize dust and noise pollution during construction. The potential environmental risks related to project execution are identified through EIA - Environment Impact Assessment studies conducted before commencing onsite work.

Rail electrification is an important part for De-carbonization. Electric trains generally perform better than equivalent diesel vehicles and contribute in pollution free atmosphere and reduced noise and air pollution. In FY 2020-21, KPTL has done electrification work for more than 1200 Route k.m. helping Indian Railways get rid from Fossil Fuel use.

The Company also has two dedicated Biomass power generation plants of 7.8 and 8.0 MW respectively which generate carbon neutral renewable form of energy which in its entirety contribute positively to a greener environment by converting waste materials into clean energy and Carbon Emission reductions. This plants use agriculture waste and crop residues as inputs and generate power. Both the plants are registered with UNFCCC and have achieved Gold Standard Certification. At both the plants, our activities are aimed towards minimum Auxiliary Consumption, Minimum Water Consumption and minimum raw material consumption per unit of power generation.

Business Responsibility Report

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company has laid adequate emphasis on sustainable sourcing practices such as consolidation of requirement, coordination with planning team to reduce material wastage, optimize inventory, maximize equipment efficiency and manage the life cycle cost of procured items. These steps are reinforced in the supply chain processes right from requirement gathering, vendor development, RFQ management, value engineering, awarding of the order, successful order execution, and a periodic vendor evaluation mechanism. The Company also conforms to responsible sourcing with respect to emissions, safety, human rights and ethics, apart from the economic considerations as part of the sourcing procedure. The major suppliers of the Company have obtained national and international certifications with respect to environment management systems etc. Conformance to labour principles and related laws are mandatory qualification requirements for all supply and services.

3. Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?

Yes, a number of items for projects and Plant are sourced from local and small producers surrounding the place of work. KPTL's ambition is to create more societal value through creating more and more opportunities – directly and indirectly for local and small producers.

At manufacturing plants, MSME vendors are supported with business volume, are assisted on Quality and process improvement set up by our QC team to minimize rejections, are encouraged and guided to upgrade technology and productivity for scope enhancement, and are supported with timely payment thereby making them real partners in our growth journey. KPTL promotes small fabricators to work inside the plant under supervision of its engineers. Further, small vendors are developed near factory area and necessary training and Supplier Audit are conducted to maintain product standards.

At Project sites, special emphasis is given to employ people from surrounding communities in project construction activities for improving their skills, livelihood & involvement in nation building. Regular trainings are also imparted to the locally hired personnel to make

them self-sufficient for future projects and operations & maintenance. Furthermore, various equipment's, transportation vehicles etc. are hired locally to ensure income generation opportunities for surrounding communities. At pipeline projects, KPTL engages with local markets to cater its non-critical requirements viz. structural steel, wood, consumables, office set up, yard set up etc. It engages with small vendors for various works of field viz. HDD and boring works for small crossings, concrete coating, civil work, painting work etc. wherein they can invest in small equipment, earn a livelihood and poise for growth in upcoming projects in near vicinity or surrounding states of their geography.

The Biomass power generation plants procure the bio waste from surrounding Farmers, thereby leading to economic upliftment of local community. Further, a lot number of local workers get employment benefit in relation to logistics of the Biomass. More than 3,700 farmers and more than 12,000 logistics workers were benefitted from additional income, created by Biomass power generation plants by purchasing their bio wastes every year.

However, being EPC Company, project procurement involves Technology Oriented supplies and has to be done from client approved vendors, out of which most of them are not located near place of work of the Company. However, the Company encourages new and small size vendors and also represents from time to time to get such vendors approved from client.

4. Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Reduce, Reuse and Recycle is the way to drive optimal resource efficiently. The Company has a "Focus" strategy for continual reduction of natural resources usage, recycling the waste and ensure embedding sustainability across the value chain.

- a) STP Plant has been setup for treating sewage water and using it in gardening.
- b) ETP Plant has been setup with neutralizing process to Treat diluted acid and use it for Gardening.
- c) The Company recycles 100 percent of the water used either as a process or rainwater harvesting and does not discharge any water outside. Further waste water generated at Biomass plants is treated in ETP and then re-used in ash quenching and dust suppression.

- d) Molten Zinc recovery plant has been used for recovering the zinc from the hazardous waste as Zinc Oxide resulting into improving the yield of Zinc & also reduce the quantity of hazardous waste.
- e) The Metal scrap from the manufacturing plants are sold to authorize vendor to recycle the waste to use again as raw material.
- f) Bed Ash and Fly Ash generated from burning Agriculture waste at Biomass power plant is used for manure additives in the fields & for land filling and in Cement industries respectively.

Our products are 'engineered to order' based on specific customer requirements, limiting the scope for material recycling. The Steel wastage is sold to the recyclers for re-using the material (5-10%). The Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies.

Principle 3: Business should promote the wellbeing of all employees

1. Please indicate total number of employees:

The Company has a total of 3,296 employees as on March 31, 2021.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	NIL	NIL
2.	Sexual harassment	NIL	NIL
3.	Discriminatory employment	NIL	NIL

8. What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

- (a) Permanent employees
- (b) Permanent women employees
- (c) Causal / subcontracted employees
- (d) Employees with disabilities.

KPTL's in house Learning Centre "Kalpa-Vriksha Learning Centre" with state-of-the-art facilities has been our lighthouse in skilling and preparing our teams

2. Please indicate total number of employees hired on temporary/contractual/casual basis:

The Company has a total of more than 10,400 employees hired on temporary/contractual/casual basis as on March 31, 2021.

3. Please indicate the number of permanent women employees:

The Company has 90 permanent women employees as on March 31, 2021.

4. Please indicate the number of permanent employees with disabilities:

The Company has 11 permanent employees with disabilities as on March 31, 2021.

5. Do you have an employee association that is recognized by the Management?

No there is no employee association which is recognized by the management of the Company.

6. What percentage of permanent employees are members of this recognized employee association?

Not Applicable.

for future requirements. With the launch of various leadership development and functional/technical skill building initiatives, KPTL is continuously preparing for the future in addition to nominating senior leaders and key role holders to leadership development programs at IIM, ISB, Harvard etc.

To provide learning platform to employees on their desk ("LMS"), an e-learning platform is created and made available. Various new Technical & Behavioural modules have been added to the well-stocked repository of tools already available on LMS. Further LMS learning is extended through mobile Application, where employee

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can learn and avail benefits of various training programs uploaded in LMS through Mobile, TAB and PAD.

Key Highlights of Trainings and various learnings during the year FY 2020-21 are as under:

- Received Special Commendation at 30th National Awards for Innovative Training Practices 2019-2020 by (ISTD) Indian Society for Training & Development
- Organized various wellness related programs as under:
 - Wellbeing sessions on Stress Management and Meditation by internal faculties –700+ participants
 - Spiritual program by Swami Nityanand Charan Dasji of ISKCON –147 participants
 - Mind Body Nutrition by Ms. Ridhi Golechha – 180 participants (Employees and Family)
 - Meditation Sessions through Isha Foundation/ internal
 - Sessions on Emotional Intelligence
- Organized various Mandatory programs like
 - Values & Vision, KCoC, Anti Bribery & Anti Corruption policy awareness, sessions on Insider Trading, Contracts and Claims Management and Swagat Induction Program
- Conducted technical training programs as under
 - Plants: Welding Technology, 7 QC Tools, Six Sigma, Lean Management, Root Cause Analysis, Basic Hydraulics etc.
 - Transmission Lines: Good Construction Practices, First Time Right, Concrete Production Quality, Materials for Concrete, Cost of Quality etc.
 - Railways: P-Way, Signaling & Telecommunication, OHE, Quality systems etc.
 - Oil & Gas: Welding Technology, ISO Awareness
- Organized various BU Specific programs on Contracts & Claims Management, TILOS Software etc.
- Soft skills program like Managing Self and Others, Personal effectiveness, Personality Development,

Team Building, Communication Skills, and Effective Presentation Skills etc.

- Transformed L&D initiatives from in-person to Virtual mode by introducing new technologies to make the virtual program more engaging:
 - Poll, Feedback, Break Out Rooms in Zoom
 - MS Teams usage
 - Kahoot
 - Menti meter

During FY 2020-21, KPTL conducted 663 Programs in various fields for skill up-gradation of its workforce spanning over 2.50 mandays and in total 20,327 participants participated in such programs from time to time. Approx. 98% of the permanent employees while 98% of permanent women employees received skill up-gradation trainings during FY 2020-21.

The employees and labourers of the Company were also imparted various types of Safety awareness trainings like:

- Safety while working with earth moving equipment
- Behavior based safety
- Work at Height & Fall protection
- Environment Aspect and Impact Studies
- Excavation safety
- Fire Prevention and Fire Fighting Training
- Defensive driving
- Material handling
- Emergency Preparedness/Disaster Management
- Railway track Safety
- OHE Work Safety
- Transmission line Erection safety
- Transmission line Stringing Safety
- Hot work safety (Welding work/Gas cutting work/ Grinding Work)
- Electrical safety
- First Aid
- Risk Management and Control at Workplace

KPTL has also setup a safety park for their employees and workers. It is conceptually designed to suit the safe work culture and its global approach towards occupational, Health and safety to develop the aspirants who could translate their potential power of knowledge into actual practice.

During FY 2020-21, 100% of permanent employees including permanent women employees and employees with disabilities and 100% of Casual / Subcontracted employees were imparted safety trainings on continuous basis.

The efforts of the Company towards skill upgradation of its employees and overall safety culture was recognized and Company was conferred upon with various Awards in this regards, details of which are provided in Board's Report.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has mapped its internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This enables KPTL to understand that its stakeholder's comprise a large and mixed community with varied expectations and KPTL always strives to match their expectations to foster strong relationships with them. We conduct business professionally to create value for all stakeholders ensuring that we are a responsible partner that serves the wider interests of society.

The key categories and their modes of engagements are as below:

Stakeholders	Medium of Engagement
Investors and shareholders	Investor meetings, Investor Conferences, Conference Calls, Annual General meetings, Press Releases, Investor Presentations, Annual Report etc.
Government and Regulatory Authorities	Industry associations, forums and Statutory filings etc.
Employees	Employee Engagement Surveys, Meetings, newsletters, Circulars, notices, Corporate policies, trainings, Welfare / social initiatives including Annual get-together for employees and their families, Employee family engagement Programs, town hall meetings etc.
Clients / Customers	Client meetings, monthly / quarterly Project review meetings, Performance Reports etc.
Local community	Visits, Camps, Corporate Social initiatives, meetings with villagers, farmers etc.
Bankers / Lenders	Regular review meetings, Pre-defined Reports etc.
Suppliers	Site visits, Supplier's visit, personal / telephonic interactions etc.
Contractors	Review meetings, Training to contractor workers etc.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. The Company acknowledges that it is very important to engage proactively with marginalized stakeholders to demonstrate a sincere commitment as it can take a long time to build trust with these stakeholders. The Company runs specific programs under Corporate Social Responsibility (CSR) umbrella focused on benefitting the disadvantaged, vulnerable and marginalized communities.

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3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

Yes, the CSR initiatives of the Company are aimed at improving lives of weaker sections of society and contribute to sustainable living of communities. Few such activities are listed below:

Disadvantaged, vulnerable and marginalized stakeholder group	Initiatives
Poor and economically underprivileged section of society (including Rural & Tribal Poor and Urban Slum Dwellers)	<ul style="list-style-type: none"> - Medical services (consultation and treatment) at subsidized rates at Kalpa Seva Arogya Kendra, Gandhinagar, Gujarat and Mumbai, Maharashtra - Rehabilitation and Expansion of General Hospital wards - Free Eye Surgeries - Combating and Containing Novel Corona Virus (COVID-19) through various relief activities like distributing meals for poor and needy, construction of COVID-19 medical facility etc.
Local Community with Ethnic background	<ul style="list-style-type: none"> - Construction of Community Halls for community development, promotion of local art and culture by organizing fairs, livelihood earning camps, community programs, cultural activities etc.
Poor and Needy Students	<ul style="list-style-type: none"> - Educational Support through Scholarship programs - Infrastructure rehabilitation of local govt. school by developing it as Adarsh Schools - Skill Development programs
Specially abled individuals	<ul style="list-style-type: none"> - School Bus for bringing needy deaf children to School
Patients suffering from Parkinson's disease	<ul style="list-style-type: none"> - Providing support and rehabilitation to people suffering from the debilitating condition of Parkinson's disease through support centres

An Annual Report on such activities carried out by the Company for well-being of community at large is annexed as **Annexure A** to the Director's Report.

Principle 5: Business should respect and promote human rights

1. Does the Company's policy on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

KPTL is committed for 'Protection of Human Rights' across its value chain including of its employees, workers, and other key stakeholders involved in its operations and has established system and practices for maintaining transparency, fairness and equity. KPTL's Corporate Human Rights Policy specifies guidelines, which the parties should observe while doing business with KPTL like comply and adhere to all the applicable human rights laws and national laws, avoid human rights abuses, respect the rights of people in communities impacted by the business activities, Treat everyone fairly and without discrimination etc. The Corporate Human Rights Policy extends to subsidiaries and Joint Ventures of KPTL and Suppliers, Vendors, Contractors etc. of KPTL.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?

The Company has not received any stakeholder complaints in the past financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. Does the policy pertaining to this Principle cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

KPTL is committed to conserving of natural resources and minimizing potential harmful environmental effects resulting from its manufacturing and construction activities. KPTL EHS policy is committed to protect our environment and prevention of injury & ill occupational health of all employees, workers and their representative, contractor, contractor staff etc. The Environmental, Occupational Health & Safety Policy (EOHS Policy) of the

Company covers the Company and its Contractors & all other relevant stakeholders. The EOHS Policy encourages the Company to consolidate and improve environmental performance through formulation and implementation of environment protection procedures and practices in its Operations. Environment protection and the conservation of natural resources are part of KPTL's business philosophy. A separate Code of Conduct has been extended to vendors and service providers, which covers the need for compliance with environmental regulations, health and safety.

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, as a responsible Company, KPTL carries out initiatives to address global long-term challenges such as climate change and diminishing resources in a socially, ecologically and economically responsible manner. The Company's automation drive embodies environmental issues in its considerations. KPTL has reduced carbon emission by reduction in Diesel consumption through strategic re-location of raw material yard at one place and reduced material handling of Mobile crane and Transportation of trailers. The Company invested and deployed special fuel efficient excavators consume about 20% less fuel than conventional excavators. The Company has also constructed two nos. of Rain Harvesting well at our main plant. This well will harvest about 15000 litres per hour water during rainy season. The Company has embedded environmental concerns such as global warming in its manufacturing process and therefore, as a continuous ongoing activity it introduces energy efficient machineries and processes in plant and project sites optimizing the use of natural resources on an ongoing basis.

The management system of all our manufacturing plants are ISO 14001:2015 certified which provides reasonable assurance that the outputs from the system will have minimal negative environmental impact and improved environmental performance due to resource efficiency, reduction in wastage and assurance that environmental impact is measured and mitigated appropriately.

Further, in order to contribute to sustainable development and renewable energy, the Company has two Biomass power generation plants and both the plants have been registered with UNFCC under the Clean Development mechanism and both the projects has contributed to a great extent over years in reducing carbon intensity of emissions and have earned Gold Standard Certifications.

3. Does the Company identify and assess potential environmental risks? Y/N

Yes, the Company, in its different businesses, does identifies and assess potential environmental risks and adopts a formal approach to mitigate and minimize any potential damage to the environment viz. In Transmission Line business funded by multilateral funding agencies and export credit agencies, Environment & Social Impact Assessment (ESIA) Study is carried out by KPTL clients prior to floating tenders. The scope of ESIA is to identify, evaluate & report the environmental and socio-economic effects of the project. The process includes identification of mitigative measures, that will be used to reduce or eliminate potential adverse effects, where appropriate. KPTL ensures that Mitigative measures are implemented during the course of project construction under the supervision of competent authority from the government. The authority provides required certification for operation of the project, upon satisfactory implementation & compliances of mitigative measures. In certain contracts, KPTL itself conducts ESIA study.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

Yes, the Company has two projects registered as Clean Development Mechanism (CDM) projects under United Nations Framework Convention on Climate Change (UNFCCC), the details of which are as under:

- Biomass Power Generation Project at Ganganagar, Rajasthan registered under fixed crediting period (10 Years) from August 1, 2003 to July 31, 2013. The project Registration Number is 0058. The link of the project at UNFCCC is <https://cdm.unfccc.int/Projects/DB/TUEV-SUED112801052.32/view>. The total number of Carbon Emission Reductions approved by UNFCCC during aforesaid 10 years' period were 339755/t CERs. Further, since the fixed crediting period has expired, the Company is exploring other avenues for offsetting Carbon credits generated at Ganganagar plant in the International market.
- Biomass Plant Project at Tonk registered under renewable crediting period (7 years x 3). First crediting period was October 7, 2008 to October 6, 2015. The project registration number is 1774. The second crediting period is October 7, 2015 to October 6, 2022. The link of the project at UNFCCC is <https://cdm.unfccc.int/Projects/DB/TUEV-SUED1207570579.37/view>

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The total number of Carbon Emission Reductions approved by UNFCCC during said first 7 years period were 276281/t CERs. In the Second Crediting Period the number of Carbon Emission Reduction approved by UNFCCC during October 7, 2015 to March 31, 2017 were 57229/t CERs. For the period of April 1, 2017 to September 30, 2018, Gold Standard Organization labeled the 68627/t CERs. For the next period of October 1, 2018 to December 31, 2019, the number of Carbon Emission Reduction approved by UNFCCC were 63157/t CERs. The verification process for 54975/t CERs for the period January 1, 2020 to December 31, 2020 is under process.

Both the above projects have achieved Gold Standard Certification. Gold Standard is the only premium quality standard for carbon emission reduction projects with added sustainable development benefits and guaranteed environmental integrity.

Periodical Compliance Reports, as applicable are submitted to CPCB and SPCB from time to time.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.

The Company has a 350 KW roof top solar plant at Gandhinagar factory (Main Plant) which has led to reduction in Co2 emissions of more than 300 Tons p.a. The Company also has four windmills installed to generate renewable energy for captive consumption. The four windmills generated renewable energy of more than 11.20 lakhs units during FY 2020-21 which has led to reduction in Co2 emissions of about 2000 Tons. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies. The Company is focused on maximizing energy-efficiency and reducing greenhouse gas (GHG) emission intensity. At various office locations and manufacturing locations, the Company on continuous basis is replacing conventional light fittings with energy efficient LED Lights.

Please refer **Annexure E** to Board's Report which contains details of steps taken by the Company for Conservation of energy.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/waste generated are within the permissible limits given by CPCB/SPCB.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.

There are no show cause/legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.

Yes, the Company is a member of the following key associations:

- Confederation of Indian Industry
- Federation of Indian Chamber of Commerce and Industry
- The Associated Chambers of Commerce and Industry of India
- Indian Electrical & Electronics Manufacturers' Association (IEEMA)
- Gujarat Chamber of Commerce and Industry
- Exim Club (Association of Exporters & Importers)
- Project Exports Promotion Council of India
- EEPC India
- International Pipeline & Offshore Contractors Association
- Cable and Conductors Manufacturers Association of India

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):

KPTL doesn't engage in any form of lobbying activities. However, it actively works for improvement of public good and therefore engages with business forums and trade associations. KPTL's Senior executives are active members of industry bodies that participate in the development of public policy that addresses issues affecting industry, business and clients. Advocacy policy is in place to ensure that advocacy positions are consistent with the principles and core elements contained in "Our Values" of the Company and various policies of the Company, which enhances business responsibility and transparency.

KPTL is broadly involved in Governance and Administration, Economic Reform and Energy security areas for advocating public good.

Principle 8: Business should support inclusive growth and equitable development

1. Does the Company have specified programme / initiatives/ projects in pursuit of the policy related to principle 8? If yes details thereof.

Yes, currently the Company is carrying out below CSR Projects under its Corporate Social Responsibility Policy.

CSR PROJECT NAME	PROJECT Activities
KALpa-aRogya SEva (Project KARE)	As the name suggests, Project "KARE" is the health & well-being program designed to provide primary and basic healthcare services to people in need. The treatment is provided through Clinics / dispensaries and outreach camps organized across different regions. Currently, we run two dispensaries under this project and have initiated the establishment of one more such dispensary. Further, the dispensaries are being equipped with state of art technologies including MRI Centre etc.
Kalpa Aapada Seva	Together we can... The COVID-19 Pandemic has adversely affected individuals and businesses around the world. As such, collaboration is the need of the hour to protect and empower affected communities with essentials and strengthen medical infrastructure to fight the pandemic. Under the Kalpa Aapada Seva Project, a large-scale program is run for combating and containing COVID-19.
Kalpa Vidhya Kalpa Kaushal (Project kVkk)	Through Project kVkk, the Company seeks to achieve a better tomorrow through the medium of education & skill development and unleash the power of knowledge that is inaccessible to millions. The Company under this project has intervened for infrastructural strengthening of School, run scholarship program, contributed for School Bus for needy, runs a Skill Development centre etc.
Kalpa GRAMODAYA	Rural transformation is the key to empowering local villages. Under, Kalpa Gramodaya Project, the Company targets to enhance livelihood through a 360° intervention in the form of infrastructure strengthening, development of village infrastructure, construction of community Halls, water resource management, upgradation / development of burial facilities etc. in remote villages.
SAVE our enviroNment save oUR animals (Project "SAVIOUR")	Under Project SAVIOUR, KPTL has worked for protection of Animals through contribution for construction of Gaushalas, Street dog welfare program etc.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Govt. structure/any other organisation?

The Company follows multiple models for implementing its CSR initiatives. Large scale CSR Projects are run through Kalpataru Foundation and Kalpataru Welfare Trust which are Foundation / Trust established by the Company itself. The Company has also undertaken Projects through External Registered Trusts and Societies.

3. Have you done any impact assessment of your initiative?

The Company undertakes impact assessment of certain CSR Projects and Programs on continuous basis and assess the benefits gained to the community through its

CSR initiatives. In addition, certain External Registered Trusts and Societies through which Company carries out its CSR initiatives have done Impact assessment of the CSR Projects/Programmes. For instance, the "Kalp - Seva Arogya Kendra - Gandhinagar" has been operational for approx. 12 years since 2009 benefitting on an average approx. 140 patients per day currently. The Company has provided free eye surgeries to more than 3675 patients till date through its CSR Partner Vision Foundation of India.

4. What is the Company's direct monetary contribution to community development projects - Amount in INR and the details of projects undertaken?

The Company's direct monetary contribution to community development projects in FY 2020-21 was ₹ 1013.42 lakhs (including funds parked for Ongoing projects). An Annual

Business Responsibility Report

Report on details of projects undertaken as CSR activities is annexed as **Annexure A** to the Board's Report.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words or so.

A 360 degree project implementation approach is adopted by the Company to implement CSR Projects across its locations which includes need assessment, Participatory planning/collaboration formation, collaborative implementation, monitoring, project evaluation and learning and redesigning the Project. This approach paves way for successful adoption of CSR initiatives by the beneficiary community. This also ensures large scale participation by target audience for whose benefit the Projects are designed. External Trusts/Societies through which Company undertakes some of its initiatives have a track record of various years in performing such activities and based on ongoing feedback received by them from beneficiaries of its existing Programs, KPTL carries its initiatives through such Trust/Society which leads to a successful adoption by the beneficiary Community and sustained outcomes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What Percentage of customer complaints/consumer cases are pending as on the end of financial year 2019-20?

There are no customer complaints/consumer cases pending as of end of financial year 2020-21. Also, the Company is not providing/selling its services/products to end consumers. The product and services supplied/provided by KPTL are generally industrial inputs which are used for commercial purposes and not by end consumers.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

The Towers manufactured by KPTL carry adequate labelling and codes thereby providing adequate information to Clients. The Company also displays Client specified information viz. Client name, project name for which the Tower is being supplied etc.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of Financial year? If so, provide details thereof, in about 50 words or so

There are no cases filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Customer Centricity and Quality are the core values of KPTL, which are integrated into DNA of KPTL. KPTL is committed to provide products and services which consistently comply with agreed specifications and contractual requirements and in a manner that results in high degree of customer satisfaction. Various Clients and customers of the Company has repeatedly recognized satisfactory professional performance of KPTL, quality of work, Project Execution skills and ethical business dealings. KPTL's unremitting effort is to deliver project completion ahead of time with best quality in each of our business.

KPTL seeks feedback from its Clients on completion of project in the form of a questionnaire on various aspects of materials and services supplied by KPTL. In T&D Domestic business, Customer feedback was sought on six different parameters once in 3 months and suggestion are taken from customer and Project team works on those suggestions. Six parameter covers Professionalism, Responsiveness, Technical, Support, product quality, product delivery time & competitiveness.

In EPC business, Customer satisfaction is noted at "Project Completion Certificate" and various clients across all businesses have issued satisfactory Project Completion Certificates during FY 2020-21.

Furthermore, below appreciations/certificates were received by KPTL from its client during FY 2020-21:

- Bharat Petroleum Corporation Limited granted certificate of Appreciation in appreciation of achievement of 12 million LTA Free man hours
- Power Grid Corporation of India Limited granted certificate of Appreciation for 765 kV Ajmer – Bikaner

Transmission line Project in recognition of significant achievement of "Zero Accident" during the period from October, 2019 to March, 2021 without any Loss time accident and maintaining improved EHS Standards

- Indian Oil Corporation Limited granted Certificate of Appreciation for winning first position in exhibiting best safety performances while executing construction and laying of Paradeep Hyderabad Pipeline Project for the year 2020. For the same project, KPTL also received appreciation certificate for achieving 2 million safe man hours.

It also granted Certificate of Appreciation on achieving 1.5 million safe man hours without LTI between January, 2020 to January, 2021 during the execution of ETBPNMTPL R-LNG Pipeline Project.

- GAIL (India) Limited granted Certificate of Appreciation on achieving 1 million safe man hours without LTI between February, 2019 to January, 2021 during the execution of Dabhi Durgapur Pipeline Project.

- Da Afghanistan Breshna Sherkat (DABS) granted Certificate of Appreciation to certain official(s) of the Company for EHS performance during execution of 220 kV Sheberghan to Andkhoy Transmission Line Project.

KPTL have also won various other accolades from its clientele at both domestic and international front for execution of well-planned strategy and deftly laid out business processes. This clearly depicts the satisfaction trends amongst the customers of KPTL.

On behalf of the Board of Directors

Place: Mumbai
Date: May 11, 2021

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Independent Auditors' Report

To the Members of
Kalpataru Power Transmission Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kalpataru Power Transmission Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are included the financial statements of one joint operation for the year ended on that date audited by other auditor of the Company's joint operation (hereinafter referred to as 'standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditor in terms of their reports referred to in the 'Other Matter' paragraph below is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd..)

Sr. No.	The key audit matter	How the matter was addressed in our audit
1	<p>Recognition of contract revenue and margin:</p> <p>The Company enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods.</p> <p>Ind AS 115, Revenue from Contracts with Customers, requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognized and measured as provisions.</p> <p>The Company is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on management's estimates of the final outcome of each contract, and involves management judgement, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages.</p> <p>We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant management judgement. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period.</p> <p>Refer note 23 to the standalone Financial Statements.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> We selected a sample of contracts to test, using a risk-based criteria which included individual contracts with: <ul style="list-style-type: none"> significant revenue recognised during the year. significant unbilled work in progress (WIP) balances held at the year end. or low profit margins. Obtained an understanding of management's process for analyzing long term contracts, the risk associated with the contract and any key judgements. Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence. Verified underlying documents such as contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and/or any change in such estimation. Evaluating retrospective results for contracts completed during the current year. Comparing the final outcome of the contracts with previous estimates made for these contracts to assess the reliability of management forecasting process. Considered the adequacy of the disclosures in note 23 to the standalone financial statements.
2	<p>Recoverability of carrying value of loans investment</p> <p>The assessment of recoverable value of the Company's investment in and loans receivable from certain subsidiaries involves significant judgement. These include assumptions such as discount rates, current work in hand, future contract wins/ future business plan, recoverability of its receivables and growth rate.</p> <p>We focused on this area as a key audit matter due to judgement involved in forecasting future cash flows and the selection of assumptions.</p> <p>Refer note 6 and 8 to the standalone Financial Statements.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Evaluated the design and implementation and testing operating effectiveness of controls over the management's process of impairment assessment. Evaluated net worth and past performance of the Company to whom loans given or investment made. Challenged the significant assumptions and judgements used in impairment analysis, such as forecast revenue, margins, terminal growth and discount rates with the assistance of our valuations specialist. Comparing the previous forecast to actual results to assess the Company's ability to forecast accuracy. Performing sensitivity analysis on Key assumptions including discount rates and estimated future growth, as applicable. Evaluated accuracy of disclosures in the financial statements.

Independent Auditors' Report (Contd..)

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board

of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

Independent Auditors' Report (Contd..)

or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the standalone financial statements of one joint operation included in the standalone financial statements of the Company whose standalone financial statements reflect total assets of ₹ 88.94 crores as at March 31, 2021 and total revenue of ₹ 57.72 crores, total net profit after tax of ₹ 2.91 crores and cash inflows (net) of ₹ 1.83 crores for the year ended on that date, as considered in the standalone financial statements. The said standalone financial statements and other financial information have been audited by the other auditor whose report has been furnished to us, and our opinion

in so far as it relates to the amounts and disclosures included in respect of joint operation, is based solely on the report of such other auditor.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in

Independent Auditors' Report (Contd..)

our opinion and to the best of our information and according to the explanations given to us:

- a) The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.
- b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 33 and Note 44 to the standalone financial statements.
- c) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- d) The disclosure in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have

not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN: 21105317AAAADI3561

Mumbai
May 11, 2021

Annexure A to the Independent Auditors' Report

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2021, we report the following:

- (i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physical verification of its fixed assets and by which all the fixed assets are verified in phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 5(i) to the standalone financial statements, are held in the name of the Company.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease arrangements are in the name of the Company.

- (ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has made investment referred in Section 186(1) of the Act and have complied with the provisions of Section 186 of the Act, to the extent applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits during the year as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no material undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

Annexure A to the Independent Auditors' Report (Contd..)

- b) According to the information and explanations given to us, there are no dues of service tax, duty of customs, income tax, value added tax, goods and services tax, excise duty and other material statutory dues have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of Statute	Nature of Dues	Amount (₹ in crores) *	Period to which it relates	Forum where dispute is pending	Amount paid under protest / refund withheld by department (₹ in crores)
Sales Tax and Value Added Tax Laws	Sales Tax and Value Added Tax	0.00	2012-13	Additional Commissioner of Commercial Tax	0.78
		23.03	2007-08 and 2010-11	Deputy Commissioner (Appeals)	1.35
		3.53	2009-10 to 2013-14	High Court	1.68
		8.52	Various years from 2005-06 to 2014-15	Joint Commissioner (Appeals)	2.67
		7.23	Various years from 2005-06 to 2014-15	Tribunal	7.19
The Customs Act, 1962	Customs Duty	0.23	Various years from 2010-11 to 2014-15	Tribunal	0.14
The Finance Act, 1994	Service Tax	14.63	2003-04 to 2014-15	Tribunal	4.66
The Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhinyam, 1976	Entry Tax	0.18	2011-12	Commercial Tax Appellate Board	1.10
The Odisha Entry Tax Act, 1999	Entry Tax	0.18	2009-10 to 2013-14	Tribunal	-
Rajasthan Entry Tax Act, 1999	Entry Tax	0.24	Various years from 2011-12 to 2014-15	High Court	-
The Central Excise Act, 1994	Excise Duty	4.93	2015-16 & 2016-17	Tribunal	-
The Central Excise Act, 1994	Excise Duty	0.39	2011-12 to 2015-16	Commissioner (Appeals)	-
Algerian Tax Laws	I.B.S., I.R.G., T.A.P. and T.V.A.	22.52	2008 to 2009	Ministry of Finance, General Directorate of Taxes, Algeria	8.17

* net of amount paid under protest / refund withheld by department

- (viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks, financial institutions and dues to debenture holders. The Company did not have any outstanding loans and borrowings to Government.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

Annexure A to the Independent Auditors' Report (Contd..)

- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner

Mumbai
May 11, 2021

Membership No: 105317
UDIN: 21105317AAAAD13561

Annexure B to the Independent Auditors' report

on the standalone financial statements of Kalpataru Power Transmission Limited for the year ended March 31, 2021.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A) (f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kalpataru Power Transmission Limited (the "Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with

the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Annexure B to the Independent Auditors' report (Contd..)

on the standalone financial statements of Kalpataru Power Transmission Limited for the year ended March 31, 2021.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to 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.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner

Mumbai
May 11, 2021

Membership No: 105317
UDIN: 21105317AAAADI3561

Standalone Balance Sheet

as at March 31, 2021

(₹ in Crores)

Particulars	Note	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5 (i)	642.19	584.87
(b) Capital Work in Progress		14.39	39.52
(c) Intangible Assets	5 (ii)	5.95	9.04
(d) Right of Use Assets	37	26.35	39.81
Financial Assets			
(i) Investments	6	885.98	864.22
(ii) Trade Receivables	7 (i)	114.57	100.33
(iii) Loans	8 (i)	520.12	456.46
(iv) Others	9 (i)	0.65	19.90
(f) Deferred Tax Assets (net)	10	23.36	-
(g) Other Non-Current Assets	11 (i)	63.43	48.92
		2,296.99	2,163.07
Current Assets			
(a) Inventories	12	598.32	738.93
Financial Assets			
(i) Trade Receivables	7 (ii)	3,731.92	3,517.39
(ii) Cash and Cash Equivalents	13	309.41	303.39
(iii) Bank Balances other than (ii) above	14	2.66	33.69
(iv) Loans	8 (ii)	110.17	174.13
(v) Others	9 (ii)	107.23	60.56
(c) Current Tax Assets (net)	15	39.33	37.06
(d) Other Current Assets	11 (ii)	2,091.89	2,203.80
		6,990.93	7,068.95
Assets classified as held for sale	6.2	370.06	422.61
TOTAL ASSETS		9,657.98	9,654.63
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	29.78	30.94
(b) Other Equity	17	3,833.02	3,504.65
		3,862.80	3,535.59
Liabilities			
Non Current Liabilities			
Financial Liabilities			
(a) Borrowings	18 (i)	352.21	299.29
(ii) Trade Payable	19 (i)	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		189.65	206.89
(iii) Other financial Liabilities	20 (i)	28.10	34.90
(b) Provisions	22 (i)	29.58	27.19
(c) Deferred Tax Liabilities (net)	10	-	5.11
(d) Other Non-Current Liabilities	21 (i)	3.68	3.69
		603.22	577.07
Current Liabilities			
Financial Liabilities			
(i) Borrowings	18 (ii)	628.57	878.09
(ii) Trade Payables	19 (ii)	-	-
(a) total outstanding dues of micro enterprises and small enterprises		103.84	68.60
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,191.76	2,067.63
(iii) Other Financial Liabilities	20 (ii)	599.33	418.59
(b) Other Current Liabilities	21 (ii)	1,162.06	1,759.99
(c) Provisions	22 (ii)	483.17	349.07
(d) Current Tax Liabilities (net)	15	23.23	-
		5,191.96	5,541.97
TOTAL EQUITY AND LIABILITIES		9,657.98	9,654.63
Significant Accounting Policies and Notes forming part of the Standalone Financial Statements	1 to 54		

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 11, 2021

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 11, 2021

Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Crores)

Particulars	Note	2020-21	2019-20
Revenue from Operations	23	7,670.70	7,904.03
Other Income	24	79.19	58.39
TOTAL INCOME		7,749.89	7,962.42
EXPENSES			
Cost of Materials Consumed	25	2,775.26	3,329.70
Changes in Inventories of Finished goods and Work in progress	26	18.47	(62.15)
Erection, Sub-Contracting and other Project Expenses	35	2,751.17	2,634.78
Employee Benefits Expense	27	550.80	525.67
Finance Costs	28	108.57	166.23
Depreciation and Amortization Expenses	5 & 37	114.60	110.48
Other Expenses	29	768.05	615.98
TOTAL EXPENSES		7,086.92	7,320.69
Profit Before Exceptional Items and Tax		662.97	641.73
Exceptional Items -gain	49	168.35	23.94
Profit Before Tax		831.32	665.67
Tax Expense			
Current Tax		249.76	171.20
Deferred Tax		(33.66)	31.42
Profit for the year		615.22	463.05
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Gain /(Loss) on Defined Plan Liability		(0.09)	0.44
Income tax on Actuarial Gain /(Loss)		0.02	0.07
		(0.07)	0.51
Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating foreign operation		(36.50)	8.78
Gain/(Loss) on hedging instruments		57.22	(43.41)
Income tax on above items		(5.22)	10.19
		15.50	(24.44)
Total Comprehensive Income for the year		630.65	439.12
Earnings per Equity Share (of ₹ 2 each)			
Basic and Diluted (₹)	34	40.57	30.02
Significant Accounting Policies and Notes forming part of the Standalone Financial Statements	1 to 54		

For and on behalf of the Board of Directors

In terms of our report attached
For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 11, 2021

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 11, 2021

Standalone Statement of Changes in Equity

for the year ended March 31, 2021

A : Equity Share Capital

Particulars	Amount
Balance as at April 01, 2019	30.69
Changes in equity share capital during financial year	0.25
Balance as at March 31, 2020	30.94
Shares Extinguished due to buyback (Refer Note 16.3)	1.16
Balance as at March 31, 2021	29.78

B : Other Equity

Particulars	Reserves & Surplus					Other Comprehensive Income / (Loss)			Total
	Debentures Redemption Reserve	Securities Premium	General Reserve	Capital Redemption Reserve	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences of foreign operations	Actuarial gain / (Loss) on Defined Plan Liability	
Balance as at April 01, 2019	100.00	779.42	363.09	-	1,868.29	8.51	0.99	1.17	3,121.47
Profit for the year 2019 - 20	-	-	-	-	463.05	-	-	-	463.05
Securities Premium on shares issued during the year	-	64.41	-	-	-	-	-	-	64.41
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	(31.01)	6.57	0.50	(23.93)
Impact of Ind AS 116 -net of taxes	-	-	-	-	(1.18)	-	-	-	(1.18)
Dividends Paid including tax thereon	-	-	-	-	(119.16)	-	-	-	(119.16)
Transfer to General Reserve from Retained Earnings	-	-	10.00	-	(10.00)	-	-	-	-
Transfer to Debenture Redemption Reserve from Retained Earnings	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2020	100.00	843.83	373.09	-	2,201.00	(22.50)	7.56	1.67	3,504.65
Profit for the year 2020 - 21	-	-	-	-	615.22	-	-	-	615.22
Buyback of Equity shares (Refer Note 16.3)	-	(175.71)	-	1.16	(1.16)	-	-	-	(175.71)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	42.82	(27.32)	(0.07)	15.43
Dividends Paid including tax thereon	-	-	-	-	(126.57)	-	-	-	(126.57)
Transfer to General Reserve from Retained Earnings	-	-	10.00	-	(10.00)	-	-	-	-
Transfer from Debenture Redemption Reserve to General Reserve	(33.33)	-	33.33	-	-	-	-	-	-
Balance as at March 31, 2021	66.67	668.12	416.42	1.16	2,678.49	20.32	(19.76)	1.60	3,833.02

(i) Securities premium is used to record the premium on issue of shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an item of other comprehensive income. This can be utilised in accordance with the provisions of Companies Act, 2013.

(iv) Capital Redemption Reserve is in accordance with section 69 of the Indian Companies Act, 2013. The Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Also refer Significant Accounting Policies and Notes forming part of the Standalone Financial Statements

For and on behalf of the Board of Directors

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No : 101248W/W-100022

Vikas R Kasat

Partner

Membership No : 105317

Mumbai : May 11, 2021

Ram Patodia

Chief Financial Officer

Rajeev Kumar

Company Secretary

Manish Mohnot

Managing Director & CEO

DIN : 01229696

Sanjay Dalmia

Executive Director

DIN: 03469908

Mumbai : May 11, 2021

Standalone Statement of Cash Flows

for the year ended March 31, 2021

Particulars	2020-21	2019-20
(₹ in Crores)		
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	615.22	463.05
Adjustments for :		
Tax Expenses	216.10	202.60
Depreciation and Amortization Expense	114.60	110.48
Finance Costs	108.57	166.23
Dividend Income	(27.15)	(14.31)
Interest Income	(42.82)	(41.58)
(Profit) / Loss on sale of Property, Plant and Equipment (net)	(3.78)	(0.47)
Impairment of Investment	-	6.89
Profit on sale of subsidiary and JV including Fair value gain (Net)	(168.35)	(30.79)
Provision for Allowance for Expected Credit Losses	9.48	(22.19)
Unrealised Foreign Exchange(gain)/ Loss (net)	45.35	(53.91)
Net (gain)/ loss arising on financial assets	(0.27)	(0.19)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	866.95	785.81
Adjustments for:		
Trade and other Receivables	(321.85)	(441.33)
Inventories	140.94	(116.83)
Trade and other Payables	(276.46)	224.78
CASH GENERATED FROM OPERATIONS	409.57	452.44
Income Tax Paid	(211.69)	(209.51)
NET CASH GENERATED FROM OPERATING ACTIVITIES	197.88	242.93
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)	(119.39)	(170.31)
Proceeds from disposal of Property, Plant and Equipment	14.32	0.47
Proceeds from sale of subsidiary and Joint Venture (Net)	227.03	87.33
Proceeds from sale of Mutual Fund (Net)	0.50	-
Investment in Subsidiaries and Joint Ventures	(2.65)	(270.09)
Loans given to Subsidiaries, Joint Ventures and others	(153.95)	(216.10)
Repayment of loans by Subsidiaries and Joint Ventures	168.84	62.71
Interest Received	43.05	39.36
Dividend Received	27.15	14.31
Deposits with Banks	41.11	(24.30)
CASH GENERATED/ (USED IN) INVESTING ACTIVITIES	246.01	(476.62)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Buyback of Equity shares including Transaction cost	(176.87)	-
Proceeds from Current/Non Current Borrowings	411.32	-
Redemption of Non Convertible Debentures	(133.33)	-
Repayment of Current/Non Current Borrowings	(46.01)	(36.74)
Net increase / (decrease) in short-term borrowings	(249.52)	724.39
Payment of Lease Liability	(14.95)	(14.31)
Finance Costs Paid	(100.07)	(153.24)
Dividends Paid including tax thereon	(126.57)	(119.16)
CASH GENERATED/ (USED IN) FINANCING ACTIVITIES	(436.00)	400.94
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(0.13)	(0.37)
D. NET INCREASE/[DECREASE] IN CASH AND CASH EQUIVALENTS	7.76	166.88
E. Reduction in Cash and Cash Equivalents under assets transfer arrangement	(1.74)	-
F. Opening Cash and Cash Equivalents	303.39	136.51
G. Closing Cash and Cash Equivalents	309.41	303.39

Standalone Statement of Cash Flows

for the year ended March 31, 2021

NOTES :

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	1.16	1.88
(b) Balances with Banks		
(i) In current accounts	304.60	297.17
(ii) In Fixed Deposit Accounts	3.65	4.34
Cash and Cash Equivalents as per Statement of Cash flows	309.41	303.39

(ii) Reconciliation of liabilities arising from financing activities:

Particulars	(₹ in Crores)			
	As at 01st April, 2020	Cash Flow	Non-Cash Changes	As at 31st March, 2021
Borrowings	1,334.30	(17.54)	31.46	1,285.30

(iii) The Statement of Cash Flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Statement of Cash Flows.

Also refer Significant Accounting Policies and Notes forming part of the Standalone Financial Statements

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No : 101248W/W-100022

Vikas R Kasat

Partner

Membership No : 105317

Mumbai : May 11, 2021

Ram Patodia

Chief Financial Officer

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Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot

Managing Director & CEO

DIN : 01229696

Sanjay Dalmia

Executive Director

DIN: 03469908

Mumbai : May 11, 2021

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

1. Corporate Information

Kalpataru Power Transmission Limited (referred to as the "Company") is a global EPC player with diversified interest in power transmission and distribution, oil and gas pipeline, railways and biomass based power generation.

The company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India.

2. Basis of preparation of Financial Statement

The Standalone or Separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These Standalone Ind AS financial statements are presented in Indian Rupees (INR), which is Company's presentation currency. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

These standalone or separate financial statements were approved by the Company's Board of Directors and authorised for issue on May 11, 2021.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

3. Use of Estimates

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Policy for the same has been explained under Note 4(P).

Impairment of Investments

The Company reviews its carrying value of investments carried at cost, annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4(F).

4. Significant Accounting Policies

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations/escalation, wherever, applicable. Variation

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors.

(ii) Revenue from other contracts

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

(iii) Others

Revenue from Bio Mass division is recognized on supply of electricity generated to the customer.

Dividends are recognized when right to receive payment is established. Interest income is recognized on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

B. Onerous contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

C. Operating cycle

Operating cycle for the business activities of the company related to long term contracts [i.e. supply or construction contracts] covers the duration of the specific project/contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective project/contract.

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

D. Lease

The Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company.
- the Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Company has the right to direct the use of the identified asset throughout the period of use. The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Company has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

E. Foreign Currency

In preparing the financial statements, transaction in foreign currencies i.e. other than the company's functional currency are recognised at rate of exchange prevailing for the month, on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at the reporting date are translated at the exchange rate prevailing at reporting date and differences are recognised in statement of profit and loss. Foreign currency non-monetary assets and liabilities, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference are recognized in other comprehensive income.

F. Income taxes

Income tax expense comprises Current tax and deferred tax. Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable

temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

G. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. 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.

H. Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

I. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

b) Defined contribution plan

Contribution to Provident Fund, a defined contribution plan is charged to the Statement of Profit and Loss.

c) Compensated absence

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

d) Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the period in which they are incurred.

L. Provisions and Contingent Asset/Liabilities

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

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but are disclosed in the notes to Financial Statements when economic inflow is probable.

M. Interests in Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When an entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

Transactions with the Joint operation by Company are recognized in the financial statements only to the extent of other parties' interests in the joint operation.

N. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

- the financial asset is held within a business model whose objective is to hold financial 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.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Company enters into derivative financial instruments to hedge foreign currency/price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

O. Property, Plant and Equipment & Intangible assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation/amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to Property, Plant and Equipment till assets are put to use, are capitalized.

P. Depreciation and Amortisation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

- Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in Central Electricity Regulatory Commission and Rajasthan Electricity Regulatory Commission Regulations.
- Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

Plant & Machineries	: 10% - 25%
Furniture & Fixtures, Office Equipment	: 10% - 33%
Computers	: 10% - 50%
Vehicles	: 15% - 38%
- Depreciation on Furniture & Fixtures and certain plant and machinery at construction sites is provided considering the useful life of 3 years and 5 years respectively based on past experience.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre and one Unit (erstwhile Export Oriented Unit) which are provided on the basis of written down value method.

Intangible assets are amortized over a period of five years on straight line basis.

Q. Impairment

a) Financial asset

Company applies as per Ind AS 109 expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

b) Non-Financial asset

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

R. Earnings Per share

Basic earnings per share are computed by dividing profit or loss for the period of the Company by dividing weighted average number of equity shares outstanding during the period. The company did not have dilutive potential equity shares in any period presented.

S. Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2021.

MCA issued notifications dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting April 01, 2021.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

5. PROPERTY, PLANT, EQUIPMENT AND INTANGIBLE ASSETS.

Financial Year 2020-21

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1st April 2020	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2021	As at 1st April 2020	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2021	As at 31st March, 2021	
(₹ in Crores)												
(i) PROPERTY, PLANT AND EQUIPMENT												
Leasehold Land	35.35	-	-	-	35.35	-	-	-	-	-	35.35	
Freehold Land	46.88	-	-	-	46.88	-	-	-	-	-	46.88	
Buildings	163.51	40.50	4.22	-	199.79	32.25	7.80	0.24	-	39.81	159.98	
Plant and Equipment	539.58	104.10	15.56	(3.95)	624.17	259.43	59.28	12.06	(2.26)	304.39	319.78	
Electrical Installation	9.56	2.35	0.18	-	11.73	4.10	0.88	0.12	-	4.86	6.87	
Furniture and Fixtures	16.12	0.22	0.20	(0.02)	16.12	8.12	1.41	0.18	(0.02)	9.33	6.79	
Office Equipments	38.41	4.10	0.53	(0.15)	41.83	21.99	6.63	0.43	(0.08)	28.11	13.72	
Vehicles	93.86	10.80	7.13	(0.27)	97.26	41.80	14.82	4.25	(0.18)	52.19	45.07	
Research & Development Assets												
Leasehold Land	0.46	-	-	-	0.46	-	-	-	-	-	0.46	
Buildings	0.66	-	-	-	0.66	0.16	0.03	-	-	0.20	0.46	
Plant and Equipment	11.26	-	-	-	11.26	3.52	1.36	-	-	4.88	6.38	
Electrical Installation	0.15	-	-	-	0.15	0.07	0.02	-	-	0.09	0.06	
Furniture and Fixtures	0.29	-	-	-	0.29	0.15	0.04	-	-	0.18	0.11	
Office Equipments	0.64	0.02	-	-	0.67	0.53	0.06	-	-	0.59	0.07	
Vehicle	0.39	-	-	-	0.39	0.14	0.05	-	-	0.19	0.20	
Total (i)	957.12	162.09	27.82	(4.39)	1,087.00	372.25	92.38	17.28	(2.54)	444.81	642.19	
(ii) INTANGIBLE ASSETS												
Software (Other than internally generated)												
R&D Assets	0.04	-	-	-	0.04	0.04	-	-	-	0.04	-	
Others	18.97	0.05	-	-	19.02	9.92	3.15	-	-	13.07	5.95	
Total (ii)	19.01	0.05	-	-	19.06	9.96	3.15	-	-	13.11	5.95	
Total (i + ii)	976.13	162.14	27.82	(4.39)	1,106.06	382.22	95.53	17.28	(2.54)	457.93	648.14	

Financial Year 2019-20

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK	
	As at 1st April 2019	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 1st April 2019	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2020	As at 31st March, 2020	
(₹ in Crores)												
(i) PROPERTY, PLANT AND EQUIPMENT												
Leasehold Land	24.92	10.43	-	-	35.35	-	-	-	-	-	35.35	
Freehold Land	46.62	0.26	-	-	46.88	-	-	-	-	-	46.88	
Buildings	158.93	4.62	0.04	-	163.51	24.43	7.83	0.01	-	32.25	131.26	
Plant and Equipment	468.56	71.04	5.27	5.24	539.57	200.92	59.93	3.99	2.57	259.43	280.15	
Electrical Installation	8.80	0.76	-	-	9.56	3.21	0.89	-	-	4.10	5.46	
Furniture and Fixtures	16.07	0.19	0.13	(0.00)	16.12	6.77	1.46	0.11	-	8.12	8.00	
Office Equipments	33.14	5.62	0.58	0.23	38.41	15.65	6.73	0.49	0.10	21.99	16.42	
Vehicles	71.72	23.59	5.01	3.55	93.86	29.93	13.15	3.57	2.29	41.80	52.06	
Research & Development Assets												
Leasehold Land	0.47	-	-	-	0.47	-	-	-	-	-	0.47	
Buildings	0.66	-	-	-	0.66	0.13	0.03	-	-	0.16	0.49	
Plant and Equipment	11.15	0.11	-	-	11.26	1.87	1.64	-	-	3.52	7.75	
Electrical Installation	0.15	-	-	-	0.15	0.05	0.02	-	-	0.07	0.08	
Furniture and Fixtures	0.28	0.01	-	-	0.29	0.09	0.05	-	-	0.15	0.15	
Office Equipments	0.61	0.04	0.01	-	0.64	0.46	0.08	0.01	-	0.53	0.11	
Vehicle	0.39	-	-	-	0.39	0.09	0.05	-	-	0.14	0.25	
Total (i)	842.47	116.67	11.04	9.02	957.12	283.60	91.86	8.18	4.96	372.25	584.87	
(ii) INTANGIBLE ASSETS												
Software (Other than internally generated)												
R&D Assets	0.04	-	-	-	0.04	0.04	-	-	-	0.04	-	
Others	18.42	0.55	-	-	18.97	6.62	3.30	-	-	9.92	9.04	
Total (ii)	18.46	0.55	-	-	19.01	6.66	3.30	-	-	9.96	9.04	
Total (i + ii)	860.93	117.22	11.04	9.02	976.13	290.26	95.17	8.18	4.96	382.21	593.91	

Notes :

- Refer note 46 for security created on property plant and equipment.
- Buildings includes ₹ 0.11 Lakhs (Previous year ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

6. INVESTMENTS - NON CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
A. Investments - carried at cost						
(a) In Equity Instruments of Subsidiaries						
Quoted,						
JMC Projects (India) Limited [Refer note 6.1 (a)]	INR	2	11,37,57,395	11,37,57,395	324.28	324.28
Unquoted,						
Shree Shubham Logistics Limited [Refer note 6.1(b) and (d)]	INR	10	10,40,60,036	7,34,32,165	287.69	187.69
Energylink (India) Limited	INR	10	15,39,59,607	15,39,59,607	153.96	153.96
Amber Real Estate Limited	INR	10	9,90,000	9,90,000	0.99	0.99
Adeshwar Infrabuild Limited	INR	10	50,000	50,000	0.05	0.05
Kalpataru Metfab Private Limited	INR	10	3,00,10,000	3,00,10,000	26.05	26.05
Alipurduar Transmission Limited (Refer Note 6.2)	INR	10	2,83,71,824	5,56,31,020	-	-
Kalpataru Power Transmission (Mauritius) Limited	USD	1	5,75,000	5,75,000	2.90	2.90
Kalpataru Power Transmission USA, Inc.	USD	1	5,00,000	5,00,000	2.28	2.28
Kalpataru Power Senegal SARL	XOF	10000	1,35,217	-	18.41	-
LLC Kalpataru Power Transmission Ukraine	UAH	1	3,99,650	3,99,650	0.27	0.27
Kalpataru Power Transmission Sweden AB	SEK	50	14,06,635	14,06,635	52.49	52.49
Kalpataru IBN Omairah Company Limited	SAR	1000	325	325	0.55	0.55
Kalpataru Power Do Brasil Participações Ltda	BRL	1	6,51,317	-	0.87	-
Less: Provision for diminution in the value of Investments in Kalpataru Metfab Private Limited and Energylink India Pvt Ltd					(10.93)	(10.93)
Total of Unquoted Investments in Subsidiaries					535.58	416.30
Total of Investments in Equity of Subsidiaries					859.86	740.58
(b) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited (Refer Note 6.2)	INR	10	-	1,12,64,286	-	-
Kohima-Mariani Transmission Limited (Refer Note 6.2)	INR	10	5,42,56,353	5,42,56,353	-	-
Total of Investments in Equity of Joint Venture					-	-
(c) In 6% Compulsory convertible Preference share (CCPS) of Subsidiary						
Unquoted,						
Shree Shubham Logistics Limited [Refer note 6.1(d)]	INR	10	-	10,00,00,000	-	100.00
Total of Compulsory convertible Preference share of subsidiary					-	100.00
Total of Investments in Equity instruments carried at cost					859.86	840.58

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

6. INVESTMENTS - NON CURRENT (Contd..)

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
B. Investment - Carried at amortised cost						
Unquoted,						
Investments in Non-Convertible Preference Shares of a Subsidiary,						
Shree Shubham Logistics Limited	INR	10	1,58,80,000	1,58,80,000	16.94	16.01
Total of Investments Carried at amortised cost					16.94	16.01
C. Investment - Carried at fair value through profit or loss (FVTPL)						
Quoted,						
Mutual Fund,						
HDFC Debt Fund for Cancer Cure -100% Dividend						
Donation Option	INR	10	-	5,00,000	-	0.50
Equity instruments,						
Power Grid Corporation of India Limited	INR	10	48,366	48,366	1.04	0.77
Total of Investments Carried at fair value through profit or loss (FVTPL)					1.04	1.27
D. Interest Free Loans to Subsidiaries in the nature of Equity Support carried at cost						
Grand Total					885.98	864.22
Aggregate carrying amount of Quoted Investments						
Market Value of Quoted Investments						
Aggregate amount of Unquoted Investments						
					325.32	325.55
					855.36	384.63
					560.66	538.67

- 6.1 (a) Investment in equity instrument in JMC Projects (India) Limited includes ₹ 0.85 Crores arising on initial recognition of financial guarantee, given by the Company on behalf of JMC Projects (India) Limited, at fair value. Face value of each equity share was subdivided from ₹ 10 per share to ₹ 2 per share with effective from October 04, 2018.
- (b) Investment in equity instrument of Shree Shubham Logistics Limited includes ₹ 6.26 Crores arising on initial recognition of investment in 4% redeemable preference shares at fair value and ₹ 4.21 Crores arising on initial recognition of financial guarantee, given by the Company on behalf of Shree Shubham Logistics Limited, at fair value.
- (c) 2,83,71,824 (Previous Year - 2,83,71,824) Equity shares of Alipurduar Transmission Limited have been pledged in favour of Adani Transmission Limited and Catalyst Trusteeship Limited and 2,76,70,740 (Previous Year - 2,18,74,104) Equity shares of Kohima-Mariani Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.
- (d) 6% Compulsory convertible preference shares in Shree Shubham Logistic Limited is converted into equity shares in current year.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

6. INVESTMENTS - NON CURRENT (Contd..)

6.2 Assets classified as held for sale

Particulars	₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(a) In Equity Instruments of Subsidiaries [Note (i)]	180.18	194.58
(b) In Equity Instruments of Joint Venture [Note (ii) & (iii)]	189.88	228.03
Total of Asset classified as held for sale	370.06	422.61

Notes

- (i) During the year, the Company has entered in to Share Purchase and Shareholders Agreement dated July 05, 2020 ('the Agreement') with Adani Transmission Limited ('the Buyer') for sale of its entire equity stake in Alipurduar Transmission Limited ('ATL'). Upon fulfillment of certain condition precedent, the Company has completed the transfer of 49% stake along with the transfer of control of ATL to the Buyer with effect from November 26, 2020 and balance 51% stake will be transferred after obtaining requisite approvals. Investment in Equity Instruments of Subsidiaries amounting to ₹ 180.18 Crores represents fair value of retained 51% equity stake in ATL.
- (ii) The Company has completed the sale of its entire stake in Jhajjar KT Transco Private Limited (JKTPL) on October 05, 2020 and it ceases to be the joint venture of the Company.
- (iii) The Company has entered into binding agreement with CLP India Private Limited (CLP) to sale its stake in Kohima-Mariani Transmission Limited (KMTL). Investment amounting to ₹ 189.88 Crores pertaining KMTL is classified as "held for sale" under 'Equity Instruments of Joint Venture'.

7. TRADE RECEIVABLES

(Unsecured Considered good)

Particulars	₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current	124.28	106.50
Less : Allowance for expected credit loss	(9.71)	(6.17)
TOTAL	114.57	100.33
(ii) Current	3,768.89	3,549.36
Less : Allowance for expected credit loss	(36.97)	(31.97)
TOTAL	3,731.92	3,517.39

8. LOANS

(Unsecured Considered good)

Particulars	₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Loans to related parties (Refer Note 42)	-	-
to Subsidiaries	453.49	395.45
Security Deposits	66.63	61.01
TOTAL	520.12	456.46
(ii) Current		
Loans to related parties (Refer Note 42)	-	-
to Subsidiaries	-	121.39
to Joint Venture Companies	36.06	34.18
to Others	50.23	-
Security Deposits	23.88	18.56
TOTAL	110.17	174.13

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

9. OTHER FINANCIAL ASSETS

Particulars	₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Interest on Fixed Deposit	0.10	2.15
Fixed Deposit with Banks *	0.55	17.75
TOTAL	0.65	19.90
* Held as margin money and towards other commitments.		
(ii) Current		
Accrued Income	9.50	8.41
Fixed Deposit with Banks **	16.45	9.52
Others	81.28	42.63
TOTAL	107.23	60.56

** Includes ₹ 13.47 Crores (Previous Year ₹ 3.76 Crores) held as margin money and towards other commitments

10. DEFERRED TAX ASSET/LIABILITIES (NET)

Particulars	₹ in Crores)				
	As at 1st April, 2020	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earnings	As at 31st March, 2021
2020-21					
Deferred tax assets / (liabilities) in relation to:					
Property, Plant and Equipment and on intangible assets	(8.54)	1.10	-	-	(7.44)
Expenses deductible / income taxable in other tax accounting period and change in fair value	(5.85)	30.18	(5.22)	-	19.11
Provision for Expected Credit Loss	9.86	2.38	-	-	12.24
Employee benefits	(0.57)	-	0.02	-	(0.55)
Total	(5.11)	33.66	(5.20)	-	23.36

Particulars	₹ in Crores)				
	As at 1st April, 2019	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earnings	As at 31st March, 2020
2019-20					
Deferred tax assets / (liabilities) in relation to:					
Property, Plant and Equipment and on intangible assets	(12.85)	4.31	-	-	(8.54)
Expenses deductible / income taxable in other tax accounting period and change in fair value	7.70	(24.14)	10.19	0.40	(5.85)
Provision for Expected Credit Loss	21.44	(11.58)	-	-	9.86
Employee benefits	(0.63)	-	0.07	-	(0.57)
Total	15.66	(31.42)	10.26	0.40	(5.11)

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

11. OTHER ASSETS

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Capital Advances	33.17	41.22
Prepaid Expenses	3.98	2.84
VAT Credit and WCT Receivable	26.28	4.86
TOTAL	63.43	48.92
(ii) Current		
Taxes and duties Recoverable	44.32	41.23
VAT Credit and WCT Receivable	56.89	83.65
GST Receivable	259.22	261.90
Export Benefits Receivable	9.74	22.68
Taxes Paid Under Protest	6.18	28.71
Advance to Suppliers	113.72	169.55
Prepaid Expenses	39.04	49.54
Amount Due from Customers under Construction and other Contracts (Contract assets)	1,562.78	1,546.50
Others	-	0.04
TOTAL	2,091.89	2,203.80

11.1 Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Recognised as amounts due:		
from Customers under Construction Contracts	1,564.74	1,547.52
to Customers under Construction Contracts (Refer Note 21)	(237.92)	(340.92)
Less: Allowance for expected credit loss	(1.96)	(1.02)
	1,324.86	1,205.58

11.2 The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate to invoice raised on customer on achievement of milestones for which revenue to be recognised over the period of time.

11.3 Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended March 31, 2021, ₹ 1426.84 Crores (Previous year ₹ 1420.26 Crores) of contract assets as of April 01, 2020 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

11.4 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

11.5 Revenue recognised for the current period includes ₹ 237.92 Crores (Previous year ₹ 340.92 Crores), that was classified as amount due to customers at the beginning of the year.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

12. INVENTORIES

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Raw Materials and Components (including goods in transit ₹ 3.81 Crores) (Previous Year ₹ 9.51 Crores)	163.64	256.69
Work-in-progress	39.56	46.29
Finished goods	126.44	137.36
Store, Spares, Construction Materials and Tools	264.71	293.80
Scrap	3.97	4.79
TOTAL	598.32	738.93

12.1 Amount of ₹ Nil Crores (Previous Year ₹ 4.18 Crores) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Refer accounting policy 4 G for valuation of inventories.

13. CASH AND CASH EQUIVALENTS

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Balances With Banks		
In Current Accounts	304.60	297.17
In Fixed Deposit Accounts (with original maturity of less than 3 months)	3.65	4.34
Cash on Hand	1.16	1.88
TOTAL	309.41	303.39

14. OTHER BALANCES WITH BANKS

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Unpaid Dividend Accounts	0.39	0.60
Deposits with original maturity more than 3 months but less than 12 months**	2.27	33.09
TOTAL	2.66	33.69

** Includes ₹ 2.27 Crores (Previous Year ₹ 32.06 Crores) held as margin money and towards other commitments

15. CURRENT TAX

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Net current tax assets/(liability)	16.11	37.06
Comprising of:		
Current Tax Assets	39.33	37.06
Current Tax Liability	23.23	-

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

16. EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at	
	31st March, 2021	31st March, 2020
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	35.00	35.00
TOTAL	35.00	35.00
ISSUED, SUBSCRIBED and PAID-UP:		
14,89,09,208 (Previous year 15,47,15,470) Equity Shares of ₹ 2 each fully paid up	29.78	30.94
TOTAL	29.78	30.94

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

(₹ in Crores)

Equity Shares	As at 31st March, 2021		As at 31st March, 2020	
	Numbers	₹ in Crores	Numbers	₹ in Crores
Shares outstanding at the beginning of the year	15,47,15,470	30.94	15,34,60,570	30.69
Add: Shares Issue during the year	-	-	12,54,900	0.25
Less: Shares extinguished on buyback	58,06,262	1.16	-	-
Shares outstanding at the end of the year	14,89,09,208	29.78	15,47,15,470	30.94

16.2 The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

16.3 The Board of Directors of the Company in its meeting held on May 20, 2020 had approved a proposal for buyback of Equity Shares of the Company for an amount not exceeding ₹ 200 Crore (Maximum Buyback Size, which shall exclude transaction cost of buyback) from the Open Market through Stock Exchanges (NSE and BSE) at the Maximum buyback price of ₹ 275/- per equity share. The Company had commenced buyback of share on June 01, 2020 and completed on November 27, 2020. The total number of shares bought back under the buyback was 58,06,262 Equity Shares.

16.4 During the previous year, the Company has acquired 19.94% stake in Shree Shubham Logistics Limited (SSL) from Tano India Private Equity Fund II, for a consideration of ₹ 64.66 crores. The consideration is paid through a non-cash equity swap transaction, in which 12,54,900 equity shares of the Company issued at the value of ₹ 515.25 per share.

16.5 Details of shareholders holding more than 5% shares in the Company

Name of Share Holders	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,00,05,822	6.72	1,00,05,822	6.47
Mr. Parag M. Munot	79,63,615	5.35	79,63,615	5.15
Kalpataru Construction Private Limited	2,33,50,000	15.68	2,33,50,000	15.09
K. C. Holdings Private Limited	2,11,42,600	14.20	2,11,42,600	13.67
Kalpataru Properties Private Limited	1,36,46,196	9.16	1,36,46,196	8.82
HDFC Trustee Company Limited	1,42,73,822	9.59	1,49,10,202	9.64

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

17. OTHER EQUITY

(₹ in Crores)

Particulars	As at	
	31st March, 2021	31st March, 2020
Securities Premium :		
At the beginning of the year	843.83	779.42
Add : Shares issued during the year	-	64.41
Less: Utilisation for buyback of equity shares (Refer Note 16.3)	175.71	-
At the end of the year	668.12	843.83
Debentures Redemption Reserve :		
At the beginning of the year	100.00	100.00
Less : Transferred to General Reserve	33.33	-
At the end of the year	66.67	100.00
General Reserve :		
At the beginning of the year	373.09	363.09
Add : Transferred from Debenture Redemption Reserve	33.33	-
Add : Transferred from Retained Earnings	10.00	10.00
At the end of the year	416.42	373.09
Capital Redemption Reserve:		
At the beginning of the year	-	-
Add: Transfer from Retained Earnings	1.16	-
At the end of the year	1.16	-
Retained Earnings :		
At the beginning of the year	2,201.00	1,868.29
Add : Profit for the year	615.22	463.05
Add : Impact of Ind AS 116 (net of taxes)	-	(1.18)
Less : Dividend on Equity Shares		
[Dividend per Share ₹ Nil (Previous Year ₹ 3.00)]	-	46.04
Less : Interim Dividend		
[Dividend per Share ₹ 8.50 (Previous Year ₹ 3.50)]	126.57	54.15
Less : Corporate Tax on Dividend	-	18.97
Less: Transfer to Capital Redemption Reserve	1.16	-
Less : Transfer to General Reserve	10.00	10.00
At the end of the year	2,678.49	2,201.00
Other Comprehensive Income / (Loss)		
At the beginning of the year	(13.27)	10.67
Add: Other comprehensive income / (loss) for the year	15.43	(23.94)
At the end of the year	2.16	(13.27)
TOTAL	3,833.02	3,504.65

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

18 (i) NON CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Non-Current	Current	Non-Current	Current
Secured - At amortised cost				
Term Loans				
From Banks	143.85	67.42	33.38	23.59
Other Loans	76.41	103.77	-	-
Unsecured - At amortised cost				
Non-Convertible Redeemable Debentures	133.34	133.33	266.67	133.33
Amount disclosed under the head "Other Financial Liabilities" (Refer Note 20)	-	(304.52)	-	(156.92)
Less : Unamortised Transaction Cost of Borrowings	(1.39)	-	(0.76)	-
TOTAL	352.21	-	299.29	-

18.1 Details of Unsecured Non-Convertible Redeemable Debentures :

(₹ in Crores)

Redemption Profile	As at 31st March, 2021	As at 31st March, 2020	Interest rate	Date of Allotment
Redeemable at premium on 12.09.2022 (with yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at premium on 11.03.2022 (with yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at face value in 2 equal annual instalments starting from 27.09.2021	100.00	100.00	8.11% p.a.	September 27, 2017
Redeemable at face value in 3 equal annual instalments starting from 25.05.2020	66.67	100.00	8.45% p.a.	May 25, 2017
Redeemable at face value on 15.05.2020	-	100.00	7.90% p.a.	March 17, 2017

18.2 Term Loans from Banks and Other Loans

- (a) ₹ 2.27 Crores (Previous Year ₹ 4.47 Crores) carries interest in range of 8.05% - 9.25% p.a. and is repayable in range of 1 to 38 equal monthly instalments along with interest. The Loan is secured by hypothecation of specific Vehicles.
- (b) Other Loans of ₹ 180.18 Crores (Previous Year Nil) is interest free and secured by pledge of Equity shares of Alipurduar Transmission Ltd. The loan is repayable in 1 to 4 years.
- (c) ₹ 209.00 Crores (Previous Year ₹ 52.50 Crores) carries interest in range of 7.10% - 9.75% p.a, secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the Company to the extent of 1.25 times of outstanding facility. It is repayable in 13 quarterly instalments ending on June 01, 2024.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

18.(ii) CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Working Capital Facilities from Banks	628.57	742.84
Unsecured		
Short Term Loans from Banks	-	135.25
TOTAL	628.57	878.09

Working Capital Facilities from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of Company. Working Capital Facilities carries interest in range of 2% to 10%.

19. TRADE PAYABLE

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Others	189.65	206.89
TOTAL	189.65	206.89
(ii) Current		
Total outstanding dues of Micro and Small enterprises	103.84	68.60
Others	2,191.76	2,067.63
TOTAL	2,295.60	2,136.23

All Trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

20. OTHER FINANCIAL LIABILITIES

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Interest accrued but not due on borrowings	13.14	15.80
Lease Liability	14.96	18.06
Others	-	1.04
TOTAL	28.10	34.90
(ii) Current		
Current maturities of long term debt (Refer Note 18)	304.52	156.92
Creditors for capital expenditure	23.04	15.86
Deposit from Vendors	97.18	65.25
Interest accrued but not due on borrowings	24.01	12.85
Unpaid Dividend	0.39	0.60
Lease Liability	8.45	14.79
Others	141.74	152.32
TOTAL	599.33	418.59

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

21. OTHER LIABILITIES

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Deposit from Customer	0.31	0.37
Other Payable	3.37	3.32
TOTAL	3.68	3.69
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	237.92	340.92
Advance from Customers	857.52	1,315.28
Statutory Liabilities	65.41	102.07
Deferred Income	1.21	1.72
TOTAL	1,162.06	1,759.99

22. PROVISIONS

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(i) Non Current		
Employee benefits (Refer Note 40)	12.29	13.06
Performance Warranties (Refer Note 33)	17.29	14.13
TOTAL	29.58	27.19
(ii) Current		
Employee benefits (Refer Note 40)	6.84	3.28
Performance Warranties (Refer Note 33)	301.02	277.57
Expected Loss on Long Term Contracts (Refer Note 33)	148.84	40.52
Provision Others	26.47	27.70
TOTAL	483.17	349.07

23. REVENUE FROM OPERATIONS

Particulars	(₹ in Crores)	
	2020-21	2019-20
Revenue from Contracts with Customer		
Sale of Products		
Tower Parts & Components	407.09	307.13
Others	87.34	78.33
Income from EPC contracts	7,070.35	7,424.95
Other Operating Income		
Sale of Scrap	76.65	54.54
Certified Emission Reduction Receipts	2.02	2.06
Export Benefits	27.25	37.02
TOTAL	7,670.70	7,904.03

Revenue as per geographical segment is disclosed in Note 48

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

24. OTHER INCOME

Particulars	(₹ in Crores)	
	2020-21	2019-20
Interest Income		
On financial assets carried at amortised cost		
On Loans	34.64	31.71
On Fixed deposits	2.06	4.19
Others	6.12	5.68
Dividend Income		
Dividend from investment in subsidiaries	26.89	14.27
Dividend from investment measured at FVTPL	0.26	0.04
Other non operating income		
Rent Income	1.45	1.52
Insurance Claims	2.22	0.12
Liabilities Written Back	0.05	-
Miscellaneous Income	0.90	0.02
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	0.27	(0.19)
Gain / (Loss) on disposal of Property Plant & Equipment (net)	3.78	0.47
Others	0.55	0.56
TOTAL	79.19	58.39

25. COST OF MATERIAL CONSUMED

Particulars	(₹ in Crores)	
	2020-21	2019-20
Raw Materials		
Steel	653.76	706.74
Zinc	117.39	128.98
Components & Accessories, etc	1,969.34	2,458.47
Agricultural Residues	34.77	35.51
TOTAL	2,775.26	3,329.70

26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	(₹ in Crores)	
	2020-21	2019-20
STOCK AT BEGINNING OF THE YEAR		
Finished Goods	137.36	90.96
Work-in-progress	46.29	31.46
Scrap	4.79	3.87
	188.44	126.29
STOCK AT CLOSE OF THE YEAR		
Finished Goods	126.44	137.36
Work-in-progress	39.56	46.29
Scrap	3.97	4.79
TOTAL	169.97	188.44
	18.47	(62.15)

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

27. EMPLOYEE BENEFITS EXPENSES

Particulars	(₹ in Crores)	
	2020-21	2019-20
Salaries, Wages and Bonus	522.23	496.06
Contributions to Provident and Other Funds	21.12	20.38
Employees' Welfare Expenses	7.45	9.23
TOTAL	550.80	525.67

28. FINANCE COSTS

Particulars	(₹ in Crores)	
	2020-21	2019-20
Interest Expense	109.81	151.05
Other Borrowing Costs	5.81	4.38
Exchange Rate variation	(7.05)	10.80
TOTAL	108.57	166.23

29. OTHER EXPENSES

Particulars	(₹ in Crores)	
	2020-21	2019-20
Job Charges	64.06	56.52
Power and Fuel	18.97	18.66
Repairs and Maintenance:		
Plant and Machinery	2.98	3.25
Buildings	3.43	3.05
Others	0.51	0.50
Freight and Forwarding Expenses	258.34	107.05
Stores, Spares and Tools Consumed	14.10	14.12
Vehicle/ Equipment Running and Hire Charges	2.69	3.50
Testing Expenses	4.84	1.54
Pollution Control Expenses	2.13	2.24
Insurance	41.07	38.97
Rent	36.10	35.46
Rates, Taxes and Duties	40.89	38.28
Stationery, Printing and Drawing Expenses	8.41	5.77
Telecommunication Expenses	4.04	4.19
Travelling Expenses	31.35	56.75
Legal and Professional Expenses	39.44	82.48
Payment to Auditor		
Audit Fees	1.09	1.09
Other Services & Reports	0.34	0.19
Reimbursement of Expenses	0.03	0.02
Bank Commission and Charges (including ECGC Premium)	62.45	58.46
Allowance for Expected Credit Losses	9.48	(22.19)
Performance Warranties Expenses	44.66	48.34
Expenses towards Contractual Deductions	-	0.59
Loss / (Gain) on Exchange Rate Variation	16.22	(18.39)
Sitting Fees & Commission to Non-Executive Directors	4.72	2.92
Corporate Social Responsibility Expenses	10.19	3.76
Carbon Credit Expenses	0.21	0.33
Miscellaneous Expenses*	45.31	68.53
TOTAL	768.05	615.98

* Includes ₹ Nil (Previous Year ₹ 15 Crore) towards contribution to Electoral trust

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

30. CONTINGENT LIABILITIES IN RESPECT OF

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(a) Bank guarantees given by the Company	1.91	2.44
(b) Claims against Company not acknowledged as debt	20.32	23.13
(c) Demands by Service Tax/Stamp Duty and other Tax/ Revenue Authorities, disputed by the company	31.59	45.25
(d) VAT/WCT/ Entry Tax demands disputed by Company	53.21	47.64
(e) Corporate Guarantee / Letter of Comfort given for loan to subsidiaries	365.00	365.00
(f) Bank Guarantee given on behalf of subsidiaries	90.80	42.27
(g) Deed of Indemnity given on behalf of a subsidiary	150.22	136.13

31. CAPITAL & OTHER COMMITMENTS

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(a) Capital Commitments		
Estimated amount of contracts remaining to be executed for Tangible capital Assets and not provided for (Net of advances)	14.86	62.20
(b) Company has given undertakings to the term lenders of Kohima Mariani Transmission Limited to meet cost overrun of the Project.		

32. CSR EXPENDITURE

(a) Gross amount required to be spent by the company during the year

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Opening balance as at April 01, 2020		
With Company	-	-
In Separate CSR Unspent A/c	-	-
Amount required to be spent during the year*^	10.07	6.35
Amount spent during the year		
From Company's bank A/c	4.04	3.76
From Separate CSR Unspent A/c	-	-
Closing balance as at March 31, 2021		
With Company	-	-
In Separate CSR Unspent A/c#	6.10	-

*Approved by CSR Committee and Board

^ It includes the unspent CSR obligation of FY 19-20 amounting to ₹ 258.48 lakhs as CSR obligation of FY 20-21

#Transferred to CSR unspent account on April 30, 2021

(b) Amount spent on purposes other than construction/acquisition of any assets

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Eradicating Hunger, Promoting Healthcare	3.20	2.45
Promoting Education, Sanitation	0.23	0.68
Environment, technology and others	0.61	0.63
Total	4.04	3.76

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

33. THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
a DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES		
Carrying amount at the beginning of the year	291.70	249.13
Add: Provision/Expenses during the year (Net)	44.66	48.34
Less : Utilisation during the year	18.05	5.77
Carrying amount at the end of the year	318.31	291.70
b PROVISION FOR EXPECTED LOSS ON LONG TERM CONTRACT		
Carrying amount at the beginning of the year	40.52	69.16
Add: Provision/Expenses during the year (Net)	152.81	15.80
Less : Reversal/ Utilisation during the year	44.49	44.44
Carrying amount at the end of the year	148.84	40.52
c OTHER PROVISIONS		
Carrying amount at the beginning of the year	27.70	26.82
Add: Provision/Expenses during the year	(1.23)	0.88
Carrying amount at the end of the year	26.47	27.70

34. EARNINGS PER SHARE

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
No. of Equity Shares at the beginning of the year	15,47,15,470	15,34,60,570
Shares issued during the year (Nos)	-	12,54,900
Shares extinguished on buyback (Nos)	58,06,262	-
No. of Equity Shares at the end of the year	14,89,09,208	15,47,15,470
Weighted Average No. of Equity Shares	15,16,53,331	15,42,69,740
Profit for calculation of EPS (₹ in Crores)	615.22	463.05
Basic and Diluted Earnings Per Share (₹)	40.57	30.02
Nominal value of Equity Share (₹)	2.00	2.00

35. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF

Particulars	(₹ in Crores)	
	2020-21	2019-20
Subcontracting expenses	1,630.20	1,485.11
Construction material, stores and spares consumed	428.50	471.33
Power and fuel	86.95	77.72
Freight and Forwarding Expenses	53.48	57.09
Vehicle and Equipment Hire Charges	179.56	210.47
Custom Duty, Clearing & Handling Charges	54.38	64.69
Others	318.10	268.38
Total	2,751.17	2,634.78

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

36. RESEARCH AND DEVELOPMENT EXPENSES

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
(a) Research and Development Income and Expenses included in the Statement of Profit and Loss under various heads are given below:		
(i) Revenue from Operations		
Income from Design validation and Sale of scrap	8.56	16.79
(ii) Revenue Expenditure		
Cost of Materials Consumed	2.71	4.23
Employee Benefits Expenses	6.00	5.09
Depreciation	1.55	1.88
GST	0.49	0.76
Other Expenses	1.56	2.02
(b) Capital Expenditure	0.02	0.16

37. Leases

1 Ind AS 116 Transition

The Company adopted Ind AS 116 "Leases" with effect from April 01, 2019, with a modified retrospective approach. The cumulative effect of initial application of Ind AS 116, was adjusted in opening retained earnings on the date of application i.e. April 01, 2019, as permitted by standard. The effect of adoption of Ind AS 116 was not material. The Company elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss.

2 Reconciliation of lease commitment under Ind AS 17 and lease liability recognised as at the date of transition i.e. April 01, 2019.

Particulars	₹ In crores
Lease Commitment under Ind AS 17 as at March 31, 2019	52.79
Discounting of lease payments	(6.43)
Short-term leases	(20.98)
Additional leases identified under Ind AS 116	3.91
Lease liability as at the date of transition under Ind AS 116	29.29

Leases Disclosure

1 The Company's significant leasing/licensing arrangements are mainly in respect of residential/office premises. Leases generally have a lease term ranging from 14 months to 108 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.

2 Right-of-use assets by class of assets is as follows.

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 1st April 2020	Additions	Deductions	As at 31st March, 2021	As at 1st April 2020	For the Year	Deductions	As at 31st March, 2021	As at 31st March, 2021
TANGIBLE ASSETS									
Land	0.58	0.18	0.22	0.54	0.22	0.05	0.22	0.05	0.49
Buildings	54.54	5.41	15.86	44.09	15.08	19.01	15.86	18.23	25.86
Total	55.12	5.59	16.08	44.63	15.30	19.06	16.08	18.28	26.35

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

37 Leases (Contd..)

2 Right-of-use assets by class of assets is as follows.(Contd..)

FY 19-20

(₹ in Crores)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK
	Recognised on the date of Transition to Ind AS 116	Additions	Deductions	As at 31 March 2020	Recognised on the date of Transition to Ind AS 116	For the Year	Deductions	As at 31 March 2020	As at 31 March 2020
TANGIBLE ASSETS									
Land	0.35	0.23	-	0.58	-	0.22	-	0.22	0.36
Buildings	27.36	27.18	-	54.54	-	15.09	-	15.09	39.45
Total	27.71	27.41	-	55.12	-	15.31	-	15.31	39.81

3 Finance costs includes interest expense amounting to ₹ 2.71 Crores (Previous Year 2.59 Crores) for the year ended March 31, 2021 on lease liability accounted in accordance with Ind AS 116 "Leases".

4 Rent expense in Note No. 29 Represents lease charges for short term leases.

5 Lease liabilities

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Maturity analysis - Undiscounted cash flows		
Less than one year	8.45	14.79
More than one year	19.16	23.66
Total undiscounted lease liabilities	27.61	38.45
Lease liabilities included in financial position		
Current	8.45	14.79
Non current	14.96	18.06

38. Disclosure under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

38.1 Details of loans given :

(₹ in Crores)

Particulars	As at 31st March, 2021	Maximum Balance during the year 2020-21	As at 31st March, 2020	Maximum Balance during the year 2019-20
Shree Shubham Logistics Limited	109.61	109.61	100.86	100.86
Amber Real Estate Limited	-	0.47	0.47	63.19
Kalpataru Power Transmission (Mauritius) Limited	4.54	6.13	6.13	6.13
Adeshwar Infrabuild Limited	0.24	0.24	0.24	0.24
Kalpataru Power Transmission Sweden AB	109.65	109.65	100.74	100.74
Saicharan Properties Limited	237.59	237.59	193.37	193.37
Alipurduar Transmission Limited	-	149.74	121.39	121.39
Kohima Mariani Transmission Limited	36.06	43.93	29.93	29.93
Jhajjar KT Transco Private Limited	-	-	4.25	4.25
Crest Ventures Limited	50.23	50.23	-	-
Jupiter Precious Gems & Jewellery	-	-	-	50.00
Priyanka Finance Private Limited	-	-	-	24.00
	547.92		557.38	

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

38. (Contd..)

38.2 Investment by below entities in their Subsidiaries :

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Shree Shubham Logistics Limited	19.88	19.88
Energy Link (India) Limited	151.15	151.15
Kalpataru Power Transmission (Mauritius) Limited	1.39	1.39
Kalpataru Power Transmission Sweden AB	146.12	146.12

38.3 Details of Investments made by the company are given in Note 6 . Details of guarantees provided are given in Note 30.

38.4 All loans given and guarantees provided are for the purposes of the business.

39. During the financial year 2020-21, UNFCCC has issued 61894 CER's (Net of Adoption Fund) for the period October 01, 2018 to December 31, 2019 on account of generation of electricity from agricultural residues like mustard crop residue and other agricultural crop residue at Tonk Power Plant under the Clean Development Mechanism (CDM) of Kyoto Protocol for preventing environmental degradation. The Gold Standard Organization also labelled the 61894 CERs. The payment of Euro 228523.81 received in October 2020.

During the financial year 2020-21, the verification process of 54975 CERs for the period January 01, 2020 to December 31, 2020 started. Verification report uploaded on UNFCCC for issuance of CERs on April 14, 2021.

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS

(a) Defined contribution Plans

The Company made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 12.99 Crores (Previous Year ₹ 13.50 Crores) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company makes contribution towards Employees State Insurance scheme operated by ESIC corporation. The Company recognized ₹ 0.14 Crores (Previous Year ₹ 0.18 Crores) for ESIC contribution in the statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees.

(i) Gratuity

The company made annual contributions to the Employee's Group Gratuity cash accumulation scheme's of IRDA approved agencies, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd..)

(b) Defined benefit plans (Contd..)

(ii) Compensated absences

The Scheme is non-funded.

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.

Particulars	₹ in Crores	
	2020-21	2019-20
(i) Expenses recognised during the year		
In Statement of Profit & Loss	4.50	3.39
In Other Comprehensive Income	0.09	(0.44)
Total	4.59	2.95
(ii) Expenses recognised in the Statement of Profit & Loss		
Current Service Cost	4.41	3.36
Net Interest Cost	0.08	0.03
Total	4.49	3.39
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses on account of		
change in demographic assumptions	-	(0.01)
change in financial assumptions	0.64	1.39
experience adjustments	(0.44)	(2.11)
Return on plan assets	(0.11)	0.29
Total	0.09	(0.44)

Particulars	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
(iv) Net Liability recognised in the Balance Sheet		
Present value of obligation	30.92	27.29
Closing Fair value of plan assets	26.34	24.01
Assets/ (Liability) Recognized in Balance Sheet	(4.59)	(3.28)
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	27.29	25.15
Current service cost	4.41	3.36
Interest cost	1.73	1.94
Actuarial (gains) / losses arising from:		
changes in financial assumptions	0.64	1.39
changes in demographic assumptions	0.00	(0.01)
changes in experience assumptions	(0.44)	(2.11)
Benefits paid	(2.71)	(2.42)
Present value of obligation at the end of the year	30.92	27.29
(vi) Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	24.01	24.82
Interest Income	1.65	1.91
Return on plan assets	0.11	(0.29)
Contributions by Employer	3.28	-
Benefits paid	(2.71)	(2.42)
Fair Value of Plan assets at the end of the year	26.34	24.01

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS (Contd..)

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity. (Contd..)

Particulars	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
(vii) Bifurcation of present value of obligations into current and non-current		
Current Assets / (Liability)	(4.59)	(3.28)
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	6.60%	6.90%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	As per Indian Assured Lives Mortality (2012-14) Table	
Withdrawal Rate	2% to 11%	2% to 11%
Retirement Age	58 years	58 years
Expected Return on Plan Assets	6.90%	6.90%
(ix) Maturity Profile of Defined benefit obligation		
1 year	4.90	4.50
2 year	2.48	2.57
3 year	2.85	2.43
4 year	3.08	2.70
5 year	2.97	2.72
after 5 years	12.76	10.67
(x) quantitative sensitivity analysis for significant assumptions		
Defined Benefits Obligation (Base) (₹ in Crores)	30.92	27.29
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	29.86	26.41
due to decrease of 0.50%	32.05	28.24
Impact of change in salary increase		
Revised obligation at the end of the year		
due to increase of 0.50%	31.90	28.09
due to decrease of 0.50%	29.96	26.51

Sensitivities due to mortality and rate of withdrawals are insignificant and therefore, ignored.

(d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

41. (1) The Company has entered into consortium with

Sr No.	Particulars	Nature of entity's relationship	Principle place of business	Proportion of Participating share held
a	JSC Zangas, Russia separately for four gas pipeline projects (i) Vijaipur to Kota, (ii) Panvel to Dabhol (iii) Vijaipur to Dadari and (iv) Dadari-Panipat,	Member	India	96%
b	JMC Projects (India) Limited and G.B. Yadav & Co. Pvt. Ltd. for railway projects as "KPTL-JMC-Yadav JV".	Member	India	60%
c	GPT Infrastructure Limited for railway projects as "GPT-KPTL JV".	Member	Bangladesh	49%
d	Cimechel Electric Co. for railway projects as "CIMECHEL-KPTL JV"	Member	India	49%
e	CHC Engineering Co. Ltd. for transmission line projects as "The Consortium of Kalpataru and CHC"	Member	Thailand	87%
f	Techno Electric & Engineering Co. Ltd. for transmission line projects as "Kalpataru - Techno"	Member	Uganda	63%
g	Henan Electric Power Survey & Design Institute for transmission line projects as "Joint Venture of HEPSDI & KPTL"	Member	Uganda	95%
h	Jyoti Structure Ltd. for transmission line projects as "Kalpataru - Jyoti Consortium"	Member	Tajikistan	78%
i	AER Construction and Development Co. Inc. for transmission line projects as "KPTL and AER Consortium"	Member	Philippines	60%
j	JMC Projects (India) Limited and Stroytech Services LLC (STS) for railway projects as "JMC- KPTL-STJ JV".	Member	India	39%
k	Stroytech Services LLC (STS) for railway projects as "STS- KPTL JV".	Member	India	49%
l	Kalpataru Power Transmission RGM International LLC.	Member	Afghanistan	76%
m	Mirador Commercial Pvt. Ltd. For railway projects as "MCPL-KPTL JV"	Member	India	49%
n	Stroytech Services LLC (STS) for railway projects as "STS- KPTL JV" (KRCL)	Member	India	45%
o	JMC Projects (India) Limited and Eldyne Electro Systems Pvt. Ltd. for railway projects as "JMC- KPTL-EESPL JV"	Member	India	40%
p	JMC Projects (India) Ltd. and Stroytech Services LLP (STS) for Railway projects as "JMC-KPTL-STJ JV"	Member	India	21%
q	Eldyne Electro Systems Pvt. Ltd. for Railway projects as "KPTL-EESPL JV"	Member	India	88%
r	Eldyne Electro Systems Pvt. Ltd. for Railway projects as "KPTL-EESPL JV"	Member	India	84%
s	JMC Projects (India) Ltd. and Eldyne Electro Systems Pvt. Ltd. for Railway projects as "JMC-KPTL-EESPL JV"	Member	India	38%
t	The Consortium of Kalpataru Power Transmission Limited & Shyama Power India Limited	Member	Tunisia	99%
u	The Consortium of Kalpataru & Precise system project company LTD & TSEC	Member	Thailand	50%

Revenue, expenses, assets and liabilities for contracts awarded to aforesaid consortiums and executed by the Company under work sharing arrangements are recognized on the same basis as similar contracts independently executed by the Company.

(2) The Company has entered in to arrangement with Afcon Infrastructure Limited which is in the nature of Joint Operation as defined in Ind AS 111 " Joint Arrangement". The participation interest of the Company in the joint arrangement is 49%.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

List of Related Parties

(a) Subsidiaries

JMC Projects (India) Limited
 Shree Shubham Logistics Limited
 Energy Link (India) Limited
 Amber Real Estate Limited
 Kalpataru Power Transmission (Mauritius) Limited
 Kalpataru Power Transmission USA Inc
 Adeshwar Infrabuild Limited
 Kalpataru Satpura Transco Private Limited (Up to November 20, 2019)
 LLC Kalpataru Power Transmission Ukraine
 Kalpataru Metfab Private Limited
 Kalpataru IBN Omairah Company Limited
 Alipurduar Transmission Limited (Up to November 25, 2020)*
 Kalpataru Power Transmission Sweden AB
 Kalpataru Power Senegal SARL (w.e.f. August 10, 2020)
 Kalpataru Power DO Brasil Participacoes Ltda (w.e.f. January 27, 2021)

*Refer Note 49

(b) Indirect Subsidiaries

JMC Mining and Quarries Limited
 Saicharan Properties Limited
 Brij Bhoomi Expressway Private Limited
 Wainganga Expressway Private Limited
 Vindhyaachal Expressway Private Limited
 Punarvasu Financial Services Private Limited
 Kalpataru Power DMCC
 Linjemontage i Grästorpe Aktiebolag (w.e.f April 29, 2019)
 Linjemontage Service Nordic AB (w.e.f April 29, 2019)
 Linjemontage AS (w.e.f April 29, 2019)

(c) Enterprises under significant influence, which are having transaction with the Company

Kalpataru Properties Private Limited
 Kalpataru Retail Ventures Private Limited
 Gurukrupa Developers
 Property Solution (India) Private Limited
 Kalpataru Limited
 Kalpataru Construction Private Limited
 K C Holdings Private Limited
 Kalpataru Viniyog LLP
 Kalpataru Holdings Private Limited
 Argos Arkaya Power Solutions LLP
 Kalpataru Foundation
 Klassik Vinyl Products LLP

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24: (Contd..)

(d) Key Management Personnel:

Mofatraj P. Munot	Promoter Director & Executive Chairman
Manish Mohnot	Managing Director and CEO

(e) Individuals having significant influence and their relatives:

Parag Munot	Promoter Director
Sunita Choraria	Relative of Promoter Director
Sudha Golechha	Relative of Promoter Director

(f) Joint Ventures :

Jhajjar KT Transco Private Limited (Upto September 27, 2020)
Kohima-Mariani Transmission Limited

Transactions with Related Parties in ordinary course of business are:

		(₹ in Crores)	
Particulars	Relationship	2020-21	2019-20
1 Investment in Equity and Preference Shares			
Shree Shubham Logistics Limited**	Subsidiary	-	100.00
Kalpataru Power Senegal SARL	Subsidiary	18.41	-
Kohima-Mariani Transmission Limited	Joint Venture	-	112.20
Kalpataru Power Transmission Sweden AB	Subsidiary	-	52.45
Jhajjar KT Transco Private Limited*	Joint Venture	1.78	-
Kalpataru Power Do Brasil Participações Ltda	Subsidiary	0.87	-
* Equity shares acquired from Klassik Vinyl Products LLC			
** During the year Preference shares amounting to ₹ 100 Crores have been converted into equity shares			
2 Net Loans and advances given/(returned)			
Shree Shubham Logistics Limited	Subsidiary	-	25.00
Amber Real Estate Limited	Subsidiary	(0.47)	(62.73)
Alipurduar Transmission Limited	Subsidiary	(121.39)	69.76
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	(1.45)	-
Adeshwar Infrabuild Limited	Subsidiary	-	0.01
Kalpataru Power Transmission Sweden AB	Subsidiary	2.70	98.15
Kohima-Mariani Transmission Limited	Joint Venture	3.45	-
Jhajjar KT Transco Private Limited	Joint Venture	(4.25)	0.60
Saicharan Properties Limited	Indirect Subsidiary	33.00	1.60
3 Advance For Capex given/(adjusted)			
Gurukrupa Developers	Enterprises having significant influence	(8.71)	1.35
Shree Shubham Logistics Limited	Subsidiary	-	(25.25)
Kalpataru Properties Private Limited	Enterprises having significant influence	-	32.00
4 Revenue from Operations			
JMC Projects (India) Limited	Subsidiary	-	2.47
Jhajjar KT Transco Private Limited	Joint Venture	0.72	1.46
Alipurduar Transmission Limited	Subsidiary	6.35	12.32
Kohima-Mariani Transmission Limited	Joint Venture	49.37	360.09
Linjemontage i Grästorps Aktiebolag	Indirect Subsidiary	26.09	-
5 Other Income			
Amber Real Estate Limited	Subsidiary	2.88	1.10
Shree Shubham Logistics Limited	Subsidiary	9.85	8.07
JMC Projects (India) Limited	Subsidiary	9.91	9.31

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24: (Contd..)

		(₹ in Crores)	
Particulars	Relationship	2020-21	2019-20
Saicharan Properties Limited	Indirect Subsidiary	12.13	13.07
Jhajjar KT Transco Private Limited	Joint Venture	16.24	0.38
Alipurduar Transmission Limited	Subsidiary	5.21	4.38
Kohima-Mariani Transmission Limited	Joint Venture	3.21	2.81
Punarvasu Financial Services Private Limited	Indirect Subsidiary	-	0.03
Kalpataru IBN Omairah Company Limited	Subsidiary	-	6.34
Kalpataru Power Transmission Sweden AB	Subsidiary	3.69	3.05
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	0.02	0.01
6 Reimbursement of Expenses (Receivable)			
Kalpataru IBN Omairah Company Limited	Subsidiary	-	0.21
Alipurduar Transmission Limited	Subsidiary	-	50.00
Shree Shubham Logistics Limited	Subsidiary	0.01	0.01
JMC Projects (India) Limited	Subsidiary	0.08	0.09
Kohima-Mariani Transmission Limited	Joint Venture	34.28	34.29
7 Rent Expenses			
Kalpataru Retail Ventures Private Limited*	Enterprises having significant influence	4.99	8.09
Kalpataru Limited*	Enterprises having significant influence	6.27	1.11
JMC Projects (India) Limited	Subsidiary	1.06	0.89
*During the year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
8 Service Charges			
Kalpataru Power Transmission USA Inc.	Subsidiary	2.52	5.53
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	0.01	-
Property Solutions (I) Private Limited	Enterprises having significant influence	2.11	2.53
9 Equipment Hire Charges			
Energy Link (India) Limited	Subsidiary	0.24	0.24
JMC Projects (India) Limited	Subsidiary	2.48	0.67
10 Reimbursement of Expenses (Payable)			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.15	0.39
Kalpataru Limited	Enterprises having significant influence	0.27	0.07
Jhajjar KT Transco Private Limited	Joint Venture	0.02	0.03
11 Purchase of Property, Plant and Equipments			
Kalpataru Limited	Enterprises having significant influence	9.33	-
Gurukrupa Developers	Enterprises having significant influence	8.71	-
12 Corporate Social Responsibility			
Kalpataru Foundation	Enterprises having significant influence	1.86	-
13 Salary & Commission *			
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	16.40	11.90
Mr. Manish Mohnot	Key Managerial Personnel	14.71	9.91
Mr. Parag Munot	Promoter Director	2.17	1.28
* Break up of compensations to key managerial personnel			
short term employment benefits		31.11	21.81
14 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	11.60	8.87
Kalpataru Construction Private Limited	Enterprises having significant influence	19.85	15.18
Kalpataru Holdings Private Limited	Enterprises having significant influence	0.28	0.22
Kalpataru Viniyog LLP	Enterprises having significant influence	1.12	0.86
K C Holdings Private Limited	Enterprises having significant influence	17.97	13.74
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	8.50	7.74
Mr. Parag Munot	Promoter Director	6.77	6.83

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24: (Contd..)

Particulars	Relationship	₹ in Crores)	
		2020-21	2019-20
Ms. Sudha Golechha	Relative of Promoter Director	0.74	0.57
Ms. Sunita Choraria	Relative of Promoter Director	0.74	0.57
15 Security Deposit Paid			
Kalpataru Limited	Enterprises having significant influence	-	0.12
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	28.00
16 Advance from Customers received/ (adjusted) (net)			
Alipurduar Transmission Limited	Subsidiary	-	(6.57)
Kohima-Mariani Transmission Limited	Joint Venture	(2.93)	(52.33)
Linjemontage i Grästorps Aktiebolag	Indirect Subsidiary	(17.38)	-

Balance with Related Parties

Particulars	Relationship	₹ in Crores)	
		As at 31st March, 2021	As at 31st March, 2020
1 Loans Given			
Amber Real Estate Limited	Subsidiary	-	0.47
Shree Shubham Logistics Limited	Subsidiary	109.61	100.86
Alipurduar Transmission Limited	Subsidiary	-	121.39
Adeshwar Infrabuild Limited	Subsidiary	0.24	0.24
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	4.54	6.13
Kalpataru Power Transmission Sweden AB	Subsidiary	109.65	100.74
Kohima-Mariani Transmission Limited	Joint Venture	36.06	29.93
Saicharan Properties Limited	Indirect Subsidiary	237.59	193.37
Jhajjar KT Transco Private Limited	Joint Venture	-	4.25
2 Trade and Other Receivable			
JMC Projects (India) Limited	Subsidiary	7.94	7.99
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	0.03	-
Jhajjar KT Transco Private Limited	Joint Venture	-	0.87
Alipurduar Transmission Limited	Subsidiary	-	6.20
Shree Shubham Logistics Limited	Subsidiary	0.02	0.01
Kalpataru Power Senegal SARL	Subsidiary	31.23	-
Linjemontage i Grästorps Aktiebolag	Indirect Subsidiary	3.39	-
Kohima-Mariani Transmission Limited	Joint Venture	66.27	46.39
3 Advances given			
Gurukrupa Developers	Enterprises having significant influence	0.01	8.72
Kalpataru Properties Private Limited	Enterprises having significant influence	32.31	32.31
LLC Kalpataru Power Transmission Ukraine	Subsidiary	2.69	2.64
4 Security Deposit Given			
Kalpataru Retail Ventures Private Limited*	Enterprises having significant influence	-	62.87
Kalpataru Limited*	Enterprises having significant influence	63.52	0.64
*During the year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
5 Security Deposit Received			
JMC Projects (India) Limited	Subsidiary	0.20	0.26
6 Advances From Customers			
Linjemontage i Grästorps Aktiebolag	Indirect Subsidiary	1.19	18.56
Kohima-Mariani Transmission Limited	Joint Venture	-	2.93

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24: (Contd..)

Balance with Related Parties (Contd..)

Particulars	Relationship	₹ in Crores)	
		As at 31st March, 2021	As at 31st March, 2020
7 Trade and Other Payable			
Kalpataru IBN Omairah Company Limited	Subsidiary	-	0.01
Kalpataru Power Transmission USA Inc.	Subsidiary	3.73	4.18
Energylink (India) Limited	Subsidiary	0.02	0.02
Jhajjar KT Transco Private Limited	Joint Venture	-	0.03
Kalpataru Retail Ventures Private Limited*	Enterprises having significant influence	-	0.06
Property Solutions (I) Private Limited	Enterprises having significant influence	0.28	0.39
Kalpataru Limited*	Enterprises having significant influence	0.25	0.37
Mr. Manish Mohnot	Key Managerial Personnel	11.12	6.58
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	12.23	7.72
Mr. Parag Munot	Promoter Director	2.17	1.28
*During the year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
8 Guarantee Commission Receivable			
Shree Shubham Logistics Limited	Subsidiary	0.42	0.44
Kohima-Mariani Transmission Limited	Joint Venture	0.04	-
Kalpataru Power Transmission Sweden AB	Subsidiary	1.12	0.45
JMC Projects (India) Limited	Subsidiary	-	0.18
9 Guarantee/Letter of Comforts Outstanding/ Deed of indemnity			
Shree Shubham Logistics Limited	Subsidiary	240.00	240.00
Saicharan Properties Limited	Subsidiary	-	1.27
Kalpataru IBN Omairah Company Limited	Subsidiary	34.39	-
Alipurduar Transmission Limited	Subsidiary	-	41.00
Linjemontage i Grästorps Aktiebolag	Indirect Subsidiary	158.63	136.13
JMC Projects (India) Limited	Subsidiary	181.40	125.00
Kalpataru Foundation	Enterprises having significant influence	0.01	0.01

Formation of subsidiary for execution of projects and correspondingly transfer of the projects related asset and liabilities.

During the year, the Company has transferred assets and liabilities to its wholly owned subsidiary 'Kalpataru Power Senegal SARL' with effect from September 01, 2020 through a business transfer agreement, a summary thereof is as under:

Particulars	₹ in Crores
Assets	122.26
Liabilities	(103.86)
Net Assets	18.40
Excess of Assets over Liabilities (Equity shares of Kalpataru Power Senegal SARL)	18.40

Note : Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash. Guarantee given on behalf of subsidiaries are disclosed in Note 30. No expenses has been recognised in the current year or previous year for bad or doubtful debts in respect of the amount owed by related parties.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

43. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

Particulars	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
Profit before tax	831.32	665.67
Income tax calculated at 25.17% (Previous Year 25.17%)	209.24	167.55
Differential tax of overseas operation	24.75	23.65
Tax effect of adjustment to reconcile reported income tax expenses		
Income exempt from taxation	(14.19)	(5.51)
Tax Impact of Permanent allowances / disallowances	(3.12)	15.26
Tax concessions	-	(4.70)
Difference of Tax at special rate	(15.66)	(5.84)
Impact of Prior period foreign income tax	15.08	4.37
Impact of opening rate difference	-	7.84
Income tax expenses recognised in the statement of profit and loss	216.10	202.62

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Capital Management

The company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Gearing Ratio	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
Debt*	1,286.69	1,335.06
Cash and cash equivalent	(309.41)	(303.39)
Net debt	977.28	1,031.67
Total Equity	3,862.80	3,535.59
Net debt to equity ratio	0.25	0.29

* Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt.

Financial Instrument by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Company consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

Particulars	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
Financial assets		
Measured at Fair Value through Profit and Loss		
Investments – (Level-I)	1.04	1.27
Investments under held for sale- (Level-II)	180.18	-
Measured at Amortised Cost		
Investments	16.94	16.01
Measured At Cost		
Investments	868.00	846.94
Investments under held for sale	189.88	422.61

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Financial Instrument by category (Contd..)

Particulars	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
Measured at Amortised Cost		
(i) Trade receivables	3,846.49	3,617.72
(ii) Loans	630.29	630.59
(iii) Cash and cash equivalents	309.41	303.39
(iv) Other balances with Bank	2.66	33.69
(v) Others	107.88	80.46
Financial liabilities		
Measured at Amortised Cost		
(i) Borrowings	980.78	1,177.38
(ii) Trade payables	2,485.25	2,343.12
(iii) Other financial liabilities	627.43	453.49

Financial Risk Management

Financial Risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as of March 31, 2021

Particulars	₹ in Crores			
	USD	Euro	Others	Total
Loan	4.54	106.28	3.37	114.19
Cash & Cash Equivalents	0.15	-	0.87	1.01
Trade Receivable	1,703.38	5.28	250.83	1,959.49
Other Financials Assets	9.29	6.38	32.89	48.56
Total Asset	1,717.36	117.94	287.96	2,123.25
Borrowing	120.74	1.76	1.97	124.46
Trade Payable	1,011.64	75.46	223.70	1,310.80
Other Financials Liabilities	16.56	0.84	7.19	24.60
Total Liabilities	1,148.94	78.06	232.86	1,459.86
Net Assets / (Liabilities)	568.42	39.88	55.10	663.39

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Financial Risk Management (Contd..)

The following table analyses foreign currency risk from financial instruments as of March 31, 2020

(₹ in Crores)

Particulars	USD	Euro	Others	Total
Loan	6.13	97.69	3.05	106.87
Cash & Cash Equivalents	0.31	-	1.38	1.69
Trade Receivable	1,470.70	30.90	363.42	1,865.03
Other Financials Assets	0.63	-	3.38	4.01
Total Asset	1,477.77	128.59	371.23	1,977.60
Borrowing	261.99	8.67	0.02	270.68
Trade Payable	941.56	31.36	171.05	1,143.97
Other Financials Liabilities	22.71	1.79	0.08	24.58
Total Liabilities	1,226.26	41.82	171.15	1,439.23
Net Assets / (Liabilities)	251.51	86.77	200.08	538.37

Note : The company is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

Sensitivity Analysis

For the year ended March 31, 2021 and March 31, 2020, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/EURO would impact company's profit before tax by approximately 1.55% and 1.79% respectively.

Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and commodity future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally a multinational bank, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities.

As at March 31, 2021

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	74.93	USD 0.34	25.14	0.36
Maturing in 3 months to 6 months	75.24	USD 0.25	18.77	0.12
Maturing in 6 months to 9 months	77.40	USD 1.94	150.09	3.73
Maturing in 9 months to 12 months	79.84	USD 1.70	135.72	5.84
Maturing more than 12 months	79.63	USD 2.88	228.97	1.88
Total/Average	78.69	USD 7.11	558.69	11.93

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Financial Risk Management (Contd..)

As at March 31, 2021 (Contd..)

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	MTM Value (₹ in Crores)
Sell EUR Buy USD				
Maturing more than 12 months	84.21	EUR 0.10	8.42	(0.28)
Total/Average	84.21	EUR 0.10	8.42	(0.28)
Sell USD Buy BRL				
Maturing less than 3 months	12.86	BRL 3.10	39.86	0.55
Total/Average	12.86	BRL 3.10	39.86	0.55
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	75.53	USD 2.46	185.59	4.44
Maturing in 3 months to 6 months	76.04	USD 2.86	217.46	4.13
Maturing in 6 months to 9 months	76.86	USD 0.30	22.86	0.45
Maturing in 9 months to 12 months	76.07	USD 1.10	83.83	(0.32)
More than 12 Months	78.97	USD 0.02	1.93	0.01
Total/Average	75.91	USD 6.74	511.67	8.71
Sell EUR Buy USD				
Maturing less than 3 months	87.36	EUR 0.21	18.70	0.22
Total/Average	87.36	EUR 0.21	18.70	0.22
Buy USD Sell INR				
Maturing in 3 months to 6 months	76.11	USD 2.71	206.62	(3.63)
Maturing in 9 months to 12 months	76.58	USD 1.12	85.57	(0.15)
Total/Average	76.25	USD 3.83	292.19	(3.78)
Sell EURO Buy INR				
More than 12 Months	93.47	EUR 0.94	87.63	2.18
Total/Average	93.47	EUR 0.94	87.63	2.18

As at March 31, 2020

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount In (₹ in Crores)	MTM Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing in 3 months to 6 months	76.08	USD 0.23	17.38	(0.23)
Maturing in 6 months to 9 months	72.92	USD 0.82	59.94	(3.89)
Maturing in 9 months to 12 months	77.13	USD 0.97	74.53	(1.17)
Maturing more than 12 months	77.06	USD 3.31	254.79	(10.52)
Total/Average	76.39	USD 5.33	406.65	(15.81)

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Financial Risk Management (Contd..)

As at March 31, 2020 (Contd..)

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount In (₹ in Crores)	MTM Value (₹ in Crores)
Sell EUR Buy USD				
Maturing less than 3 months	85.41	EUR 0.21	18.24	0.60
Maturing in 3 months to 6 months	86.00	EUR 0.26	22.19	0.80
Maturing in 6 months to 9 months	84.64	EUR 0.06	5.04	0.09
Maturing in 9 months to 12 months	86.15	EUR 0.22	19.21	0.60
Total/Average	85.77	EUR 0.75	64.68	2.09
Buy USD Sell INR				
Maturing less than 3 months	74.86	USD 0.88	65.50	0.76
Maturing in 3 months to 6 months	77.96	USD 0.50	38.98	(0.51)
Total/Average	75.99	USD 1.38	104.48	0.25
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	72.42	USD 2.18	157.88	(8.25)
Maturing in 3 months to 6 months	73.58	USD 2.05	150.94	(6.81)
Maturing in 6 months to 9 months	72.94	USD 0.58	42.16	(2.66)
Maturing in 9 months to 12 months	75.62	USD 0.93	70.60	(2.50)
More than 12 Months	76.65	USD 0.09	7.18	(0.27)
Total/Average	73.46	USD 5.83	428.76	(20.49)
Sell EUR Buy USD				
Maturing less than 3 months	83.30	EUR 0.10	8.45	0.06
Maturing in 3 months to 6 months	83.49	EUR 0.07	5.43	0.03
Total/Average	83.37	EUR 0.17	13.88	0.09
Buy USD Sell INR				
Maturing less than 3 months	75.60	USD 0.57	43.37	0.15
Maturing in 3 months to 6 months	74.61	USD 2.80	209.19	6.76
Maturing in 6 months to 9 months	78.04	USD 0.96	75.02	0.31
Total/Average	75.50	USD 4.33	327.58	7.22
Sell EURO Buy INR				
More than 12 Months	93.40	EUR 0.84	78.22	0.42
Total/Average	93.40	EUR 0.84	78.22	0.42

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Reconciliation of Hedge Reserve

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2021 and March 31, 2020:

Particulars	₹ in Crores	
	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	(30.29)	13.12
Gain/(Loss) recognised in OCI during the year (net)	57.22	(43.41)
Tax impact on above	6.61	(7.79)
Balance at the end of the year (Gross)	26.93	(30.29)
Balance at the end of the year (Net of Tax)	20.32	(22.50)

Loan and Borrowings: Financial Covenants

The company is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investment securities and other receivables. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the Company, by way of assessing financial condition, current economic trends and ageing of other receivables. The Company considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on financial assets as on the reporting date.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	₹ in Crores	
	March 31, 2021	March 31, 2020
Not Due	3,550.35	3,393.62
Past due up to 1 years	124.01	78.71
Above 1 year	218.81	183.53
	3,893.17	3,655.86

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Expected credit loss assessment for customers

Most of customers are PSU and as per past experience, there has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Provision for expected delay in realisation of trade receivables beyond contractual terms. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix. The expected credit loss on the aging of the days the receivables are due and the rates as given in the provision matrix.

On the above basis, the company estimates the following provision matrix at the reporting date:

Particulars	Expected Credit Loss %	
	March 31, 2021	March 31, 2020
From 181 days to 1 year	6.24%	6.24%
Above 1 year	Ranging 12 % to 26%	Ranging 12 % to 26%

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

Particulars	(₹ in Crores)	
	2020-21 Trade receivable	2020-21 Contract Assets
Balance as at March 31, 2020	38.14	1.02
Impairment loss/(income) recognised (net)	8.54	0.94
Balance as at March 31, 2021	46.68	1.96

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

In addition, company is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the company. The company's exposure in this respect has been disclosed in Note 30.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant financial liabilities. (₹ in Crores)

Particulars	As at 31st March, 2021		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	2,295.60	189.65	2,485.25
(ii) Borrowings	933.09	353.60	1,286.69
(iii) Other financial liabilities	294.81	28.10	322.91
Total			4,094.85

(₹ in Crores)

Particulars	As at 31st March, 2020		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	2,136.23	206.89	2,343.12
(ii) Borrowings	1,035.01	300.05	1,335.06
(iii) Other financial liabilities	261.67	34.90	296.57
Total			3,974.75

The above table does not include liability on account of future interest obligation.

The company had undrawn borrowing facilities from banks amounting to ₹ 298.37 Crores (Previous year ₹ 158.15 Crores), which may be drawn at any time.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity Analysis

For the year ended March 31, 2021 and March 31, 2020, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact company's profit before tax by approximately 1.01 % and 1.40 % respectively.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities like Steel, Zinc, Copper and Aluminium. Its operating activities require the on-going purchase or continuous supply of these materials. The Company holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc, Copper and Aluminium prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the company's profit before tax is 7.36% for FY 2020-21 and 1.92% for FY 2019-20.

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Exposure as on March 31, 2021				
Aluminium	Fixed Price Contracts	330.58	16.53	(16.53)
Zinc	Fixed Price Contracts	121.80	6.09	(6.09)
Steel	Fixed Price Contracts	636.70	31.83	(31.83)
Copper	Fixed Price Contracts	134.34	6.72	(6.72)
Total		1,223.42	61.17	(61.17)

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Exposure as on March 31, 2020				
Aluminium	Fixed Price Contracts	1.05	0.05	(0.05)
Zinc	Fixed Price Contracts	12.57	0.63	(0.63)
Steel	Fixed Price Contracts	241.89	12.09	(12.09)
Total		255.51	12.77	(12.77)

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

45. The details of the due amount which are expected by Company to be recovered or settled after twelve months in respect of assets and liabilities in relating to long term contracts which are classified as under:

Particulars	Note	(₹ in Crores)	
		As at 31st March, 2021	As at 31st March, 2020
Trade Receivable	7	94.53	76.29

46. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE COMPANY AGAINST BORROWINGS.

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Property, Plant and Equipments	509.23	468.97
Inventories	587.35	727.30
Financial Assets		
Receivables	3,839.21	3,617.72
Loans	630.25	630.55
Cash & cash equivalents	309.40	303.37
Other Balances with Banks	1.13	33.44
Total	5,876.57	5,781.35

47. The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company.

Particulars	(₹ in Crores)	
	2020-21	2019-20
a) Principal amount and interest due thereon remaining unpaid to supplier as at the end of accounting year	103.84	68.60
b) The amount of interest paid in terms of Section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	-	-
d) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	0.03	0.02
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure.	-	-

48. The company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure comprising of power transmission & distribution, railway track laying & electrification, oil & gas pipelines laying, etc. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108 'Segment Information', there is no separate reportable segment.

Further, The company operates in Geographical Segment- India (Country of Domicile) and Outside India.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

48. (Contd..)

Segment Information

- (a) Revenue from Operations

Particulars	(₹ in Crores)	
	2020-21	2019-20
Within India	4,120.22	5,090.21
Outside India	3,550.48	2,813.82
Total	7,670.70	7,904.03

- (b) Non Current Assets *

Particulars	(₹ in Crores)	
	As at 31st March, 2021	As at 31st March, 2020
Within India	644.25	604.14
Outside India	102.11	108.99
Total	746.36	713.13

*Excludes intangible, financial assets and deferred tax asset

- 48.1 Revenue from major customers - Public sector undertakings in India, is ₹ 2,893 Crores (Previous year ₹ 3,501 Crores). Revenue from other individual customer is less than 10% of total revenue.

- 49 The Company has entered in to Share Purchase and Shareholders Agreement dated July 05, 2020 ("the Agreement") with Adani Transmission Limited ('the Buyer') for sale of its entire equity stake in Alipurduar Transmission Limited ('ATL'). After obtaining requisite approvals and fulfillment of certain condition precedent, the Company on November 26, 2020 has transferred 49% equity stake and also transferred the control to the Buyer as per contractual rights as per agreement. The balance 51% equity stake will be transferred after obtaining requisite approvals, accordingly, Company has recognized gain of ₹ 147 crores (net of expenses) in relation to transfer of 49% equity stake and fair value gain relating to retained 51% equity stake in ATL in accordance with Ind AS 110 "Consolidated Financial Statements" and Ind AS 109 "Financial Instruments" respectively.

On October 05, 2020, the Company has completed the sale of its entire stake in Jhajjar KT Transco Private Limited (JKTPL) and it ceases to be the Joint venture of the Company. Consequently, the Company has recognized a gain (net of expenses) of ₹ 21 crores.

- 50 Performance obligations unsatisfied or partially satisfied amounts to ₹ 12,820 crores (Previous Year ₹ 10,470 crores) as at March 31, 2021 for which revenue is expected to be recognized in future over the period of 1 to 4 years.

51 Note on Significant Subsidiaries and Joint Ventures

a. Particulars of Subsidiaries and Joint Ventures

Name of Subsidiaries	With Effect From	Country of Incorporation	% Voting power	
			As at 31st March, 2021	As at 31st March, 2020
Subsidiaries Held Directly				
Adeshwar Infrabuild Limited	August 11, 2009	India	100.00%	100.00%
Amber Real Estate Limited	May 16, 2008	India	100.00%	100.00%
Energylink India Limited	January 30, 2007	India	100.00%	100.00%
JMC Projects (India) Limited	February 06, 2007	India	67.75%	67.75%
Shree Shubham Logistics Limited	March 19, 2007	India	100.00%	100.00%
Kalpataru Satpura Transco Private Limited (upto November 20, 2019)	May 10, 2013	India	0.00%	0.00%
Kalpataru Metfab Private Limited	March 31, 2015	India	100.00%	100.00%

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

51 Note on Significant Subsidiaries and Joint Ventures (Contd..)

a. Particulars of Subsidiaries and Joint Ventures (Contd..)

Name of Subsidiaries	With Effect From	Country of Incorporation	% Voting power	
			As at 31st March, 2021	As at 31st March, 2020
Alipurduar Transmission Limited (upto November 25, 2020)*	January 6, 2016	India	51.00%	100.00%
Kalpataru Power Transmission (Mauritius) Limited	January 8, 2009	Mauritius	100.00%	100.00%
Kalpataru Power Transmission - USA, Inc	September 11, 2009	USA	100.00%	100.00%
LLC Kalpataru Power Transmission Ukraine	November 06, 2012	Ukraine	100.00%	100.00%
Kalpataru IBN Omairah Company Limited	June 01, 2015	Saudi Arabia	65.00%	65.00%
Kalpataru Power Transmission Sweden AB	January 28, 2019	Sweden	100.00%	100.00%
Kalpataru Power Senegal SARL	August 10, 2020	Senegal	100.00%	0.00%
Kalpataru Power do Brasil Participações Ltda	January 27, 2021	Brazil	100.00%	0.00%
Subsidiaries Held Indirectly				
Brij Bhoomi Expressway Private Limited	December 06, 2010	India	67.75%	67.75%
JMC Mining and Quarries Limited	February 06, 2007	India	67.75%	67.75%
Saicharan Properties Limited	June 30, 2009	India	100.00%	100.00%
Vindhyaachal Expressway Private Limited	January 16, 2012	India	67.75%	67.75%
Wainganga Expressway Private Limited	June 02, 2011	India	67.75%	67.75%
Kalpataru Power DMCC	August 03, 2011	UAE	100.00%	100.00%
Punarvasu Financial Services Private Limited	December 31, 2014	India	100.00%	100.00%
Linjemontage i Grästorpe Aktieföretag	April 29, 2019	Sweden	85.00%	85.00%
Linjemontage Service Nordic AB	April 29, 2019	Sweden	85.00%	85.00%
Linjemontage AS	April 29, 2019	Norway	85.00%	85.00%

*Alipurduar Transmission Limited ceased to be a subsidiary of the company w.e.f November 25, 2020 in accordance with IndAS 110 "Consolidated Financial Statements". However, based on the Company's Equity stake, it continues to be a subsidiary in terms of section 2(87) of the Companies Act, 2013.

b. Particulars of Joint Venture Entities included in Consolidation

Name of Joint Ventures	With Effect From	Country of Incorporation	% Voting power	
			As at 31st March, 2021	As at 31st March, 2020
Kohima-Mariani Transmission Limited	May 02, 2018	India	74.00%	74.00%
Jhajjar KT Transco Private Limited (upto September 27, 2020)	May 19, 2010	India	-	49.72%
Kurukshetra Expressway Private Limited	Mar 29, 2010	India	49.57%	49.57%

c. Kalpataru Power DO Brasil Participações Ltda. ("KPBPL"), wholly owned subsidiary of the Company has signed definitive agreement(s) on February 05, 2021 to acquire controlling stake of 51% in Fasttel Engenharia Ltda., Brazil ("Fasttel"). KPBPL completed the acquisition of 51% stake along with management control on April 07, 2021.

Notes forming part of Standalone Financial Statement

for the year ended March 31, 2021

52 Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

53 The Board of Directors have recommended a dividend of ₹ 1.50 per equity share for the financial year 2020-21, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 22.34 Crores, which has not been included as liability in these financial statements.

54 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has considered the possible effects that may result from COVID-19 in the preparation of the financial results including the recoverability of carrying amounts of assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the management has, used internal and external sources of information up to the date of approval of these financial results and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial results.

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 11, 2021

Rajeev Kumar
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 11, 2021

Consolidated Financial Statements

Independent Auditors' Report

To the Members of
Kalpataru Power Transmission Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and joint operation, which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, joint ventures and joint operation as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, joint ventures and joint operation as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* Section of our report. We are independent of the Group, its joint ventures and joint operation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditors' Report (Contd..)

Discription of Key Audit Matter

Sr. No.	The key audit matter	How the matter was addressed in our audit
1.	<p>Recognition of contract revenue, margin and related receivables:</p> <p>The Group enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods.</p> <p>Ind AS 115, Revenue from Contracts with Customers, requires an entity to select a single measurement method for the relevant performance obligation which depicts the entity's performance in transferring goods or services. In case of onerous contract, present obligations are recognized and measured as provisions.</p> <p>The Group is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard. It relies on management's estimates of the final outcome of each contract, and involves management judgement, particularly in forecasting the cost to complete a contract, valuing contract variations, claims and liquidated damages.</p> <p>We identified contract accounting as a key audit matter because the estimation of total revenue and total cost to complete the contract is inherently subjective, complex and require significant management judgement. The same may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations etc., and could result in significant variance in the revenue and profit or loss from contract for the reporting period.</p> <p>Refer note 24 to the Consolidated Financial Statements.</p>	<p>Our procedures included the following:</p> <ul style="list-style-type: none"> Assessed compliance of the Group policies in respect of revenue recognition with the applicable accounting standards. We selected a sample of contracts to test, using a risk-based criteria which included individual contracts with: <ul style="list-style-type: none"> significant revenue recognised during the year; significant unbilled work in progress (WIP) balances held at the yearend; or low profit margins. Obtained an understanding of management's process for analyzing long term contracts, the risk associated with the contract and any key judgements. Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry, observations, re-performance and inspection of evidence. Verified underlying documents such as contract, and its amendments, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. Evaluating retrospective results for contracts completed during the current year. Comparing the final outcome of the contracts with previous estimates made for these contracts to assess the reliability of management forecasting process. Evaluated the status of trade receivables on sample basis which are past due as at year end, the Group's on-going business relationship with customer and past payment history of the customers through inquiry with management. Considered the adequacy of the disclosures in note 24 to the Consolidated financial statements.

Independent Auditors' Report (Contd..)

Sr. No.	The key audit matter	How the matter was addressed in our audit
2.	<p>Income from toll collection</p> <p>The Group is also into a business of toll collection under service concession agreement, which is complex in nature and span over a number of reporting periods. The right to collect toll is based on the number of vehicles passed from the toll assets. The process of identifying the usage charges is system driven based on the type / class of vehicles, distance etc. These are charged / billed by using complex IT software and hardware.</p> <p>This is a key audit matter considering the nature and volume of transaction; and reliance on information technology systems for the related automated and IT dependent controls.</p> <p>Refer note 24 to the Consolidated Financial Statements.</p>	<p>In view of the significance of the matter the auditor of the subsidiary has reported the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Understand the process and control placed for toll collection. Tested the key controls around such processes for the operating effectiveness. Tested Information Technology General Controls (ITGCs) which assisted the integrity of the tolling system operation, including access, operations and change management controls; Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in the designated bank account and revenue was as per the financial statements. Further, on sample basis verified the previous images and examined that the charges which were based on vehicle classification. Verified the exemptions and other dispensations allowed, as well as analysis of data for unusual transactions and examined the same. Performed the cut off procedures in relation to revenue to test the completeness of revenue.
3	<p>Impairment Testing for Intangible Assets - Toll Collection Rights</p> <p>The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment.</p> <p>The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc.</p> <p>The determination of the recoverable amount of the toll collection right involves significant judgement due to inherent uncertainty in the assumptions of the recoverable amount of these rights.</p> <p>Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter.</p> <p>Refer note 5(ii) to the Consolidated Financial Statements.</p>	<p>In view of the significance of the matter the auditor of the subsidiary has reported the following audit procedures in this area which were applied, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> Evaluating design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of Intangible Assets. Verified the accuracy of the valuation methodology used in determining the recoverable amount. Further, evaluated the objectivity, independence and competence of specialists involved; Verified the assumptions used for the major components of the cash flow forecasts, discount rates, cost of capital, etc.; Assessed the key assumptions of independent valuation obtained by the Company on toll collection rights. Evaluated the suitability of inputs and assumptions used in cash flow forecasts by comparing the potential changes to previous year or actual performance; Performed sensitivity analysis of key assumptions used in valuation; and Checked the arithmetical accuracy of the valuation model.

Independent Auditors' Report (Contd..)

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures and joint operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group and of its joint ventures and joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company. and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the

consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the Companies included in the Group and of its joint ventures and joint operation are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors either intends to liquidate the Company or to cease operations and its joint ventures and joint operation or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group, its joint ventures and joint operation is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements and the operating effectiveness of such controls based on our audit

Independent Auditors' Report (Contd..)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, joint ventures and joint operation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures and joint operation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are independent auditors. For other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the Section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of 20 subsidiaries, whose financial statements reflect total assets of ₹ 2,810.29 crores as at 31 March 2021, total revenues of ₹ 1,341.71 crores, total loss of ₹ 36.87 crores and net cash outflows amounting to ₹ 89.40 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹ 32.21 crores for the year ended 31 March 2021, in respect of one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint venture is based solely on the audit reports of the other auditors.
- (b) We did not audit the financial statements of 3 branches, 7 unincorporated joint venture and one joint operation included in the consolidated financial statements of the Company whose financial statements reflect total assets of ₹ 870.38 crores as at 31 March 2021, total revenue of ₹ 764.32 crores, total net profit after tax of ₹ 22.38 crores and Group's share of net cash outflows of ₹ 19.66 crores for the year ended on that date, as considered in the consolidated financial statements. The financial statements and other financial information have been audited by the other auditors whose report have been furnished to us, and our opinion on the consolidated financial statements, in so far as it relates to the

Independent Auditors' Report (Contd..)

amounts and disclosure in respect of these branches, unincorporated joint ventures and joint operation and our report terms of Sub-Section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, joint ventures and joint operation is based solely on the audit reports of the other auditors.

- (c) The Consolidated annual financial results includes the unaudited financial statements of 1 subsidiary whose financial statements reflect total assets of Nil as at 31 March 2021 and total revenue of ₹ 129.26 crores, total net profit after tax of ₹ 13.64 crores and net cash outflow of ₹ 9.29 crores for the year then ended, as considered in the consolidated annual financial statements. The consolidated financial statements also include the Group's share of net profit/loss (and other comprehensive income) of ₹ Nil for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of 2 and joint ventures, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated annual financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and joint ventures and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, joint ventures, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

Certain of these subsidiaries and branches are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries and branches located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and branches outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, joint ventures and joint operation as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- 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.
 - 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.
 - The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial

Independent Auditors' Report (Contd..)

statements of the subsidiaries, joint ventures and joint operation, as noted in the 'Other Matters' paragraph:

- The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group, joint ventures and joint operation. Refer Note 35 to the consolidated financial statements.
- Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 33 and Note 38 to the consolidated financial statements in respect of such items as it relates to the Group, its joint ventures and joint operation.
- There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures incorporated in India during the year ended 31 March 2021.
- The disclosure in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

- C. With respect to the matter to be included in the Auditor's report under Section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN:21105317AAAADJ2566
Mumbai
11 May 2021

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A. (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that

Annexure A to the Independent Auditors' report (Contd..)

on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended 31 March 2021

transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control with reference to consolidated financial statements in so far as it relates to 9 subsidiary companies, 1 joint venture company and 7 unincorporated joint ventures, which are companies incorporated in India and 3 overseas branches, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
UDIN:21105317AAAADJ2566

Mumbai
11th May, 2021

Consolidated Balance Sheet

as at March 31, 2021

(₹ in Crores)

Particulars	Note	As at 31 st March, 2021	As at 31 st March, 2020
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5(i)	1,622.03	1,571.09
(b) Capital Work in Progress		29.49	50.06
(c) Right of Use Assets	46	109.79	100.15
(d) Investment Property		0.82	0.82
(e) Goodwill	49	114.76	105.88
(f) Other Intangible Assets	5(ii)	1,624.94	1,666.52
(g) Intangible Assets Under Development		4.54	4.20
Financial Assets			
(i) Investments	6	1.13	1.36
(ii) Trade Receivables	7(i)	187.85	186.70
(iii) Loans	8(i)	88.88	76.53
(iv) Others	9(i)	43.18	36.55
(i) Deferred Tax Assets (net)	10	129.94	118.63
(j) Non-Current Tax Assets (net)	15(i)	3.17	7.13
(k) Other Non-Current Assets	11(i)	72.39	55.34
		4,032.91	3,980.96
Current Assets			
(a) Inventories	12	1,071.08	1,208.55
Financial Assets			
(i) Trade Receivables	7(ii)	5,016.82	4,616.01
(ii) Cash and Cash Equivalents	13	537.53	499.48
(iii) Bank Balances Other than (ii) above	14	54.33	46.62
(iv) Loans	8(ii)	460.26	300.67
(v) Others	9(ii)	122.68	119.14
(c) Current Tax Assets (net)	15(ii)	67.06	66.02
(d) Other Current Assets	11(ii)	3,615.53	3,636.18
		10,945.29	10,492.67
Asset classified as held for sale	6.1	375.33	1,305.52
TOTAL ASSETS		15,353.53	15,779.15
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	29.78	30.94
(b) Other Equity	17	3,708.72	3,327.48
Equity Attributable to Owners of the Company		3,738.50	3,358.42
(c) Non-Controlling Interests	18	120.44	136.75
		3,858.94	3,495.17
LIABILITIES			
Non-Current Liabilities			
Financial Liabilities			
(i) Borrowings	19(i)	1,607.12	1,797.07
(ii) Trade Payables	20(i)	-	-
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		338.20	349.80
(iii) Other Financial Liabilities	21(i)	516.42	486.36
(b) Provisions	22(i)	127.82	128.37
(c) Deferred Tax Liabilities (net)	10	32.51	38.21
(d) Other Non-Current Liabilities	23(i)	529.79	345.41
		3,151.86	3,145.22
Current Liabilities			
Financial Liabilities			
(i) Borrowings	19(ii)	894.91	1,131.71
(ii) Trade Payables	20(ii)	-	-
(a) total outstanding dues of micro enterprises and small enterprises		175.24	102.00
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,563.90	3,343.17
(iii) Other Financial Liabilities	21(ii)	1,284.49	923.30
(b) Other Current Liabilities	23(ii)	1,769.95	2,378.98
(c) Provisions	22(ii)	620.60	450.88
(d) Current Tax Liabilities (net)	15(iii)	33.64	2.96
		8,342.73	8,333.00
Liabilities directly associated with assets held for sale		-	805.76
TOTAL EQUITY AND LIABILITIES		15,353.53	15,779.15
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 55		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 11th May, 2021

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 11th May, 2021

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in Crores)

Particulars	Note	2020-21	2019-20
Revenue from Operations	24	12,949.44	12,675.84
Other Income	25	67.02	44.04
TOTAL INCOME		13,016.46	12,719.88
EXPENSES			
Cost of Materials Consumed	26	4,745.01	5,329.84
Changes in Inventories of Finished goods and Work in Progress	27	13.90	(62.15)
Erection, Sub-Contracting and Other Project Expenses	43	4,553.35	3,978.06
Employee Benefits Expense	28	1,041.36	996.54
Finance Costs	29	435.73	520.89
Depreciation and Amortisation Expenses	5 & 46	373.45	339.64
Expected credit losses provision for loans and advances given to JV		-	79.47
Other Expenses	30	1,085.84	870.58
TOTAL EXPENSES		12,248.64	12,052.87
Profit Before share of profit / (loss) of Joint venture and Exceptional Item		767.82	667.01
Share of Profit/ (Loss) from Joint Venture		(32.21)	(23.38)
Profit Before Exceptional Item and tax		735.61	643.63
Exceptional items - Gain / (loss) (net)	54	209.64	4.06
Profit Before Tax		945.25	647.69
Tax Expenses			
Current Tax		303.24	226.14
Deferred Tax		(20.03)	31.96
Profit for the year		662.04	389.59
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		0.96	(2.16)
Income tax on Actuarial Gain / (Loss)		(0.26)	0.65
		0.70	(1.51)
Items that will be reclassified subsequently to Profit or Loss			
Exchange difference in translating foreign operations		(47.33)	(8.66)
Gain/(Loss) on hedging instruments		57.22	(43.41)
Income tax on above items		(1.00)	14.35
		8.89	(37.72)
Total Other Comprehensive Income		9.59	(39.23)
Total Comprehensive Income for the year		671.63	350.36
Profit for the year attributable to			
Owners of the Company		671.02	389.59
Non-controlling interests		(8.98)	-
Profit for the Year		662.04	389.59
Total Other Comprehensive Income attributable to			
Owners of the Company		13.13	(34.03)
Non-controlling interests		(3.54)	(5.20)
Total Other Comprehensive Income for the Year		9.59	(39.23)
Total Comprehensive Income for the year attributable to			
Owners of the Company		684.15	355.56
Non-controlling interests		(12.52)	(5.20)
Total Comprehensive Income for the year		671.63	350.36
Earnings per Share (EPS) of ₹ 2 each			
Basic and Diluted (₹)	39	44.25	25.25
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 55		

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 11th May, 2021

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 11th May, 2021

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

A : Equity Share Capital

(₹ in Crores)

Particulars	Amount
Balance as at April 1, 2019	30.69
Shares issued during the year (refer note 16.3)	0.25
Balance as at March 31, 2020	30.94
Shares Extinguished due to buyback (refer note 16.4)	1.16
Balance as at March 31, 2021	29.78

B : Other Equity

(₹ in Crores)

Particulars	Reserve & Surplus						Other Comprehensive Income / (Loss)			Total Attributable to Owners of the Company	Non-Controlling Interest	Total other Equity	
	Debtore Redemption Reserve	Securities Premium	General Reserve	Statutory Reserve	Capital Redemption reserve	Reserve Fund as per Section 45IC of RBI Act, 1934	Retained Earnings	Effective portion of cash flow Hedges	Exchange differences of foreign operation				Actuarial Loss on Defined Plan Liability
Balance as at April 1, 2019	114.04	803.92	407.39	0.26	-	0.54	1,752.96	8.51	1.51	(0.35)	3,088.78	160.71	3,249.49
Profit for the year 2019-20	-	-	-	-	-	-	389.59	-	-	-	389.59	-	389.59
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(31.01)	(2.05)	(0.97)	(34.03)	(5.20)	(39.23)
Dividends paid including tax thereon	-	-	-	-	-	-	(120.78)	-	-	-	(120.78)	(7.52)	(128.30)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	12.25	-	-	0.22	(12.47)	-	-	-	-	-	-
Transfer to Debtore Redemption Reserve from Retained Earnings	5.47	-	-	-	-	-	(5.47)	-	-	-	-	-	-
Transfer to General Reserve From Debtore Redemption Reserve	(11.63)	-	11.63	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(58.12)	-	-	-	(58.12)	(11.24)	(69.36)
Impact of Ind AS 116 (net of taxes)	-	-	-	-	-	-	(2.36)	-	-	-	(2.36)	-	(2.36)
Premium on issue of equity shares net of shares issue expenses	-	64.40	-	-	-	-	-	-	-	-	64.40	-	64.40
Balance as at March 31, 2020	107.88	868.32	431.27	0.26	-	0.76	1,943.35	(22.50)	(0.54)	(1.32)	3,327.48	136.75	3,464.23
Profit for the year 2020-21	-	-	-	-	-	-	671.02	-	-	-	671.02	(8.98)	662.04
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	42.82	(30.13)	0.44	13.13	(3.54)	9.59
Dividends paid including tax thereon	-	-	-	-	-	-	(127.20)	-	-	-	(127.20)	(3.79)	(130.99)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	12.25	-	-	0.21	(12.46)	-	-	-	-	-	-
Transfer to Capital Redemption Reserve from Retained Earnings	-	-	-	-	1.16	-	(1.16)	-	-	-	-	-	-
Transfer to General Reserve From Debtore Redemption Reserve	(33.33)	-	33.33	-	-	-	-	-	-	-	-	-	-
Buyback of Equity shares	-	(175.71)	-	-	-	-	-	-	-	-	(175.71)	-	(175.71)
Balance as at March 31, 2021	74.55	692.61	476.85	0.26	1.16	0.97	2,473.55	20.32	(30.67)	(0.88)	3,708.72	120.44	3,829.16

- (i) Securities Premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.
- (ii) Debtore Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.
- (iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an items of other comprehensive income. This can be utilised in accordance with the provisions of the Companies Act, 2013.

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

- (iv) Statutory Reserve is created as required under article 176 of the regulations for Companies in Saudi Arabia. This reserve is not available for dividend distribution.
- (v) Capital Redemption Reserve is in accordance with section 69 of the Indian Companies Act, 2013. The Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

Also Refer Significant Accounting Policies and Notes forming part of the consolidated Financial statement

In terms of our report attached

For and on behalf of the Board of Directors

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No : 101248W/W-100022

Ram Patodia

Chief Financial Officer

Manish Mohnot

Managing Director & CEO

DIN : 01229696

Vikas R Kasat

Partner

Membership No : 105317

Mumbai : 11th May, 2021

Rajeev Kumar

Company Secretary

Sanjay Dalmia

Executive Director

DIN : 03469908

Mumbai : 11th May, 2021

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

Particulars	₹ in Crores)	
	2020-21	2019-20
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	662.04	389.59
Adjustments for :		
Tax Expenses	283.21	258.10
Share of Loss of Joint Venture	32.21	23.38
Depreciation and Amortization Expenses	373.45	339.64
Finance Costs	435.73	520.89
Impairment loss on property plant and equipments	-	6.89
Gain on sale of subsidiary and joint venture (net)	(209.64)	(12.30)
Dividend Income	(16.32)	(0.07)
Interest Income	(30.13)	(36.22)
Gain on disposal of Property, Plant and Equipments (net)	(8.50)	(0.56)
Bad Debt written off	8.74	7.68
Liabilities Written Back	(4.40)	(1.51)
Allowance for Expected Credit Losses	26.77	76.89
Impairment loss on asset held for sale	0.86	0.27
Unrealised Foreign Exchange (Gain) / Loss (net)	50.78	(95.14)
Net (Gain) / Loss arising on financial assets	(0.27)	0.19
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,604.53	1,477.72
Adjustments for:		
Trade and other Receivables	(615.85)	(695.49)
Inventories	137.47	(95.31)
Trade, other payables and provisions	51.10	512.19
CASH GENERATED FROM OPERATIONS	1,177.25	1,199.11
Income Tax Paid	(246.25)	(261.87)
NET CASH GENERATED FROM OPERATING ACTIVITIES	931.00	937.24
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)	(261.15)	(469.77)
Proceeds from disposal of Property, Plant and Equipment	26.41	6.03
Proceeds from sale of subsidiary and joint venture (net)	354.66	87.33
Proceeds from sale Mutual Funds (net)	0.50	-
Loans (given to) / received back from Joint Ventures	(41.98)	(39.47)
Loans given to others	(108.59)	(56.51)
Investment in Joint Venture	(1.78)	(112.20)
Investment in other entities	-	(0.09)
Interest received	32.08	34.54
Dividend Received	16.32	0.07
Payment for acquisition of subsidiary	-	(136.36)
Deposits with Banks	(8.72)	(57.47)
Consideration paid to Minority Shareholders on acquisition	-	(3.42)
CASH GENERATED / (USED IN) INVESTING ACTIVITIES	7.75	(747.32)

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

Particulars	₹ in Crores)	
	2020-21	2019-20
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Buyback of Equity shares (including transaction cost)	(176.87)	-
Proceeds from Current/Non Current Borrowings	484.94	406.99
Proceeds from Issue of Non Convertible Debentures	-	100.00
Redemption of Non Convertible Debentures	(133.33)	-
Repayment of Current/Non Current Borrowings	(226.25)	(490.34)
Net increase / (decrease) in short-term borrowings	(236.80)	688.29
Payment of lease liability	(44.49)	(32.20)
Finance Costs Paid	(432.89)	(504.15)
Dividend Paid including tax thereon	(126.57)	(120.78)
Dividend Paid to Minority Shareholders	(4.42)	(7.52)
CASH GENERATED / (USED IN) FINANCING ACTIVITIES	(896.68)	40.29
D. Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	0.74	(0.37)
E. NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C+D)	42.81	229.84
F. Cash and Cash Equivalents acquired in business combination	-	36.77
G. Reduction in cash and cash equivalents on loss of control of subsidiary	(14.06)	(1.84)
H. Opening Cash and Cash Equivalents	508.78	244.01
I. Closing Cash and Cash Equivalents (E+F+G+H)	537.53	508.78

NOTES :

Particulars	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(i) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	2.01	2.51
(b) Balance with Banks		
(i) In current accounts	450.58	489.61
(ii) In fixed deposit accounts	84.94	16.66
Cash and Cash Equivalents as per statement of cash flows*	537.53	508.78

*Cash and Cash Equivalent includes ₹ Nil Crores (previous year ₹ 9.30 Crores) pertaining to assets held for sale.

(ii) Reconciliation of liabilities arising from financing activities:

Particulars	₹ in Crores)				
	As at 1 st April, 2020	Liabilities directly associated with assets held for sale	Cash Flow	Non-Cash Changes	As at 31 st March, 2021
Borrowings	3,296.15	-	(111.44)	(31.46)	3,153.25

(iii) The statement of cash flows has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- "Statement of Cash Flows".

In terms of our report attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : 11th May, 2021

Ram Patodia
Chief Financial Officer

Rajeev Kumar
Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : 11th May, 2021

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

1. CORPORATE INFORMATION

Kalpataru Power Transmission Limited (referred to as "The Company") is a global EPC player with diversified interest in power transmission and distribution, civil construction, railway track laying and electrification, oil & gas pipelines laying etc.

The Company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India.

The Company together with its subsidiaries is herein after referred to as the 'Group'.

2. (a) Basis of preparation of Financial Statement

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The consolidated financial statements have been presented in India rupees (INR) which is also the functional currency of the Company. All amounts have been rounded-off to the nearest crores, unless otherwise stated.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on 11th May, 2021.

The consolidated financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Principles of Consolidation

The consolidated financial statements relate to the Kalpataru Power Transmission Limited ("The Company" / "The Holding Company"), its Subsidiary Companies and Joint Venture Entities. The consolidated financial statements have been prepared on the following basis;

- (i) The financial statement of the Subsidiary Companies and Jointly Venture Entities used in the consolidation are drawn up to the same reporting date as of the parent.
- (ii) The financial statements of the Company and its subsidiaries have been combined on line-by-line basis by adding together, the book value of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and unrealized profits or losses, unless cost cannot be recovered.
- (iii) The excess of cost to the Company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognized as "Goodwill" being an asset in the consolidated financial statements and is tested for impairment on annual basis.
- (iv) Non-controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss and other comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests.
- (v) Interest in Joint Venture Entities are incorporated in these consolidated financial statements using the equity method of accounting. Under equity method of accounting, an investment in joint venture is initially recognised at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the joint venture.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

3. Use of Estimates

The preparation of the consolidated financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful lives of Property, Plant and Equipment

The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation expense for current and future periods. Policy for the same has been explained under Note 4(Q).

Impairment of Investments

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4(G).

4. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations/escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors.

(ii) Revenue from other contracts

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

(iii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix C of Ind AS 115, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria:

- the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied;
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement. As per Ind AS 115, such infrastructures are not recognized in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

Construction or upgrade services provided under a service concession arrangement, recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Consideration under service concession arrangements is accounted on accrual basis in accordance with appendix C of Ind AS 115. Operation and maintenance revenue is recognised in the period in which the services are provided by the Group.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

(iv) Warehousing

Revenues from warehousing facilities are recognized when services are rendered, which coincides with agreement entered with customers and other entities.

(v) Real Estate Development

The Group has evaluated the timing of revenue recognition on sale of completed units based on the rights and obligations given in the terms of contracts. The Group generally concluded that contracts relating to the completed units are recognised at a point in time when control transfers. For unconditional exchanges, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

With respect to the services provided to the lessees including Common Area Maintenance (CAM) services (Such as housekeeping, security services, etc) as part of the lease agreements entered by the Group, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Therefore, the Group concluded that the services to lessees represent a series of daily services that are individually satisfied over time, using a time elapsed measure of progress, because lessees simultaneously receive and consume the benefits provided by the Group.

The sale of completed units constitutes a single performance obligation and it is satisfied at the point in time when control transfers, which generally occurs when legal title transfers to the customer.

(vi) Operation and maintenance Income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e. input method on a straight line basis.

(vii) Others

Revenue from Bio Mass division is recognized on supply of electricity generated to the customer.

Dividend are recognized when right to receive payment is established. Interest income is recognized on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

Transmission Income is accounted on accrual basis for the period of operation of transmission system based on the Transmission service agreement (TSA) and Revenue sharing agreement (RSA) signed with the Long Term Transmission Customers & Central Transmission Utility.

B. Onerous contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

C. Business Combinations

Business combinations are accounted using the acquisition method under the provisions of Ind AS 103 'Business Combinations'. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Acquisition related cost are recognised in the statement of profit or loss as incurred.

Business combinations arising from the transfer of interest in entities under common control are accounted at historical cost. The difference between the consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

D. Operating cycle

(i) In case of long-term contracts executed by the Holding Company, Operating Cycle covers the duration of the specific project/contract including the defect liability period, wherever applicable and extend up to the realization of receivables (including retention monies) within the agreed credit period.

(ii) Assets and Liabilities other than those relating to long-term contracts executed by the Holding Company are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

E. Lease

The Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract.
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognizes a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist. At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

F. Foreign Currency

Transactions in foreign currencies are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at reporting date are translated at the exchange rate prevailing at the end of the year and differences are recognised in statement of Profit and Loss.

The results and financial position of foreign operations and foreign subsidiaries that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference for the period are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in the statement of changes in equity.

G. Income taxes

Income tax expense comprises current tax and deferred tax. Current and Deferred Tax are recognised in Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed for each taxable entity in accordance with the tax rules applicable in respective tax jurisdictions.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of Assets and Liabilities in the financial statements and the corresponding tax

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

H. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. 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.

Finished goods of real estate inventories includes cost of land / development rights, construction costs, allocated borrowing costs and expenses incidental to the development.

I. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Group's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

b) Defined contribution plan

Contribution to Provident Fund, a defined contribution plan is charged to the Consolidated Statement of Profit and Loss.

c) Compensated absence

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Consolidated Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

Assets and Liabilities related to disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

Assets and Liabilities related to disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest Income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

L. Provisions and Contingent Asset /Liabilities

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

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Consolidated Financial Statements when economic inflow is probable.

M. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

N. Joint Operations

A joint operation is a Jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

Transactions with the Joint operation by the Group are recognized in the consolidated financial statements only to the extent of other parties' interests in the joint operation.

O. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

- the financial asset is held within a business model whose objective is to hold financial 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.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

as at each reporting period at fair value with all changes recognised in the consolidated statement of profit and loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor)

is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Group enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

P. Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

Q. Depreciation and Amortisation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in Central Electricity Regulatory Commission and Rajasthan Electricity Regulatory Commission.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

Plant & Machineries	: 10% - 25%
Furniture & Fixtures and Office Equipment	: 10 % - 33%
Computers	: 10% - 50%
Vehicles	: 15% - 38%
Building	: 2% - 7%

c) Depreciation on Plant & Machinery and Shuttering Materials of a subsidiary is provided taking useful life of 10 years and 3 years respectively based on technical evaluation.

d) Depreciation on Furniture & Fixtures and certain Plant & Machineries at construction sites of the Holding Company is provided considering the useful life of 3 years and 5 years respectively based on past experience.

e) Depreciation on fumigation covers and dunnages is provided taking useful life of 5 years and 3 years respectively

f) Depreciation on transmission line of one of the subsidiary is provided considering 40 years of useful life.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre, one of the unit of the Group, Real Estate and mining activities is provided on the basis of written down value method.

Intangible Assets

a) Intangible assets with definite useful life is amortised using straight line method over the useful life.

b) Other Intangible assets are amortized over a period of three to five years on straight line basis.

R. Impairment

a) Financial asset

Group applies, as per Ind AS 109, expected credit loss model for recognizing impairment loss on trade

receivables, other contractual rights to receive cash or other financial asset.

b) Non-Financial asset

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

Intangible assets with indefinite life are tested for impairment at every period end. Impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount.

The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

S. Earnings Per share

Basic earnings per share are computed by dividing profit or loss of the Group attributable to the owners of the Company by weighted average number of equity shares outstanding during the period. The Group did not have any dilutive potential securities in the period presented.

T. Cash and Cash Equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with Banks/financial institutions, with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

U. Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2021.

MCA issued notifications dated 24th March, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

5 PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS

Financial Year 2020-21

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 1 st April, 2020	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 st March, 2021	As at 1 st April, 2020	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 st March, 2021	As at 31 st March, 2021	
	(₹ in Crores)													
(i) PROPERTY, PLANT AND EQUIPMENTS														
Leasehold Land	35.82	-	-	-	-	35.82	-	-	-	-	-	-	35.82	
Freehold Land	148.20	-	2.44	-	0.03	145.79	6.37	-	-	-	6.37	-	139.42	
Buildings	619.44	98.00	6.21	-	0.18	711.41	95.98	56.48	0.95	-	0.22	151.73	559.68	
Plant and Equipment	1,254.56	178.83	45.23	-	(11.51)	1,376.65	507.13	135.82	36.71	-	(6.66)	599.58	777.07	
Electrical Installation	12.93	2.73	0.18	-	-	15.48	5.44	1.24	0.12	-	-	6.56	8.92	
Furniture and Fixtures	34.47	0.49	0.45	-	(0.09)	34.42	16.86	3.24	0.36	-	(0.07)	19.67	14.75	
Office Equipment	68.06	8.56	2.80	-	(0.32)	73.50	42.44	11.10	2.56	-	(0.20)	50.78	22.72	
Vehicles	132.65	16.83	12.50	-	(5.32)	131.66	60.82	19.06	8.45	-	(3.42)	68.01	63.65	
TOTAL (i)	2,306.13	305.44	69.81	-	(17.03)	2,524.73	735.04	226.94	49.15	-	(10.13)	902.70	1,622.03	
(ii) OTHER INTANGIBLE ASSETS														
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	164.06	38.06	-	-	-	202.12	1,546.44	
Copyright and Trade Mark	19.89	0.55	-	-	2.05	22.49	0.10	-	-	-	-	0.10	22.39	
Customer relationship	50.07	-	-	-	5.17	55.24	4.59	5.52	-	-	0.51	10.62	44.62	
Software (Other than internally generated)	39.89	0.62	-	-	0.04	40.55	23.14	5.89	-	-	0.03	29.06	11.49	
TOTAL (ii)	1,858.41	1.17	-	-	7.26	1,866.84	191.89	49.47	-	-	0.54	241.90	1,624.94	
TOTAL (i) + (ii)	4,164.54	306.61	69.81	-	(9.77)	4,391.57	926.93	276.41	49.15	-	(9.59)	1,144.60	3,246.97	

Financial Year 2019-20

Particulars	GROSS BLOCK						DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 1 st April, 2019	Additions	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 st March, 2020	As at 1 st April, 2019	For the Year	Deductions/ Adjustments	Acquired under business combination	Foreign Currency Translation Reserve	As at 31 st March, 2020	As at 31 st March, 2020	
	(₹ in Crores)													
(i) PROPERTY, PLANT AND EQUIPMENTS														
Leasehold Land	25.39	10.43	-	-	-	35.82	-	-	-	-	-	-	35.82	
Freehold Land	147.58	0.26	0.25	-	0.01	148.20	6.37	-	-	-	-	6.37	141.83	
Buildings	553.74	59.76	0.04	5.79	0.19	619.44	56.11	36.81	0.01	2.94	0.13	95.98	523.46	
Plant and Equipment	1,061.80	195.83	20.45	14.20	3.18	1,254.56	378.08	134.62	17.11	9.99	1.55	507.13	747.43	
Electrical Installation	12.07	0.95	0.10	-	0.01	12.93	4.22	1.27	0.05	-	-	5.44	7.49	
Furniture and Fixtures	34.34	0.32	0.20	-	0.01	34.47	13.38	3.60	0.15	-	0.03	16.86	17.61	
Office Equipment	59.54	9.10	0.76	-	0.18	68.06	30.87	12.06	0.64	-	0.15	42.44	25.62	
Vehicles	109.41	25.70	6.83	2.34	2.03	132.65	44.86	17.88	4.83	-	1.55	60.82	71.83	
TOTAL (i)	2,003.97	302.35	28.38	22.58	5.61	2,306.13	527.52	212.61	22.79	14.48	3.22	735.04	1,571.09	
(ii) OTHER INTANGIBLE ASSETS														
Toll Collection Rights	1,748.56	-	-	-	-	1,748.56	126.39	37.67	-	-	-	164.06	1,584.50	
Copyright and Trade Mark	0.10	0.02	-	19.04	0.73	19.89	0.10	-	-	-	-	0.10	19.79	
Customer relationship	-	-	-	48.22	1.85	50.07	-	4.45	-	-	-	0.14	45.48	
Software (Other than internally generated)	37.70	1.79	-	0.39	0.01	39.89	16.57	6.35	-	0.21	0.01	23.14	16.75	
TOTAL (ii)	1,786.36	1.81	-	67.65	2.59	1,858.41	143.06	48.47	-	0.21	0.15	191.89	1,666.52	
TOTAL (i) + (ii)	3,790.33	304.16	28.38	90.23	8.20	4,164.54	670.58	261.08	22.79	14.69	3.37	926.93	3,237.61	

Notes :

- Refer note 34 for security created on property plant & equipment and other intangible assets.
- Buildings includes ₹ 0.01 Crores (Previous year: ₹ 0.01 Crores) being value of investment in shares of Co-operative Societies.
- Deductions / adjustments for the year ended March 31, 2020 includes assets reclassified from assets held for sale.
- Depreciation pertaining to assets held for sale is ₹ 48.67 Crores (Previous year ₹ 51.18 Crores).
- Depreciation / Amortisation includes impairment on land, plant and machineries and building amounting to ₹ Nil crores (Previous year ₹ 6.37 crores), ₹ 0.20 crores (Previous year ₹ 1.16 crores) and ₹ 0.66 crores (Previous year ₹ 0.72 crores) respectively.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

6 INVESTMENTS -NON CURRENT

(₹ in Crores)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31 st March, 2021	As at 31 st March, 2020	As at 31 st March, 2021	As at 31 st March, 2020
	(₹ in Crores)					
A. Investments - Carried at cost						
(a) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited (refer Note 6.1)	INR	10	-	1,12,64,286	-	-
Kurukshetra Expressway Private Limited	INR	10	5,16,82,990	5,16,82,990	-	-
Kohima-Mariani Transmission Limited (refer Note 6.1)	INR	10	5,42,56,353	5,42,56,353	-	-
Total investment carried at cost					-	-
B. Investment - Carried at fair value through profit or loss (FVTPL)						
(i) Quoted,						
(a) In Equity instruments						
Power Grid Corporation of India Limited	INR	10	48,366	48,366	1.04	0.77
(b) In Mutual Fund						
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	INR	10	-	5,00,000	-	0.50
					1.04	1.27
(ii) Unquoted,						
In Equity instruments						
Alipurduar Transmission Limited (Refer Note 6.1)	INR	10	2,83,71,824	-	-	-
Agri Warehousing Service Providers (INDIA) Association	INR	10	90,000	90,000	0.09	0.09
Total investment carried at fair value through profit or loss					1.13	1.36
Total					1.13	1.36
Aggregate carrying amount of Quoted Investments					1.04	1.27
Market Value of Quoted Investments					1.04	1.27
Aggregate amount of Unquoted Investments					0.09	0.09

Note:

Nil (Previous year 30,04,337) Equity Shares of Jhajjar KT Transco Private Limited and 2,76,70,740 (Previous Year 2,18,74,104) shares of Kohima-Mariani Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.

6.1 Assets classified as held for sale

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Transmission Assets	370.06	1,298.85
Freehold land	5.27	6.67
Total	375.33	1,305.52

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

6 INVESTMENTS -NON CURRENT (Contd..)

Assets Held for Sales

- (i) During the year, the Company has entered in to Share Purchase and Shareholders Agreement dated July 5, 2020 ("the Agreement") with Adani Transmission Limited ("the Buyer") for sale of its entire equity stake in Alipurduar Transmission Limited ("ATL"). Upon fulfillment of certain condition precedent, the Company has completed the transfer of 49% stake along with the transfer of control of ATL to the Buyer with effect from November 26, 2020 and balance 51% stake will be transferred after obtaining requisite approvals. Transmission Assets amounting to ₹ 180.18 Crores represents fair value of retained 51% equity stake in ATL.
- (ii) The Company has completed the sale of its entire stake in Jhajjar KT Transco Private Limited (JKTPL) on October 05, 2020 and it ceases to be the joint venture of the Company.
- (iii) The Company has entered into binding agreement with CLP India Private Limited (CLP) to sale its stake in Kohima-Mariani Transmission Limited (KMTL). Investment amounting to ₹ 189.88 Crores pertaining KMTL is classified as "held for sale" under Transmission Assets.

Assets classified as held for sale are measured at the lower of carrying amount and its fair value.

- (iv) One of the Subsidiary Company has classified a parcel of freehold / leasehold lands at Pali and Pratapgarh, under "held for sale", as it intends to dispose the same and for which search for the buyer is underway. During the year company sold land at Jodhpur. An impairment loss of ₹ Nil Crores (Previous year ₹ 0.27 Crores) is recognised based on agreement sales value/ external valuation report.

7 TRADE RECEIVABLES

(Unsecured, Considered good)

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current	197.56	192.87
Less : Allowance for expected credit losses	(9.71)	(6.17)
TOTAL	187.85	186.70
(ii) Current	5,141.33	4,730.57
Less : Allowance for expected credit losses	(124.51)	(114.56)
TOTAL	5,016.82	4,616.01

8 LOANS

(Unsecured Considered good, unless otherwise stated)

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Security Deposits	88.88	76.53
TOTAL	88.88	76.53
(ii) Current		
Joint Venture Companies [JV] (refer note 42)	275.58	233.60
Others*	187.20	78.61
Security Deposits	76.95	67.93
Less : Allowance for expected credit loss for loans to JV (refer note 33)	(79.47)	(79.47)
TOTAL	460.26	300.67

* Secured ₹ 22.61 Crores (Previous year ₹ 22.10 Crores)

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

9 OTHER FINANCIAL ASSETS

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Fixed Deposit with Banks *	34.74	26.16
Interest accrued on Fixed Deposit	0.61	2.56
Subsidy Deposit	7.81	7.81
Others	0.02	0.02
TOTAL	43.18	36.55
*Includes ₹ 1.03 Crores (Previous year ₹ 18.36 Crores) held as margin money and towards other commitments.		
(ii) Current		
Fixed Deposit with Banks **	42.02	51.59
Accrued Income	27.17	20.51
Subsidy Deposit ^	2.75	2.75
Others	50.74	44.29
TOTAL	122.68	119.14

** Includes ₹ 13.52 Crores (previous year ₹ 3.83 Crores) held as margin money and towards other commitments.

^Subsidy deposit of ₹ 2.75 Crores have been received from National Bank for Agriculture and Rural Development (NABARD). However, the same has been recalled and kept on hold by NABARD at the bank due to some compliance issues. The Company has represented the matter to NABARD and Directorate of Marketing & Inspection (DMI), Delhi and are confident of receiving the same.

10 DEFERRED TAX ASSETS (net) / DEFERRED TAX LIABILITIES (net)

Particulars	(₹ in Crores)					
	As at 1 st April, 2020	Recognised in profit or loss*	Recognised in other comprehensive income	Recognised in retained earnings	Others	As at 31 st March, 2021
Deferred tax (liabilities)/assets in relation to:						
a Property, Plant and Equipment and on intangible assets	(85.97)	42.65	-	-	(0.88)	(44.20)
b Expense deductible / income taxable in different tax accounting period and change in fair value	(10.83)	26.41	(5.22)	-	(0.04)	10.32
c Allowance for expected credit loss	50.74	5.15	-	-	-	55.89
d Carry Forward Tax Losses	90.12	(37.24)	-	-	-	52.88
e Change in method of determining revenue	(20.49)	-	-	-	-	(20.49)
f Other Tax effect	55.72	(21.00)	(0.27)	-	(0.48)	33.97
SUB-TOTAL	79.29	15.97	(5.49)	-	(1.40)	88.37
MAT Credit Entitlement	9.06	-	-	-	-	9.06
TOTAL	88.35	15.97	(5.49)	-	(1.40)	97.43

*Includes deferred tax assets of ₹ 4.06 Crores derecognised on sale of subsidiary.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

10 DEFERRED TAX ASSETS (net) / DEFERRED TAX LIABILITIES (net) (Contd..)

(₹ in Crores)

Particulars	As at 1 st April, 2019	Recognised in profit or loss*	Recognised in other comprehensive income	Recognised in retained earnings	Others	As at 31 st March, 2020
Deferred tax (liabilities)/assets in relation to:						
a Property, Plant and Equipment and on intangible assets	(77.67)	6.65	-	-	(14.95)	(85.97)
b Expense deductible / income taxable in different tax accounting period and change in fair value	7.51	(28.93)	10.19	0.40	-	(10.83)
c Allowance for expected credit loss	44.67	6.07	-	-	-	50.74
d Carry Forward Tax Losses	75.73	14.39	-	-	-	90.12
e Change in method of determining revenue	(20.49)	-	-	-	-	(20.49)
f Other Tax effect	81.90	(21.63)	0.65	0.02	(5.22)	55.72
SUB-TOTAL	111.65	(23.45)	10.84	0.42	(20.17)	79.29
MAT Credit Entitlement	9.14	(0.08)	-	-	-	9.06
TOTAL	120.79	(23.53)	10.84	0.42	(20.17)	88.35

*Includes deferred tax liability of ₹ 8.43 Crores derecognised on sale of subsidiary.

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Deferred tax assets	129.94	118.63
Deferred tax liabilities	(32.51)	(38.21)
Net Deferred Tax Asset excluding pertaining to assets held for sale	97.43	80.42
Assets / (Liabilities) directly associated with assets held for sale	-	7.93
Net Deferred Tax Asset including pertaining to assets held for sale	97.43	88.35

11 OTHER ASSETS

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Capital Advances	35.74	43.52
Prepaid Expenses	9.14	5.92
VAT Credit and WCT Receivable	26.28	4.86
Taxes Paid Under Protest	1.23	1.04
TOTAL	72.39	55.34
(ii) Current		
Taxes and duties Recoverable	45.43	41.23
VAT Credit and WCT Receivable	123.94	150.15
GST Receivable	352.73	332.23
Export Benefits Receivable	9.74	22.68
Taxes Paid Under Protest	6.18	28.71
Advance to Suppliers	205.81	326.27
Prepaid Expenses	55.42	62.80
Amount Due from Customers under Construction and other Contracts (Contract assets)	2,810.43	2,666.26
Others	5.85	5.85
TOTAL	3,615.53	3,636.18

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

11.1 Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Recognised as amount due:		
from Customers under Construction Contract	2,838.22	2,684.80
to Customers under Construction Contract (refer note 23)	(493.11)	(607.61)
Less : Allowance for expected credit losses	(27.79)	(18.54)
TOTAL	2,317.32	2,058.65

11.2 The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestones. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate to invoice raised on customer on achievement of milestones for which revenue to be recognised over the period of time.

11.3 Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended March 31, 2021 ₹ 1,800.69 Crores (Previous year ₹ 1,743.76 Crores) of contract assets as at the beginning of the year has been reclassified to Trade receivables upon billing to customers on completion of milestones.

11.4 Revenue recognised for the current period includes ₹ 398.39 Crores (Previous year ₹ 436.79 Crores), that was classified as amount due to customer at the beginning of the year.

11.5 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestones in the contract.

12 INVENTORIES

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Raw Materials and Components (including goods in transit ₹ 3.81 Crores) (Previous Year ₹ 9.51 Crores)	211.76	262.08
Work-in-progress Tower Parts	39.56	46.29
Finished goods Tower Parts	131.01	137.36
Store, Spares, Construction Materials and Tools	499.32	535.12
Scrap	3.97	4.79
Finished Goods of Real Estate Assets	133.29	119.15
Semi-finished Goods of Real Estate Assets	51.94	103.76
Packing Material & Consumables	0.23	-
TOTAL	1,071.08	1,208.55

12.1 Amount of ₹ Nil Crores (Previous year ₹ 4.18 Crores) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Refer note 4 (H) for accounting policy related to valuation of inventories

13 CASH AND CASH EQUIVALENTS

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Balances With Banks		
In Current Accounts	450.58	484.74
In Fixed Deposit (with original maturity of less than 3 months)	84.94	12.23
Cash on hand	2.01	2.51
TOTAL	537.53	499.48

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

14 OTHER BALANCES WITH BANKS

(₹ in Crores)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
Unpaid Dividend Accounts	0.49	0.69
Deposits with original maturity more than 3 months but less than 12 months**	53.84	45.93
TOTAL	54.33	46.62

** Includes ₹ 8 Crores (Previous year ₹ 35.43 Crores) held as margin money and towards other commitments.

15 CURRENT TAX

(₹ in Crores)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
(i) Non-Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	3.17	7.13
TOTAL	3.17	7.13
(ii) Current Tax Assets (net)		
Advance Income Tax and TDS (net of provisions)	67.06	66.02
TOTAL	67.06	66.02
(iii) Current Tax Liabilities (net)		
Provisions for Tax (net of Advance Income Tax and TDS)	33.64	2.96
TOTAL	33.64	2.96

16 EQUITY SHARE CAPITAL

(₹ in Crores)

Particulars	As at	
	31 st March, 2021	31 st March, 2020
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	35.00	35.00
TOTAL	35.00	35.00
ISSUED, SUBSCRIBED and PAID-UP:		
14,89,09,208 (Previous year 15,47,15,470) Equity Shares of ₹ 2 each fully paid up	29.78	30.94
TOTAL	29.78	30.94

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity shares	As at 31 st March, 2021		As at 31 st March, 2020	
	Numbers	(₹ in Crores)	Numbers	(₹ in Crores)
Shares outstanding at the beginning of the year	15,47,15,470	30.94	15,34,60,570	30.69
Add: Shares Issue during the year	-	-	12,54,900	0.25
Less: Shares extinguished on buyback	58,06,262	1.16	-	-
Shares outstanding at the end of the year	14,89,09,208	29.78	15,47,15,470	30.94

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

16 EQUITY SHARE CAPITAL (Contd..)

16.2 The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

16.3 During the previous year ended March 31, 2020, the Company has acquired 19.94% stake in Shree Shubham Logistics Limited (SSL) from Tano India Private Equity Fund II, for a consideration of ₹ 64.66 crores. The consideration is paid through a non-cash equity swap transaction, in which 12,54,900 equity shares of the Company issued at the value of ₹ 515.25 per share.

16.4 The Board of Directors of the Company in its meeting held on May 20, 2020 had approved a proposal for buyback of Equity Shares of the Company for an amount not exceeding ₹ 200 Crore (Maximum Buyback Size, which shall exclude transaction cost of buyback) from the Open Market through Slack Exchanges (NSE and BSE) at the Maximum buyback price of ₹ 275/- per equity share. The Company had commenced buyback of share on June 01, 2020 and completed on November 27, 2020. The total number of shares bought back under the buyback was 58,06,262 Equity Shares.

16.5 Details of shareholders holding more than 5% shares in the Company

Name of shareholder	As at 31 st March, 2021		As at 31 st March, 2020	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,00,05,822	6.72	1,00,05,822	6.47
Mr. Parag M. Munot	79,63,615	5.35	79,63,615	5.15
Kalpataru Construction Private Limited	2,33,50,000	15.68	2,33,50,000	15.09
K. C. Holdings Private Limited	2,11,42,600	14.20	2,11,42,600	13.67
Kalpataru Properties Private Limited	1,36,46,196	9.16	1,36,46,196	8.82
HDFC Trustee Company Limited	1,42,73,822	9.59	1,49,10,202	9.64

17 OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST)

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Securities Premium :		
At the beginning of the year	868.32	803.92
Add: Premium on Equity Shares issued during the Year	-	64.41
Less : Utilisation for buyback of equity shares	175.71	-
Less : Share Issue Expenses	-	0.01
At the end of the year	692.61	868.32
Debentures Redemption Reserve :		
At the beginning of the year	107.88	114.04
Add: Transfer from Retained Earnings	-	5.47
Less : Transferred to General Reserve	33.33	11.63
At the end of the year	74.55	107.88

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

17 OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST) (Contd..)

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Capital Redemption Reserve :		
At the beginning of the year	-	-
Add: Transfer from Retained Earnings	1.16	-
At the end of the year	1.16	-
General Reserve :		
At the beginning of the year	431.27	407.39
Add : Transferred from Debenture Redemption Reserve	33.33	11.63
Add: Transfer from Retained Earnings	12.25	12.25
At the end of the year	476.85	431.27
Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934		
At the beginning of the year	0.76	0.54
Add: Transfer from Retained Earnings	0.21	0.22
At the end of the year	0.97	0.76
Statutory Reserve		
At the beginning of the year	0.26	0.26
At the end of the year	0.26	0.26
Retained Earnings:		
At the beginning of the year	1,943.35	1,752.96
Add : Profit for the year	671.02	389.59
Add: Impact of Ind AS 116 (net of taxes)	-	(2.36)
Less : Acquisition of non-controlling interest	-	58.12
Less : Dividend paid	0.63	-
Less : Dividend on Equity Shares		
[Dividend per Share ₹ Nil (Previous Year ₹ 3.00)]	-	46.04
Less : Interim Dividend on Equity Shares		
[Interim Dividend per Share ₹ 8.50 (Previous Year ₹ 3.50)]	126.57	54.15
Less : Corporate Tax on Dividend	-	20.59
Less : Transfer to Capital Redemption Reserve	1.16	-
Less : Transfer to Debenture Redemption Reserve	-	5.47
Less : Transfer to General Reserve	12.25	12.25
Less: Transfer to Reserve Fund as per section 45-IC of RBI Act	0.21	0.22
At the end of the year	2,473.55	1,943.35
Other Comprehensive Income/ (Loss)		
At the beginning of the year	(24.36)	9.67
Add: Other comprehensive income / (loss) for the year	13.13	(34.03)
At the end of the year	(11.23)	(24.36)
TOTAL	3,708.72	3,327.48

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

18 NON CONTROLLING INTEREST

Particulars	Name of subsidiaries			TOTAL
	JMC Projects (India) Limited	Shree Shubham Logistics Limited*	Kalpataru IBN Omairah Company Limited	
	(₹ in Crores)			
Balance as at April 1, 2019	149.47	7.16	4.08	160.71
Share of total comprehensive Income/ (loss) for the year	(5.07)	(0.24)	0.11	(5.20)
Reduction of non-controlling interest	(4.32)	(6.92)	-	(11.24)
Distribution of dividend	(3.86)	-	(3.66)	(7.52)
Balance as at March 31, 2020	136.22	(0.00)	0.53	136.75
Share of total comprehensive Income/ (loss) for the year	(11.95)	-	(0.57)	(12.52)
Reduction of non-controlling interest	-	-	-	-
Distribution of dividend	(3.79)	-	-	(3.79)
Balance as at March 31, 2021	120.48	(0.00)	(0.04)	120.44
Proportion of Interest				
As at March 31, 2021	32.25%	0.00%	35.00%	
As at March 31, 2020	32.25%	0.00%	35.00%	-

18.1 Summarised financial information of major subsidiaries-

Summarised financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations included in the Group's consolidated financial statement.

(a) JMC Projects (India) Limited

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Total Assets	5,534.98	5,248.80
Total Liabilities	5,045.03	4,710.03
Total Equity	489.95	538.77

Particulars	(₹ in Crores)	
	2020-21	2019-20
Revenue	3,844.46	3,866.31
Total comprehensive Income/ (loss) for the year	(37.06)	(15.46)
Net cash inflow / (outflow)	120.22	(26.48)

* Refer note 16.3

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

19. (i) NON CURRENT BORROWINGS

(₹ in Crores)

Particulars	As at 31 st March, 2021		As at 31 st March, 2020	
	Non-Current	Current	Non-Current	Current
Secured (at amortised cost)				
Non-Convertible Redeemable Debentures	120.00	30.00	149.66	-
Less : Unamortised Transaction Cost of Borrowings	(0.22)	-	(0.48)	-
Term Loans				
From Banks	929.61	300.49	964.29	153.47
From NBFC	249.43	60.32	301.56	60.55
Other Loans	76.41	103.77		
Unsecured (at amortised cost)				
Non-Convertible Redeemable Debentures	233.34	133.33	367.34	133.33
Less : Unamortised Transaction Cost of Borrowings	(1.66)	-	(1.40)	-
Term Loans				
From Banks	-	22.51	15.09	19.29
Others	0.21	0.80	1.01	0.73
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21(ii))		(651.22)		(367.37)
TOTAL	1,607.12	-	1,797.07	-

19.1 Details of Debentures:

(a) Secured Non-Convertible Redeemable Debentures of one of the Subsidiary Company :

(₹ in Crores)

Redemption Profile	As at 31 st March, 2021	As at 31 st March, 2020	Interest	Date of Allotment
Series III NCDs redeemable on 28.08.2023	75.00	75.00	9.95% p.a. payable annually	August 28, 2018
Series II NCDs redeemable on 27.08.2022	45.00	45.00	9.95% p.a. payable annually	August 28, 2018
Series I NCDs redeemable on 27.08.2021	30.00	30.00	9.95% p.a. payable annually	August 28, 2018

Security:

NCDs secured against 5,916,820 equity shares constituting 26% of the paid up equity capital of one of indirect subsidiary.

(b) Unsecured Non-Convertible Redeemable Debentures (NCD) :

Redemption Profile	As at 31 st March, 2021	As at 31 st March, 2020	Interest	Date of Allotment
NCDs redeemable on 21.10.22	100.00	100.00	10.55% p.a. payable quarterly	October 23, 2019
Redeemable at premium on 12.09.2022 (Yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at premium on 11.03.2022 (Yield 9%)	50.00	50.00	Zero	September 12, 2018
Redeemable at face value in 2 equal annual instalments starting from 27.09.2021	100.00	100.00	8.11% p.a. payable annually	September 27, 2017
Redeemable at face value in 3 equal annual instalments starting from 25.05.2020	66.67	100.00	8.45% p.a. payable annually	May 25, 2017
Redeemable at face value on 15.05.2020	-	100.00	7.90% p.a. payable annually	March 17, 2017

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

19. (i) NON CURRENT BORROWINGS (Contd..)

19.2 Term Loans from Banks, NBFC and Other Loans :

- (a) ₹ 466.43 Crores (Previous Year ₹ 466.18 Crores) carries interest base rate + Spread charged by bank from time to time, is secured by
- first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company
 - first charge by way of assignment or otherwise creation of security Interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in accordance with the provisions of the substitution agreement and the Concession Agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in the Project Documents.
 - pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on January 31, 2028.
- (b) ₹102.54 Crores (Previous Year ₹113.50 Crores) carries interest base rate + spread charged by bank from time to time, is secured by
- first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company
 - first charge by way of assignment or otherwise creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in accordance with the provisions of the substitution agreement and the concession agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary company in the Project Documents.
 - pledge of equity shares held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on June 30, 2024.
- (c) Term loan amounting to ₹ 291.38 Crores (Previous Year ₹ 288.13 Crores) carries interest base rate + spread charged by bank from time to time, is secured by first charge on all movable and immovable assets except the project assets of one of the subsidiary company. Repayable in quarterly unequal instalments ending on December 31, 2026.
- (d) Term loan from NBFC amounting to ₹ 18.75 Crores (Previous year ₹ 25 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 equal quarterly instalments, March 31, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.
- (e) Term loan from a bank amounting to ₹ 4.11 Crores (Previous year ₹ 5.83 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending on July 2023 with varying interest rate linked to base rate of bank from time to time.
- (f) Term loan from a bank amounting to ₹ 7.95 Crores (Previous year ₹ 11.64 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending on September 30, 2021 with varying interest rate linked to base rate of bank from time to time.
- (g) ₹ 8.01 Crores & ₹ 15.62 Crores (Previous Year ₹ 30.60 Crores & ₹ 28.13 Crores) is secured by first charge on movable fixed assets, excluding assets charged exclusively to other term lenders, of one of the subsidiary company. Term loan is repayable in balance 18 unequal & 16 equal quarterly instalments December 2020 and March 2022, as a date of maturity and interest payable on monthly basis at varying interest rate.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

19. (i) NON CURRENT BORROWINGS (Contd..)

- (h) Term loan from a bank amounting to ₹ 0.06 Crores (Previous year ₹ 0.79 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in unequal quarterly instalments ending on July 2021 with varying interest rate linked to base rate of bank from time to time.
- (i) Term loan from a bank amounting to ₹ 80.95 Crores (Previous year ₹ 109.69 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter September 30, 2022, as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 year MCLR.
- (j) ₹ 10.48 Crores (Previous year ₹ 17.60 Crores) is secured by hypothecation of Vehicles / equipments financed through loans and carrying varying interest rate linked to base rate. Loan is repayable in range of 1 to 38 equal monthly instalments along with interest.
- (k) ₹ 212.3 Crores (Previous Year ₹ 232.54 Crores) is secured by the assets at warehouses ,including land and building, in Rajasthan. Term loans are repayable in balance 12-24 structured instalments with varying interest rate linked to base rate of banks.
- (l) ₹ 209.00 Crores (Previous Year ₹ 52.50 Crores) carries interest of 7.10% -9.75% p.a, secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the Company to the extent of 1.25 times of outstanding facility. It is repayable in 13 equal quarterly instalments ending on June 01, 2024.
- (m) Term loan from a bank amounting to ₹ 93.51 Crores (Previous Year ₹ 72.41 Crores) is secured exclusively by first charge on movable Property, plant and equipment of one of the subsidiary company funded out of the said facility. Term loan is repayable in quarterly instalments with maturity dates ranging from November 2022 and ending on March 2025 and with varying interest rate linked to base rate of bank from time to time.
- (n) Term loan from NBFC amounting to ₹ 18.75 Crores (Previous Year ₹ 25 Crores) is secured by first pari passu charge on entire movable Property, plant and equipment, excluding assets charged exclusively to the Term Lenders, of one of the subsidiary company. Term loan is repayable in 16 equal quarterly instalments, June 30, 2024 as a date of maturity and interest payable on monthly basis at varying interest rate linked to base rate of NBFC from time to time.
- (o) ₹ Nil (Previous Year ₹ 0.33 Crores) carrying interest of 10.00% is secured against office equipment at Mumbai location of one of the subsidiary Company. The loan is repayable in balance 4 quarterly structured installments ending on March 6, 2021.
- (p) ₹ 180.18 Crores (Previous Year Nil) interest free loan is secured by pledge of Equity shares of Alipurduar Transmission Limited. The loan is repayable in 1 to 4 years.

19.3 As per RBI Notification having reference RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, some of the subsidiary companies have availed the benefit of moratorium on payment of unpaid installments for the month of March 2020.

19 (ii) CURRENT BORROWINGS

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Secured (at amortised cost)		
Working Capital Facilities from Banks	894.91	996.46
Unsecured (at amortised cost)		
Short Term Loans from Banks	-	135.25
TOTAL	894.91	1,131.71

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19. (ii) CURRENT BORROWINGS (Contd..)

- (a) Working Capital Facilities of the holding company of ₹ 628.57 Crores (Previous year ₹ 742.84 Crores) from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of Company. Working Capital Facilities carries interest in range of 2% to 10%.
- (b) Working capital facilities of one of the subsidiary of ₹ 255.84 Crores (Previous year ₹ 231.36 Crores) are secured in favour of consortium bankers, by way of :
- (a) First charge against hypothecation of stocks, work in progress, stores and spares, trade receivables, book debts, cash and cash equivalents and other current assets.
- (b) Second charge on all movable Property, plant and equipments of the Company.
- (c) First charge on the office premises of the Company.
- (c) Working capital facilities of one of the Subsidiary of ₹ 10.5 Crores (Previous year ₹ 22.26 Crores) is secured by first charge on current assets and second charge on plant and equipments and immovable properties at Rajasthan and Gujarat of one of the Subsidiary Company.

20 TRADE PAYABLES

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Others	338.20	349.80
TOTAL	338.20	349.80
(ii) Current		
total outstanding dues of micro enterprises and small enterprises	175.24	102.00
Acceptances	195.08	220.01
Others	3,368.82	3,123.16
TOTAL	3,739.14	3,445.17

All trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

21 OTHER FINANCIAL LIABILITIES

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Security Deposits	6.75	5.46
Interest accrued but not due on borrowings	13.14	15.80
Additional concession fees	378.70	364.16
Lease Liability	63.81	52.90
Liability for option to purchase Non controlling interest	54.02	47.00
Others	-	1.04
TOTAL	516.42	486.36

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

21 OTHER FINANCIAL LIABILITIES (Contd..)

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(ii) Current		
Current maturities of long term debt (Refer Note 19(i))	651.22	367.37
Interest accrued but not due on borrowings	34.66	29.16
Interest Accrued and due on borrowings	8.58	-
Unpaid Dividend	0.49	0.69
Unclaimed matured deposits and interest accrued thereon	0.03	0.03
Security Deposits	227.42	195.62
Creditors for capital expenditure	58.59	45.78
Additional concession fees	53.83	44.07
Lease Liability	42.47	39.88
Other Payable	207.20	200.70
TOTAL	1,284.49	923.30

22 PROVISIONS

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Employee benefits	40.34	39.48
Performance Warranties (Refer Note 38)	34.68	33.34
Major maintenance expense (Refer Note 38)	52.80	55.55
TOTAL	127.82	128.37
(ii) Current		
Employee benefits	15.08	10.22
Performance Warranties (Refer Note 38)	316.83	292.58
Expected Loss on Long Term Contracts (Refer Note 38)	150.15	40.52
Loss of Joint Venture	112.01	79.80
Others	26.53	27.76
TOTAL	620.60	450.88

23 OTHER LIABILITIES

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(i) Non Current		
Advance from Customers	472.76	287.87
Deposit from Customers	0.31	0.37
Deferred Income	15.69	16.19
Others	41.03	40.98
TOTAL	529.79	345.41
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	493.11	607.61
Advance from Customers	1,114.04	1,640.85
Statutory Liabilities	156.88	123.21
Deferred Income	0.50	0.53
Others	5.42	6.78
TOTAL	1,769.95	2,378.98

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

24 REVENUE FROM OPERATIONS

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue from Contracts with Customers		
Sale of Products		
Tower Parts & Components	381.00	307.13
Agro Commodities	0.72	0.92
Others	169.92	158.13
Income from EPC Contracts	11,822.97	11,714.05
Income from Services	467.47	400.36
Other Operating Income		
Sale of Scrap	78.05	55.62
Certified Emission Reduction Receipts	2.02	2.06
Export Benefits	27.25	37.20
Others	0.04	0.37
TOTAL	12,949.44	12,675.84

Revenue as per geographical segment is disclosed in Note 50

25 OTHER INCOME

(₹ in Crores)

Particulars	2020-21	2019-20
Interest Income		
On financial assets carried at amortised cost		
On Fixed deposits	7.68	10.34
On loans	4.73	3.24
Others	17.72	22.64
Dividend Income		
Dividend from investment measured at FVTPL	16.32	0.07
Other non operating income		
Rent Income	2.48	4.72
Grant Received	0.51	0.51
Insurance Claims	2.42	0.12
Liabilities Written Back	4.40	1.51
Miscellaneous Income	1.62	0.03
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	0.27	(0.19)
Gain / (Loss) on disposal of property, plant and equipments (net)	8.50	0.56
Other	0.37	0.49
TOTAL	67.02	44.04

26 COST OF MATERIALS CONSUMED

(₹ in Crores)

Particulars	2020-21	2019-20
Raw Materials		
Steel	653.76	706.74
Zinc	117.39	128.98
Components & Accessories, etc.	1,970.22	2,458.47
Agricultural Residues	34.77	35.51
Construction Materials	1,968.78	2,000.14
Others	0.09	-
TOTAL	4,745.01	5,329.84

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

27 CHANGES IN INVENTORY OF FINISHED GOODS AND WORK IN PROGRESS

Particulars	(₹ in Crores)	
	2020-21	2019-20
STOCK AT BEGINNING OF THE YEAR		
Finished Goods	137.36	90.96
Semi-finished Goods	46.29	31.46
Scrap	4.79	3.87
	188.44	126.29
STOCK AT CLOSE OF THE YEAR		
Finished Goods	131.01	137.36
Semi-finished Goods	39.56	46.29
Scrap	3.97	4.79
	174.54	188.44
TOTAL	13.90	(62.15)

28 EMPLOYEE BENEFITS EXPENSE

Particulars	(₹ in Crores)	
	2020-21	2019-20
Salaries, Wages, Bonus	946.00	899.38
Contributions to Provident and Other Funds	72.65	61.89
Employees' Welfare Expenses	22.71	35.27
TOTAL	1,041.36	996.54

29 FINANCE COSTS

Particulars	(₹ in Crores)	
	2020-21	2019-20
Interest Expenses	434.43	500.90
Other Borrowing Costs	7.55	8.99
Exchange Rate variation	(6.25)	11.00
TOTAL	435.73	520.89

30 OTHER EXPENSES

Particulars	(₹ in Crores)	
	2020-21	2019-20
Job Charges	70.75	65.63
Power and Fuel	22.67	23.49
Repairs and Maintenance:		
Plant and Machinery	3.19	5.31
Buildings	20.04	12.02
Others	10.90	1.92
Freight and Forwarding Expenses	260.75	108.09
Stores, Spares and Tools Consumed	15.85	14.58
Vehicle/ Equipment Running and Hire Charges	6.20	9.27
Testing Expenses	4.84	1.54
Pollution Control Expenses	2.13	2.24
Insurance	64.55	54.65
Rent	66.13	66.54
Rates, Taxes and Duties	94.08	78.10
Stationery, Printing and Drawing Expenses	10.83	9.08
Telecommunication Expenses	8.34	9.41

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

30 OTHER EXPENSES (Contd.)

Particulars	(₹ in Crores)	
	2020-21	2019-20
Travelling Expenses	54.14	78.40
Legal and Professional Expenses	90.01	118.07
Bank Commission and Charges (including ECGC Premium)	95.98	82.41
Share of RSWC	0.81	1.19
Allowance for Expected Credit Losses	26.77	(2.58)
Performance Warranties Expenses	44.66	47.24
Impairment loss on asset held for sale	0.86	0.27
Expenses towards Contractual Deductions	-	0.59
Bad Debt Written Off	8.74	7.68
Loss on Material Damaged / Lost / Fire	2.23	0.53
Loss / (Gain) on Exchange Rate Variation	(12.33)	(54.47)
Sitting Fees and Commission to Non-Executive Directors	5.97	3.97
Corporate Social Responsibility Expenses	12.77	5.56
Carbon Credit Expenses	0.21	0.33
Miscellaneous Expenses*	93.77	119.52
TOTAL	1,085.84	870.58

*Includes ₹ Nil Crores (Previous Year ₹ 20 Crores) towards contribution to Electoral trust

31 (a) Particulars of Subsidiaries included in Consolidation

Name of Subsidiaries	with effect from	Country of Incorporation	% voting power	
			As at 31 st March, 2021	As at 31 st March, 2020
Subsidiaries Held Directly				
Adeshwar Infrabuild Limited	August 11, 2009	India	100.00%	100.00%
Amber Real Estate Limited	May 16, 2008	India	100.00%	100.00%
Energylink India Limited	January 30, 2007	India	100.00%	100.00%
JMC Projects (India) Limited	February 6, 2007	India	67.75%	67.75%
Shree Shubham Logistics Limited	March 19, 2007	India	100.00%	100.00%
Kalpataru Satpura Transco Private Limited (upto November 20, 2019)	May 10, 2013	India	0.00%	0.00%
Kalpataru Metfab Private Limited	March 31, 2015	India	100.00%	100.00%
Alipurduar Transmission Limited (upto November 25, 2020)*	January 6, 2016	India	51.00%	100.00%
Kalpataru Power Transmission (Mauritius) Limited	January 8, 2009	Mauritius	100.00%	100.00%
Kalpataru Power Transmission - USA, Inc LLC Kalpataru Power Transmission Ukraine	September 11, 2009	USA	100.00%	100.00%
	November 6, 2012	Ukraine	100.00%	100.00%
Kalpataru IBN Omairah Company Limited	June 01, 2015	Saudi Arabia	65.00%	65.00%
Kalpataru Power Transmission Sweden AB	January 28, 2019	Sweden	100.00%	100.00%
Kalpataru Power Senegal SARL	August 10, 2020	Senegal	100.00%	-
Kalpataru Power do Brasil Participações Ltda **	January 27, 2021	Brazil	100.00%	-

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

31 (a) Particulars of Subsidiaries included in Consolidation (Contd..)

Name of Subsidiaries	with effect from	Country of Incorporation	% voting power	
			As at 31 st March, 2021	As at 31 st March, 2020
Subsidiaries Held Indirectly				
Brij Bhoomi Expressway Private Limited	December 6, 2010	India	67.75%	67.75%
JMC Mining and Quarries Limited	February 6, 2007	India	67.75%	67.75%
Saicharan Properties Limited	June 30, 2009	India	100.00%	100.00%
Vindhyaachal Expressway Private Limited	January 16, 2012	India	67.75%	67.75%
Wainganga Expressway Private Limited	June 02, 2011	India	67.75%	67.75%
Kalpataru Power DMCC	August 3, 2011	UAE	100.00%	100.00%
Punarvasu Financial Services Private Limited	December 31, 2014	India	100.00%	100.00%
Linjemontage i Grästorps Aktiebolag	April 29, 2019	Sweden	85.00%	85.00%
Linjemontage Service Nordic AB	April 29, 2019	Sweden	85.00%	85.00%
Linjemontage AS	April 29, 2019	Norway	85.00%	85.00%

* Refer note 54

**Kalpataru Power DO Brasil Participações Ltda. ("KPBPL"), wholly owned subsidiary of the Company has signed definitive agreement(s) on February 5, 2021 to acquire controlling stake of 51% in Fasttel Engenharia Ltda., Brazil ("Fasttel"). KPBPL completed the acquisition of 51% stake along with management control on April 7, 2021.

(b) Particulars of Joint Venture Entities included in Consolidation

Name of Joint ventures	with effect from	Country of Incorporation	% voting power	
			As at 31 st March, 2021	As at 31 st March, 2020
Kohima-Mariani Transmission Limited	May 02, 2018	India	74.00%	74.00%
Jhajjar KT Transco Private Limited (upto September 27, 2020)	May 19, 2010	India	-	49.72%
Kurukshehra Expressway Private Limited	March 29, 2010	India	33.59%	33.59%

The above Joint Ventures have been accounted for in these consolidated financial statements using Equity Method and other applicable guidelines.

(c) Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS.

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Non-current Assets	1,095.37	1,105.34
Current Assets	15.97	20.41
Non-current Liabilities	1,166.06	1,140.73
Current Liabilities	171.24	146.00
Net Assets	(225.96)	(160.98)
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	2.89	2.02
Current Financial Liabilities (excluding trade payables and provisions)	159.83	130.03
Non-current Financial Liabilities (excluding trade payables and provisions)	1,113.45	1,090.67
Contingent Liabilities	45.99	45.99

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

31. (c) Summarised financial information in respect of the Group's material joint venture (Contd..)

Particulars	(₹ in Crores)	
	2020-21	2019-20
Revenue	58.94	75.94
Profit / (Loss) for the year	(64.97)	(47.17)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(64.97)	(47.17)
Dividends received from the Joint Ventures during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation expenses	10.05	12.69
Interest income	0.42	1.85
Finance costs	96.56	95.85
Income tax expense (net)	(1.61)	0.50

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements :

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
carrying amount of the Group's interest in the Joint Venture*	-	-

*Provision for loss in joint venture in excess of investment has been disclosed under Provisions.

32 Reconciliation of income tax expenses with the accounting profit

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Profit Before Tax	945.25	647.69
Income tax calculated at 25.168% (Previous year 25.168%)	237.90	163.01
Tax effect of adjustment to reconcile reported income tax expenses		
Tax incentives / concessions / disallowance	(12.49)	7.92
Deferred tax not recognised on unused tax losses	24.35	31.02
Difference in tax rates and others	33.45	14.89
Impact of Prior period foreign income tax	-	4.37
Impact of opening rate difference	-	36.89
Income tax expenses recognized in the statement of profit and loss	283.21	258.10

33 Financial instruments – fair values and risk management

Capital Management

The group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Gearing ratio	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Debt *	3,155.13	3,297.55
Cash and Cash Equivalents	(537.53)	(499.48)
Net debt	2,617.60	2,798.07
Total Equity	3,858.94	3,495.17
Net debt to equity ratio	0.68	0.80

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term debt.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

Financial Instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Group consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

Particulars	₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Financial Assets		
Measured at Fair Value through Profit and Loss		
(i) Investments - (Level I)	1.13	1.36
(ii) Investments under held for sale (Level II)	180.18	-
Measured at Cost		
(i) Investments	189.88	1,298.85
Measured at Amortized Cost		
(i) Trade receivables	5,204.67	4,802.71
(ii) Loans	549.14	377.20
(iii) Cash and cash equivalents	537.53	499.48
(iv) Other balances with Bank	54.33	46.62
(v) Others	165.86	155.69
	6,882.72	7,181.91
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	2,502.03	2,928.78
(ii) Trade payables	4,077.34	3,794.97
(iii) Other financial liabilities	1,800.91	2,215.42
	8,380.28	8,939.17

Financial Risk Management

Financial Risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

The group operates internationally and a major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the group's operations are affected as the rupee appreciates / depreciates against these currencies.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

The following table analyses foreign currency risk from financial instruments as at March 31, 2021

Particulars	₹ in Crores)			
	USD	Euro	Others	Total
Cash & Cash Equivalents	0.15	-	0.87	1.02
Trade Receivable	1,703.38	5.28	253.33	1,961.99
Other Financial Assets	9.29	6.38	2.70	18.37
Total Asset	1,712.82	11.66	256.90	1,981.38
Borrowings	120.74	1.75	1.97	124.46
Trade Payable	1,013.42	89.06	231.47	1,333.95
Other Financial Liabilities	16.56	0.84	7.31	24.71
Total Liabilities	1,150.72	91.65	240.75	1,483.12
Net Assets / (Liabilities)	562.10	(79.99)	16.15	498.26

The following table analyses foreign currency risk from financial instruments as at March 31, 2020

Particulars	₹ in Crores)			
	USD	Euro	Others	Total
Cash & Cash Equivalents	0.31	-	1.38	1.69
Trade Receivable	1,471.98	30.90	384.20	1,887.08
Other Financial Assets	0.63	-	3.38	4.01
Total Asset	1,472.92	30.90	388.96	1,892.78
Borrowings	261.99	8.67	0.02	270.68
Trade Payable	947.70	46.70	184.25	1,178.65
Other Financial Liabilities	22.71	1.79	0.09	24.59
Total Liabilities	1,232.40	57.16	184.36	1,473.92
Net Assets / (Liabilities)	240.52	(26.26)	204.60	418.86

The group is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

Sensitivity Analysis

For the year ended March 31, 2021 and March 31, 2020, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/Euro would impact group's profit before tax by approximately 1.57% and 1.46% respectively. Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

Derivative Financial Instruments

The group holds derivative financial instruments such as foreign currency Forward contracts and commodity Future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally a multinational bank, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

As at March 31, 2021

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	74.93	USD 0.34	25.14	0.36
Maturing in 3 months to 6 months	75.24	USD 0.25	18.77	0.12
Maturing in 6 months to 9 months	77.40	USD 1.94	150.09	3.73
Maturing in 9 months to 12 months	79.84	USD 1.70	135.72	5.84
Maturing more than 12 months	79.63	USD 2.88	228.97	1.88
Total/Average	78.69	USD 7.10	558.69	11.93
Sell EUR Buy USD				
Maturing more than 12 months	84.21	EUR 0.10	8.42	(0.28)
Total/Average	84.21	EUR 0.10	8.42	(0.28)
Sell USD Buy BRL				
Maturing less than 3 months	12.86	BRL 3.10	39.86	0.55
Total/Average	12.86	BRL 3.10	39.86	0.55
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	75.53	USD 2.46	185.59	4.44
Maturing in 3 months to 6 months	76.04	USD 2.86	217.46	4.13
Maturing in 6 months to 9 months	76.86	USD 0.30	22.86	0.45
Maturing in 9 months to 12 months	76.07	USD 1.10	83.83	(0.32)
More than 12 Months	78.97	USD 0.02	1.93	0.01
Total/Average	75.91	USD 6.74	511.67	8.71
Sell EUR Buy USD				
Maturing less than 3 months	87.36	EUR 0.21	18.70	0.22
Total/Average	87.36	EUR 0.21	18.70	0.22
Buy USD Sell INR				
Maturing in 3 months to 6 months	76.11	USD 2.71	206.62	(3.63)
Maturing in 9 months to 12 months	76.58	USD 1.12	85.57	(0.15)
Total/Average	76.25	USD 3.83	292.19	(3.78)
Sell EUR Buy INR				
More than 12 Months	93.47	EUR 0.94	87.63	2.18
Total/Average	93.47	0.94	87.63	2.18

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

As at March 31, 2020

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Crores)	Nominal Amount (₹ in Crores)	Marked to Market (MTM) Value (₹ in Crores)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing in 3 months to 6 months	76.08	USD 0.23	17.38	(0.23)
Maturing in 6 months to 9 months	72.92	USD 0.82	59.94	(3.89)
Maturing in 9 months to 12 months	77.13	USD 0.97	74.53	(1.17)
Maturing more than 12 months	77.06	USD 3.31	254.79	(10.52)
Total/Average	76.39	USD 5.32	406.65	(15.81)
Sell EUR Buy USD				
Maturing less than 3 months	85.41	EUR 0.21	18.24	0.60
Maturing in 3 months to 6 months	86.00	EUR 0.26	22.19	0.80
Maturing in 6 months to 9 months	84.64	EUR 0.06	5.04	0.09
Maturing in 9 months to 12 months	86.15	EUR 0.22	19.21	0.60
Total/Average	85.77	EUR 0.75	64.68	2.08
Buy USD Sell INR				
Maturing less than 3 months	74.86	USD 0.88	65.50	0.76
Maturing in 3 months to 6 months	77.96	USD 0.50	38.98	(0.51)
Total/Average	75.99	USD 1.38	104.48	0.24
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	72.42	USD 2.18	157.88	(8.25)
Maturing in 3 months to 6 months	73.58	USD 2.05	150.94	(6.81)
Maturing in 6 months to 9 months	72.94	USD 0.58	42.16	(2.66)
Maturing in 9 months to 12 months	75.62	USD 0.93	70.60	(2.50)
More than 12 Months	76.65	USD 0.09	7.18	(0.27)
Total/Average	73.46	USD 5.84	428.77	(20.50)
Sell EUR Buy USD				
Maturing less than 3 months	83.30	EUR 0.10	8.45	0.06
Maturing in 3 months to 6 months	83.49	EUR 0.07	5.43	0.03
Total/Average	83.37	EUR 0.17	13.87	0.09
Buy USD Sell INR				
Maturing less than 3 months	75.60	USD 0.57	43.37	0.15
Maturing in 3 months to 6 months	74.61	USD 2.80	209.19	6.76
Maturing in 9 months to 12 months	78.04	USD 0.96	75.02	0.31
Total/Average	75.50	USD 4.34	327.57	7.22
Buy EUR Sell USD				
More than 12 Months	93.40	EUR 0.84	78.22	0.42
Total/Average	93.40	EUR 0.84	78.22	0.42
Buy USD Sell SEK				
Maturing in 3 months to 6 months	73.67	USD 0.28	20.90	0.78
Total/Average	73.67	USD 0.28	20.90	0.78
Buy EUR Sell SEK				
Maturing less than 3 months	83.19	EUR 0.12	9.81	0.10
Total/Average	83.19	EUR 0.12	9.81	0.10

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

Reconciliation of Hedge Reserve

Particulars	(₹ in Crores)	
	As at 31 st March, 2021	As at 31 st March, 2020
Balance at the beginning of the year	(30.29)	13.12
Gain/(Loss) recognised in OCI during the year	57.22	(43.41)
Less: Tax impact on above	6.61	(7.79)
Balance at the end of the year (Gross)	26.93	(30.29)
Balance at the end of the year (Net of Tax)	20.32	(22.50)

Loan and Borrowings: Financial Covenants

The group is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, investment securities and other receivables.

Trade receivables and other receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the group, by way of assessing financial condition, current economic trends and ageing of other receivables. The group considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of default occurring on financial assets as at the reporting date.

Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	(₹ in Crores)	
	Carrying amount As at	
	31 st March, 2021	31 st March, 2020
Not Due	3,877.18	3,645.75
Past due up to 1 years	909.41	826.29
Above 1 year	552.30	451.40
	5,338.89	4,923.44

Expected credit loss assessment for customers

The Group has used a practical expedient by computing the allowance for expected credit losses for trade receivables on a provision matrix.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	(₹ in Crores)	
	2020-21 Trade receivable	2020-21 Contract Assets
Balance as at April 1, 2020	120.73	18.54
Impairment loss recognized (net)	13.49	9.25
Balance as at March 31, 2021	134.22	27.79

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

In addition, group is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the group. The company's exposure in this respect has been disclosed in Note 35.

Loans, investments in group companies

The Group does not perceive any credit risk pertaining to loans given except on the loan given to Kurukshetra Expressway Private Limited, Joint Venture of one of the subsidiary company. During the previous year, as required by Indian Accounting Standard 109 "Financial Instruments", Management of the subsidiary company, has performed an impairment assessment of the recoverable amount based on discounted cash flows, which have been determined by external valuation experts. The determination of the discounted cash flows involves significant management judgement and estimates on the valuation methodology and various assumptions including related to growth rates, discount rates, etc. Further, subsidiary company's management believes that the above assessment based on value in use appropriately reflects the recoverable amount of loans. Based on this assessment and the valuation reports obtained from independent valuer, provision for expected credit loss was recognised in the Consolidated financial statement of profit and loss amounted to ₹ 79.47 Crores on the loans given to its joint venture.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

Particulars	As at 31 st March, 2021			As at 31 st March, 2020		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payables	3,739.14	338.20	4,077.34	3,445.17	349.80	3,794.97
(ii) Borrowings	894.91	1,605.24	2,500.15	1,131.71	1,798.95	2,930.66
(iii) Other financial liabilities	1,284.49	516.42	1,800.91	1,729.06	486.36	2,215.42
Total			8,378.40			8,941.05

Note- The above table does not include liability on account of future interest obligation.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity Analysis

For the year ended March 31, 2021 and March 31, 2020, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 2.60 % and 4.09 % respectively.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

33 Financial instruments – fair values and risk management (Contd..)

Commodity Price Risk

The group is affected by the price volatility of certain commodities like Steel, Zinc, Copper and Aluminum. Its operating activities require the on-going purchase or continuous supply of these materials. The group holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc and Aluminum prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the group's profit before tax is 6.47 % for FY 2020-21 and 1.97% for FY 2019-20.

Exposure As at March 31, 2021

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminum	Fixed Price Contracts	330.58	16.53	(16.53)
Zinc	Fixed Price Contracts	121.80	6.09	(6.09)
Steel	Fixed Price Contracts	636.70	31.84	(31.84)
Copper	Fixed Price Contracts	134.34	6.72	(6.72)
Total		1,223.42	61.18	(61.18)

Exposure As at March 31, 2020

(₹ in Crores)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminum	Fixed Price Contracts	1.06	0.05	(0.05)
Zinc	Fixed Price Contracts	12.57	0.63	(0.63)
Steel	Fixed Price Contracts	241.89	12.09	(12.09)
Total		255.52	12.77	(12.77)

34 Disclosure in respect of security created on assets of the group against borrowings.

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Property, Plant and Equipments (including CWIP)	1,350.66	1,337.78
Intangible Assets	1,546.45	1,582.36
Inventories	820.32	968.63
Financial Assets (Non-current & current)		
Trade Receivables	4,913.87	4,677.88
Loans	178.61	113.71
Cash & Bank Balances	484.78	369.91
Other Balances with Banks	46.06	33.44
Other Assets	1,442.47	2,418.46
Total	10,783.22	11,502.17

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

35 CONTINGENT LIABILITIES IN RESPECT OF :

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(a) Bank guarantees	25.56	2.56
(b) Claims against the group not acknowledged as debt	47.37	80.19
(c) Demands by Service Tax/ Excise/Income Tax and other tax/ revenue authorities, under disputes	67.74	79.90
(d) Show cause notice issued by Service Tax Authorities	57.30	55.86
(e) VAT/WCT/Entry Tax demands disputed by Company	73.81	75.72
(f) Disputed Royalty demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	0.40	0.40
(g) Guarantee given in respect of Performance of contracts of Joint Ventures entities in which one of the subsidiaries is having substantial interest.	769.97	521.64

36 CAPITAL & OTHER COMMITMENTS

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Estimated amount of contracts remaining to be executed for tangible capital assets and not provided for (net of advances)	40.25	90.49
Commitments on account of Toll, Operation and Maintenance Contracts	-	16.40

37 During previous year, On April 29, 2019, the Company's wholly owned subsidiary, Kalpataru Power Transmission Sweden AB had acquired 85% stake in Lingemontage I Grastorp AB (LMG Sweden). The Company also has a call option to purchase balance 15% stake from minority shareholders. As per Ind AS 103, purchase consideration has been allocated on identifiable assets and liabilities (including financial liability for Call option) of LMG Sweden. Accordingly, the Company has not recognised non-controlling interest.

38 THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

(₹ in Crores)

Particulars	Major Maintenance		Performance Warranties	
	2020-21	2019-20	2020-21	2019-20
Carrying amount at the beginning of the year	55.55	46.78	325.92	277.76
Add: Acquired under Business Combination	-	-	-	0.92
Add: Provision/Expenses during the year (net)	5.42	8.77	48.35	55.41
Less : Utilisation during the year	8.17	-	22.76	8.17
Carrying amount at the end of the year	52.80	55.55	351.51	325.92

(₹ in Crores)

Particulars	Others		Expected Loss on contracts	
	2020-21	2019-20	2020-21	2019-20
Carrying amount at the beginning of the year	27.70	26.82	40.52	69.30
Add: Provision/Expenses during the year	(1.23)	0.88	154.12	16.95
Less : Utilisation / Reversal of Provisions	-	-	44.49	45.73
Carrying amount at the end of the year	26.47	27.70	150.15	40.52

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

39 EARNING PER SHARE

Particulars	₹ in Crores	
	2020-21	2019-20
No. of Equity Shares at the beginning of the year	15,47,15,470	15,34,60,570
Add: Shares issued during the year (Nos)	-	12,54,900
Less: Equity Shares extinguished on buyback	58,06,262	-
No. of Equity Shares at the end of the year	14,89,09,208	15,47,15,470
Weighted Average No. of Equity Shares	15,16,53,331	15,42,69,740
Profit for calculation of EPS(₹ in Crores)	671.02	389.59
Basic and Diluted Earnings Per Share (₹)	44.25	25.25
Nominal value of Equity Share (₹)	2.00	2.00

39A As per RBI Notification having reference RBI/2019-20/186: DOR.No.BP.BC.47/21.04.048/2019-20 dated March 27, 2020, some of the Subsidiary Companies availed the benefit of moratorium on payment of unpaid installments for the month of March 2020 and also availed the extension of due date granted for the payment of Goods and Service tax, Income-tax and Profession tax dues for the month of March 2020.

40 Disclosures pursuant to Ind AS 19 Employee Benefits

(a) Defined contribution Plans

The Group made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Group recognized ₹ 27.11 Crores (Previous Year ₹ 28.72 Crores) for provident fund contributions and ₹ 0.29 Crores (Previous Year ₹ 0.35 Crores) for ESIC contribution in the statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Group offers the following employee benefit schemes to its employees

(i) Gratuity

The Group made annual contributions to the IRDA approved insurers towards funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972

(ii) Compensated absences

The Scheme is non-funded.

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.

Particulars	₹ in Crores	
	2020-21	2019-20
(i) Expenses recognised during the year		
In the statement of Profit & Loss	9.23	7.47
In Other Comprehensive Income	(0.96)	2.16
	8.27	9.63
(ii) Expenses recognised in the statement of Profit & Loss		
Current Service Cost	7.95	6.34
Net Interest Cost	1.28	1.13
Total	9.23	7.47

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

40 Disclosures pursuant to Ind AS 19 Employee Benefits (Contd..)

Particulars	₹ in Crores	
	2020-21	2019-20
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in demographic assumptions	(0.30)	(0.01)
change in financial assumptions	1.12	2.29
experience variance	(1.48)	(0.64)
Return on plan assets	(0.30)	0.52
Total	(0.96)	2.16

Particulars	₹ in Crores	
	As at 31 st March, 2021	As at 31 st March, 2020
(iv) Net Liability recognised in the Balance Sheet		
Present value of obligation	54.99	49.51
Fair value of plan assets	28.40	24.75
Liability Recognized in Balance Sheet	(26.59)	(24.76)
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	49.51	42.97
Current Service Cost	7.95	6.34
Interest Cost (Gross)	2.99	3.09
Actuarial (gains) / losses arising from:		
changes in financial assumptions	1.12	2.29
change in demographic assumptions	(0.30)	(0.01)
changes in experience assumptions	(1.48)	(0.64)
Liability transferred	0.07	-
Benefits paid	(4.87)	(4.53)
Present value of obligation at the end of the year	54.99	49.51
(vi) Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	24.75	25.04
Interest Income	1.71	1.96
Return on Plan Assets	0.30	(0.52)
Contributions by Employer	6.51	2.80
Benefits paid	(4.87)	(4.53)
Fair Value of Plan assets at the end of the year	28.40	24.75
(vii) Bifurcation of present value of obligations into current and non-current		
Current Liability	8.56	7.12
Non-current Liability	18.03	17.64
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	5.60%-6.90%	6.20%-6.90%
Salary Escalation Rate	5.00%-8.00%	5.00%-8.00%
	As per Indian Assured Lives Mortality (2012-14) Table	
Mortality Rate		
Withdrawal Rate	2.00%-25.00%	2.00%-25.00%
Retirement Age	58 - 60 years	
Expected Return on Asset	5.60%-6.90%	6.20%-6.90%
(ix) Maturity Profile of Defined benefit obligation		
1 year	10.00	8.58
2 year	7.00	6.01
3 year	7.37	6.47
4 year	7.79	6.94
5 year	7.45	7.30
after 5 year	29.57	30.35

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

40 Disclosures pursuant to Ind AS 19 Employee Benefits (Contd..)

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
(x) Quantitative Sensitivity Analysis for Significant Assumptions		
Defined Benefits Obligation (Base) (₹ in Crores)	54.99	49.51
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	53.24	47.97
due to decrease of 0.50%	56.38	50.78
Impact of change in salary increase		
Revised obligation at the end of the year		
Impact due to increase of 0.50%	56.15	50.57
Impact due to decrease of 0.50%	53.41	48.13

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate risk:** The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Investment Risk :** The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

41 Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

42 Related Party disclosure as required by IND AS 24 is as below :

List of Related Parties

a) Joint Ventures

Jhajjar KT Transco Private Limited (upto September 27, 2020)
Kurukshetra Expressway Private Limited
Kohima-Mariani Transmission Limited

b) Key Management Personnel

Mr. Mofatraj P. Munot Promoter Director & Executive Chairman
Mr. Manish Mohnot Managing Director and CEO

c) Individuals having significant influence and their relatives:

Mr. Parag Munot Promoter Director
Ms. Sudha Golechha Relative of Promoter Director
Ms. Sunita Choraria Relative of Promoter Director

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

42 Related Party disclosure as required by IND AS 24 : (Contd..)

d) Enterprises having Significant influence and having transactions with the group

Kalpataru Properties Private Limited
Kalpataru Properties (Thane) Private Limited
Property Solution (India) Private Limited
Kalpataru Limited
Kalpataru Construction Private Limited
K C Holdings Private Limited
Kalpataru Viniyog LLP
Kalpataru Holdings Private Limited
Kiyana Ventures LLP
Gurukrupa Developers
Kalpataru Retail Ventures Private Limited
Agile Real Estate Private Limited
Abacus Real Estate Private Limited
Argos Arkaya Power Solutions LLP
BGK Infrastructure Developers Private limited
Kalpataru Urbanscape LLP
Kalpataru Foundation
Dynacraft Machine Company Limited

Transactions with Related Parties in ordinary course of business are:

(₹ in Crores)

Particulars	Relationship	2020-21	2019-20
1 Purchase/Construction of Property, Plant and Equipment			
Kalpataru Limited	Enterprises having significant influence	9.33	-
Gurukrupa Developers	Enterprises having significant influence	8.71	-
2 Advance For Capex given / (adjusted)			
Gurukrupa Developers	Enterprises having significant influence	(8.71)	1.35
Kalpataru Properties Private Limited	Enterprises having significant influence	-	32.00
3 Net Loans and advances given/(repaid)			
Kohima-Mariani Transmission Limited	Joint Venture	3.45	-
Jhajjar KT Transco Private Limited	Joint Venture	(4.25)	0.60
Kurukshetra Expressway Private Limited	Joint Venture	40.10	36.45
4 Other Expenses / Service Charges			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	0.32
Agile Real Estate Private Limited	Enterprises having significant influence	0.05	-
Kalpataru Limited	Enterprises having significant influence	0.24	0.12
Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	-	0.22
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	0.01	-
5 Reimbursement of Expenses Payable / (Receivable)			
Jhajjar KT Transco Private Limited	Joint Venture	0.02	0.03
Kohima-Mariani Transmission Limited	Joint Venture	(34.28)	(34.29)
Property Solution (India) Private Limited	Enterprises having significant influence	2.15	2.53
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.15	0.39
Kalpataru Limited	Enterprises having significant influence	0.27	0.07
BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.01	-
6 Rent Paid			
Kalpataru Retail Ventures Private Limited*	Enterprises having significant influence	4.99	17.28
Kalpataru Limited*	Enterprises having significant influence	13.42	1.11

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

42 Related Party disclosure as required by IND AS 24 : (Contd..)

(₹ in Crores)

Particulars	Relationship	2020-21	2019-20
Agile Real Estate Private Limited	Enterprises having significant influence	-	0.18
BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.51	0.94
K C Holdings Private Limited	Enterprises having significant influence	0.06	0.03
Dynacraft Machine Company Limited	Enterprises having significant influence	0.37	-
*During the year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
7 Revenue from Operations			
Jhajjar KT Transco Private Limited	Joint Venture	0.72	1.46
Kohima-Mariani Transmission Limited	Joint Venture	49.37	360.09
Kiyana Ventures LLP	Enterprises having significant influence	0.15	8.58
Abacus Real Estate Private Limited	Enterprises having significant influence	3.54	8.30
Agile Real Estate Private Limited	Enterprises having significant influence	11.20	28.90
Kalpataru Urbanscape LLP	Enterprises having significant influence	6.13	9.92
8 Other Income			
Jhajjar KT Transco Private Limited	Joint Venture	16.24	0.38
Kohima-Mariani Transmission Limited	Joint Venture	3.21	2.81
9 Salary and Commission *			
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	16.40	11.90
Mr. Manish Mohnot	Key Managerial Personnel	14.71	9.91
Mr. Parag Munot	Promoter Director	2.17	1.28
* break up of Compensation to key managerial personnel			
Short term employment benefits		31.11	21.81
10 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	11.60	8.87
Kalpataru Construction Private Limited	Enterprises having significant influence	19.85	15.18
K C Holdings Private Limited	Enterprises having significant influence	17.97	13.74
Kalpataru Viniyog LLP	Enterprises having significant influence	1.12	0.86
Kalpataru Holdings Private Limited	Enterprises having significant influence	0.28	0.22
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	8.50	7.74
Mr. Parag Munot	Promoter Director	6.77	6.83
Ms. Sudha Golechha	Relative of Promoter Director	0.74	0.57
Ms. Sunita Choraria	Relative of Promoter Director	0.74	0.57
11 Security Deposit paid			
Kalpataru Limited	Enterprises having significant influence	-	0.12
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	54.30
Dynacraft Machine Company Limited	Enterprises having significant influence	0.56	-
12 Advance from Customers received / (adjusted) net			
Kohima-Mariani Transmission Limited	Joint Venture	(2.93)	(52.33)
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	-	0.03
Kiyana Ventures LLP	Enterprises having significant influence	(0.04)	(1.26)
Abacus Real Estate Private Limited	Enterprises having significant influence	-	(4.35)
Agile Real Estate Private Limited	Enterprises having significant influence	(1.03)	(4.24)
Kalpataru Urbanscape LLP	Enterprises having significant influence	(1.85)	(1.48)
13 Investment in Equity Shares			
Kohima-Mariani Transmission Limited	Joint Venture	-	112.20
Jhajjar KT Transco Private Limited *	Joint Venture	1.78	-
* Equity shared acquired from Klassik Vinyl Products LLC			
14 Corporate Social Responsibility Expenses			
Kalpataru Foundation	Enterprises having significant influence	1.91	-

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

42 Related Party disclosure as required by IND AS 24 : (Contd..)

Balances with Related parties as at March 31, 2021

(₹ in Crores)

Particulars	Relationship	As at 31 st March, 2021	As at 31 st March, 2020
1 Advances Given			
Gurukrupa Developers	Enterprises having significant influence	0.01	8.72
Kalpataru Properties Private Limited	Enterprises having significant influence	32.31	32.31
2 Loans Given			
Jhajjar KT Transco Private Limited	Joint Venture	-	4.25
Kohima-Mariani Transmission Limited	Joint Venture	36.06	29.92
Kurukshetra Expressway Private Limited [^]	Joint Venture	160.05	119.95
[^] Net of provisions			
3 Security Deposit Given			
Kalpataru Retail Ventures Private Limited*	Enterprises having significant influence	-	93.56
Kalpataru Limited*	Enterprises having significant influence	94.20	0.64
Dynacraft Machine Company Limited	Enterprises having significant influence	0.56	-
*During the year units of Kalpataru Retail Ventures Private Limited merged with Kalpataru Limited			
4 Trade and Other Payable			
Jhajjar KT Transco Private Limited	Joint Venture	-	0.03
Kalpataru Limited	Enterprises having significant influence	6.04	0.53
Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	-	0.34
Agile Real Estate Private Limited	Enterprises having significant influence	0.06	(0.01)
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	0.05	0.06
Property Solution (India) Private Limited	Enterprises having significant influence	0.25	0.39
BGK Infrastructure Developers Private limited	Enterprises having significant influence	0.05	0.03
K C Holdings Private Limited	Enterprises having significant influence	0.01	-
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	12.23	10.31
Mr. Manish Mohnot	Key Managerial Personnel	11.12	6.58
Mr. Parag Munot	Promoter Director	2.17	1.28
5 Trade and Other Receivables			
Jhajjar KT Transco Private Limited	Joint Venture	-	0.87
Kiyana Ventures LLP	Enterprises having significant influence	19.40	19.11
Abacus Real Estate Private Limited	Enterprises having significant influence	2.72	7.96
Agile Real Estate Private Limited	Enterprises having significant influence	47.53	33.55
Kohima-Mariani Transmission Limited	Joint Venture	66.27	46.39
Kalpataru Urbanscape LLP	Enterprises having significant influence	17.11	14.91
K C Holdings Private Limited	Enterprises having significant influence	-	0.03
6 Advances From Customers			
Kohima-Mariani Transmission Limited	Joint Venture	-	2.93
Kiyana Ventures LLP	Enterprises having significant influence	0.71	0.75
Kalpataru Urbanscape LLP	Enterprises having significant influence	7.79	9.64
Agile Real Estate Private Limited	Enterprises having significant influence	-	1.03
7 Guarantee Commission Receivable			
Kohima-Mariani Transmission Limited	Joint Venture	0.04	-
8 Guarantee Outstanding			
Kalpataru Foundation	Enterprises having significant influence	0.01	0.01

Note: Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

43 ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :

Particulars	₹ in Crores	
	2020-21	2019-20
Subcontracting expenses	3,290.20	2,680.22
Construction material, stores and spares consumed	445.53	490.94
Power and fuel	111.26	105.15
Freight and Forwarding Expenses	53.48	57.09
Vehicle and Equipment Hire Charges	255.54	288.69
Custom Duty, Clearing & Handling Charges	57.84	64.69
Others	339.50	291.28
TOTAL	4,553.35	3,978.06

44 (a) One of the Subsidiary Company has filed a writ petition dated May 6, 2009 before the Rajasthan High Court, Jaipur against the Board of Revenue, Revenue Appellate Authority, the Sub-Divisional Officer, Ramgarh and others, challenging their orders dated April 1, 2009, August 20, 2008 and February 5, 2008, respectively, pursuant to which the revenue authorities had invalidated the transfer of land measuring 1.895 hectares situated at Ramgarh district Alwar, to the subsidiary Company, alleging contravention of the Rajasthan Land Revenue (Conversion of Agricultural land for Non-Agricultural Purposes in Rural Areas) Act, 1992. The subsidiary company has prayed inter-alia, for an order quashing the orders dated April 1, 2009, August 20, 2008, and February 5, 2008, and declaring the entire proceedings initiated by the Sub-Divisional Officer as illegal, arbitrary and unconstitutional, or in the alternative, remanding the case to the Sub-Divisional Officer, on the grounds that the order was passed without providing an opportunity to be heard. The High Court through its interim order dated May 11, 2009 granted an interim stay against the operation of the challenged orders. The value of the land and building, involved in the matter, at book value is ₹8.32 Crores. The matter is currently pending and the subsidiary Company does not expect any liability on account of the same. In the instant matter, the subsidiary company has been successful to obtain stay order from the Hon'ble High Court, Rajasthan, Bench Jaipur. The matter is pending for hearing at High Court.

(b) One of the Subsidiary Company had received a letter from its term lender for projects in Rajasthan and Gujarat stating that the subsidy applied under Scheme of Development / Strengthening of Agriculture Marketing Infrastructure, Grading and Standardization (AMIGS) for its Agri Logistics Parks has not been approved on technical grounds as stated in the Joint Monitoring Committee report and has recalled the advance subsidy of ₹ 2.25 Crores (Previous Year ₹ 2.25 Crores). The said advance capital subsidy received by subsidiary Company has credited to the relevant fixed assets of the subsidiary Company in the year of receipt. The subsidiary Company has represented the matter to National Bank for Agriculture and Rural Development (NABARD) and Directorate of Marketing & Inspection (DMI), Delhi. DMI has initiated the process for reviewing the same in the light of submissions made by the subsidiary Company. The subsidiary Company believes that the projects are well qualified under the said subsidy scheme and the same would be approved by the relevant sanctioning authorities. The empowered committee of India has observed that cold storage of Ramganj mandi (Rajasthan) and Deesa (Gujrat) are eligible for release of final subsidy ₹ 0.25 Crores each (Total ₹ 0.50 Crores). Both Rajasthan and Gujarat locations related subsidy matters are pending before the Hon'ble High Court Rajasthan, Bench Jaipur and Hon'ble Gujarat High Court, Ahmedabad, respectively. The Hon'ble High Courts of Rajasthan and Gujarat have already granted stay order in favour of the Subsidiary Company. Stay is continuing till the final disposal of the writ petitions.

45 (a) The Group has entered into service concession agreements with grantors viz: National Highways Authority of India (NHAI) and The Madhya Pradesh Road Development Corporation Ltd. (MPRDC) for construction and maintenance of the toll roads for a specified period (concession period) and has received a right to collect a fee for using the toll road during that agreed concession period. The Group has to pay a guaranteed minimum annual payment to the grantor for each year that the toll road in operation, as per agreement, for 2 toll roads. At the end of concession period, the ownership of the toll roads will vest with grantor. The service concession agreement does not contain a renewal option. In terms of para 17 of appendix C to Ind AS 115, cost on construction of roads has been recognised as "intangible assets" and being amortised over concession period.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

(b) Group had entered into transmission agreement in the nature of service concession agreement with Madhya Pradesh Power Transmission Corporation Limited (grantor) for obtaining exclusive right to construct, operate and maintain the transmission lines on design, build, finance, operate and transfer (DBFOT) basis for a specified period (concession period) commencing from the date of grant of the Transmission License and receive monthly determinable annuity payments. In terms of para 16 of appendix C to Ind AS 115, cost on construction of transmission lines has been recognised as "financial assets". On November 20, 2019, the Company completed the sale of its entire stake in Kalpataru Satpura Transco Private Limited (KSTPL). Consequently, KSTPL ceased to be a subsidiary of the Company effective from the same date.

(c) Financial summary of above concession agreements is given below.

Particulars	₹ in Crores	
	2020-21	2019-20
Revenue accounted during the year	156.46	153.83
Profit before tax	(65.27)	(59.63)

46 Leases

1 Ind AS 116 Transition

The Group has adopted Ind AS 116 "Leases" with effect from April 1, 2019, with a modified retrospective approach. The cumulative effect of initial application of Ind AS 116, has been adjusted in opening retained earnings on the date of application i.e. April 1, 2019, as permitted by standard. The effect of adoption of Ind AS 116 was not material. The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss.

Leases Disclosure

- The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises and equipments. Leases generally have a lease term ranging from 14 months to 108 months. Most of the leases are renewable by mutual consent on mutually agreeable terms.
- Right-of-use assets by class of assets is as follows.

Financial Year 2020-21

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK	
	As at 1 st April, 2020	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2021	As at 1 st April, 2020	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2021	As at 31 st March, 2021	
TANGIBLE ASSETS												
Land	2.47	0.19	0.22	-	2.44	0.24	0.15	0.22	-	0.17	2.27	
Buildings	109.95	43.15	20.67	1.08	133.51	26.79	41.89	16.32	0.25	52.61	80.90	
Plant & Equipments	4.08	5.53	(2.48)	0.02	12.11	1.27	1.38	-	0.05	2.70	9.41	
Vehicles	16.14	11.16	3.29	1.67	25.68	4.19	5.80	1.98	0.46	8.47	17.21	
Total	132.64	60.03	21.70	2.77	173.74	32.49	49.22	18.52	0.76	63.95	109.79	

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

46 Leases (Contd..)

Financial Year 2019-20

(₹ in Crores)

Particulars	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK		
	Recognised on the date of Transition to Ind AS 116	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2020	Recognised on the date of Transition to Ind AS 116	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2020	As at 31 st March, 2020
TANGIBLE ASSETS											
Land	0.46	2.01	-	-	2.47	-	0.24	-	-	0.24	2.23
Buildings	47.01	70.45	7.51	-	109.95	-	30.06	3.34	0.07	26.79	83.16
Plant & Equipments	3.29	0.79	-	-	4.08	-	1.26	-	0.01	1.27	2.81
Vehicles	-	16.14	-	-	16.14	-	4.07	-	0.12	4.19	11.95
Total	50.76	89.39	7.51	-	132.64	-	35.63	3.34	0.20	32.49	100.15

3 Finance costs includes interest expense amounting to ₹ 7.02 Crores (previous year ₹ 5.18 Crores) on lease liability accounted in accordance with Ind AS 116 'Leases'.

4 Rent expense in Note No. 30 represents lease charges for short term leases.

5 Lease liabilities

(₹ in Crores)

Particulars	As at 31 st March, 2021	As at 31 st March, 2020
Maturity analysis - Undiscounted cash flows		
Less than one year	44.59	42.89
More than one year	69.17	60.62
Total undiscounted lease liabilities		
Lease liabilities included in financial position		
Current	42.47	39.88
Non current	63.81	52.90

47 Additional information as required by paragraph 2 of the general instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Net Asset	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)
Parent								
Kalpataru Power Transmission Limited	103.32%	3,862.80	91.68%	615.22	117.52%	15.43	92.18%	630.65
Subsidiaries								
Indian								
Adeshwar Infrabuild Limited	-0.01%	(0.23)	0.00%	-	0.00%	-	0.00%	-
Amber Real Estate Limited	0.10%	3.67	0.39%	2.65	0.00%	-	0.39%	2.65
Energylink India Limited	4.09%	152.89	0.03%	0.17	0.00%	-	0.02%	0.17
JMC Projects (India) Limited	27.24%	1,018.41	10.60%	71.11	-82.71%	(10.86)	8.81%	60.25
Shree Shubham Logistics Limited	4.37%	163.28	0.78%	5.21	-0.30%	(0.04)	0.76%	5.17
Kalpataru Metfab Private Limited	0.39%	14.71	-0.04%	(0.25)	0.00%	-	-0.04%	(0.25)

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

47 Additional information as required by paragraph 2 of the general instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (Contd..)

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Net Asset	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)	As % Profit or (Loss)	Amount (₹ in Crores)
Brij Bhoomi Expressway Private Limited	-1.11%	(41.56)	-0.55%	(3.69)	0.00%	-	-0.54%	(3.69)
JMC Mining and Quarries Limited	0.01%	0.19	0.00%	-	0.00%	-	0.00%	-
Saicharan Properties Limited	3.15%	117.93	-0.14%	(0.95)	0.00%	-	-0.14%	(0.95)
Vindhyaal Expressway Private Limited	-0.56%	(20.87)	-2.81%	(18.83)	0.00%	-	-2.75%	(18.83)
Wainganga Expressway Private Limited	-5.48%	(204.86)	-6.21%	(41.68)	0.00%	-	-6.09%	(41.68)
Punarusu Financial Services Private Limited	0.62%	23.30	0.15%	1.04	0.00%	-	0.15%	1.04
Allpurduar Transmission Limited	0.00%	-	2.03%	13.64	0.00%	-	1.99%	13.64
Foreign								
Kalpataru Power Transmission (Mauritius) Limited	0.04%	1.65	-0.02%	(0.16)	-0.08%	(0.01)	-0.02%	(0.17)
Kalpataru Power Transmission - USA, INC	0.09%	3.53	-0.13%	(0.87)	-0.76%	(0.10)	-0.14%	(0.97)
LLC Kalpataru Power Transmission Ukraine	-0.04%	(1.55)	-0.28%	(1.91)	0.15%	0.02	-0.28%	(1.89)
Kalpataru Power DMCC, UAE	-0.05%	(1.89)	-0.09%	(0.63)	0.30%	0.04	-0.09%	(0.59)
Kalpataru IBN Omairah Company Limited	0.11%	3.93	-0.22%	(1.50)	-0.84%	(0.11)	-0.24%	(1.61)
Kalpataru Power Transmission Sweden AB	1.45%	54.36	0.44%	2.97	0.00%	-	0.43%	2.97
Linjemontage i Grästorps Aktiebolag	2.80%	104.86	5.76%	38.63	45.32%	5.95	6.52%	44.58
Linjemontage Service Nordic AB	0.27%	9.98	-0.11%	(0.73)	0.00%	-	-0.11%	(0.73)
Linjemontage AS	0.06%	2.41	-0.70%	(4.72)	0.00%	-	-0.69%	(4.72)
Kalpataru Power Senegal SARL	0.47%	17.63	-0.01%	(0.04)	-5.64%	(0.74)	-0.11%	(0.78)
Kalpataru Power DO Brasil Participacoes Ltda	0.01%	0.20	-0.10%	(0.68)	0.08%	0.01	-0.10%	(0.67)
Non Controlling interest in all subsidiaries	-3.22%	(120.44)	1.34%	8.97	26.96%	3.54	1.83%	12.51
Joint Venture (as per equity consolidation method)								
Jhajjar KT Transco Private Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Kurukshetra Expressway Private Limited	0.00%	-	-4.80%	(32.21)	0.00%	-	-4.71%	(32.21)
Kohima-Mariani Transmission Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Adjustment arising out of consolidation	-38.15%	(1,425.83)	3.01%	20.26	0.00%	-	2.97%	20.26
Total	100.00%	3,738.50	100.00%	671.02	100.00%	13.13	100.00%	684.15

48 Business Combination

During previous year, Kalpataru Power Transmission Sweden AB, wholly owned subsidiary of the Company, acquired Linjemontage i Grästorps Aktiebolag (LMG Sweden), Sweden on April 29, 2019. The Company paid ₹ 136.36 Crores (SEK 185.6 million) to acquire 85% stake in LMG Sweden.

The Company had accounted for transaction under Ind AS 103, "Business Combinations" and allocated the Purchase consideration paid for this acquisition as follows:

(₹ in Crores)

Particulars	Amount
Net assets excluding deferred tax liabilities	4.64
Intangible assets	67.25
Goodwill	82.57
Deferred tax liabilities	(18.10)
Total Consideration paid	136.36

The acquisition cost amounting to ₹ 4.39 Crores had been included in other expenses in statement of profit and loss.

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

49 Goodwill and Indefinite life Trademark

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable asset.

The useful life of trademark has been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from the asset.

Goodwill and Trademark are tested for impairment annually or based on an indicator and provides for impairment if the carrying amount of goodwill / Trademark exceeds its recoverable amount.

Following is a summary of changes in the carrying amount of goodwill / trademark

(₹ in Crores)

	Goodwill		Trademark	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	105.88	20.15	19.77	-
Acquired on business combination during the year	-	82.57	-	19.04
Foreign currency translation difference	8.88	3.16	2.04	0.73
Balance at the end of the year	114.76	105.88	21.81	19.77

The Company did not identify any impairment based on internal cashflow forecast.

50 Segment Reporting

Group's reportable segments are as under:

(a) Engineering, Procurement and Construction (EPC): It comprises of infrastructure projects relating to power transmission and distribution, civil construction, railway track laying and electrification, oil and gas pipelines laying, etc.

(b) Developmental Project: It comprises of development, operation and maintenance of infrastructure project.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Summarised segment information are as follows:

(a) Business Segment

(₹ in Crores)

Particulars	EPC		Developmental Projects		Others		Total	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(i) Segment Revenue	12,425.85	12,194.81	370.72	344.80	154.85	141.89	12,951.42	12,681.50
Less: Inter-Segmental Revenue							1.98	5.66
Revenue from Operations							12,949.44	12,675.84
(ii) Segment Results (before finance cost and interest income)	1,171.29	999.97	175.38	131.04	36.39	24.73	1,383.06	1,155.74
Add: Interest income							30.13	36.22
Less: Finance Costs							435.73	520.89
Share of Loss from Joint Venture							(32.21)	(23.38)
Profit Before Tax							945.25	647.69
Current Tax							303.24	226.14
Deferred Tax							(20.03)	31.96
Net Profit for the year							662.04	389.59
(iii) Other Information								
Depreciation and Amortisation Expenses							373.45	339.64
Impairment of assets							0.86	86.36

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

50 Segment Reporting (Contd..)

(₹ in Crores)

Particulars	EPC	Developmental Projects	Others	Total
(iv) Segment Assets and Liabilities				
As at March 31, 2021				
Segment Assets	12,872.10	2,283.63	570.73	15,726.46
Less: Inter segmental assets	365.51	3.44	4.94	373.89
Net Segment Assets	12,506.59	2,280.19	565.79	15,352.57
Segment Liabilities	9,669.02	1,805.96	396.21	11,871.19
Less: Inter segmental liabilities	4.96	237.59	135.01	377.56
Net Segment Liabilities	9,664.06	1,568.37	261.20	11,493.63
As at March 31, 2020				
Segment Assets	12,526.64	3,207.97	592.45	16,327.06
Less: Inter segmental assets	538.75	3.19	5.97	547.91
Net Segment Assets	11,987.89	3,204.78	586.48	15,779.15
Segment Liabilities	9,657.12	2,658.44	422.44	12,738.00
Less: Inter segmental liabilities	5.96	321.43	126.63	454.02
Net Segment Liabilities	9,651.16	2,337.01	295.81	12,283.98

(b) Geographical Segment

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue from Operations		
Within India	8,217.37	9,159.59
Outside India [^]	4,732.07	3,516.25
Total	12,949.44	12,675.84

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non Current Assets*		
Within India	1,646.35	1,601.75
Outside India	184.75	175.71

* excludes Intangibles, Financial assets, Non current tax and Deferred tax assets.

[^] None of the geographies outside India contributes to more than 10% of the gross revenue in current year and previous year.

51 Revenue from major customers - Public sector undertakings in India, is ₹ 2,892.34 Crores (Previous year ₹ 3,501 Crores). Revenue from other individual customer is less than 10% of total revenue.

52 Performance obligations unsatisfied or partially satisfied amounts to ₹ 27,349.90 Crores (Previous year ₹ 19,406.13 Crores) for which revenue is expected to be recognized in future over the period of 1 to 6 years.

53 Investment Properties :

(₹ in Crores)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment Properties - at Cost	0.82	0.82
Investment Properties - at Fair Value	19.85	16.93

Notes forming part of the Consolidated Financial Statement

for the year ended March 31, 2021

53 Investment Properties : (Contd..)

Fair Valuation Technique: The fair value of Investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date.

54 The Company has entered in to Share Purchase and Shareholders Agreement dated July 5, 2020 (“the Agreement”) with Adani Transmission Limited (“the Buyer”) for sale of its entire equity stake in Alipurduar Transmission Limited (“ATL”). After obtaining requisite approvals and fulfillment of certain condition precedent, the Company on November 26, 2020 has transferred 49% equity stake and also transferred the control to the Buyer as per contractual rights as per agreement. The balance 51% equity stake will be transferred after obtaining requisite approvals, accordingly, Company has recognized gain of ₹ 201.71 Crores (net of expenses) in relation to transfer of 49% equity stake and fair value gain relating to retained 51% equity stake in ATL in accordance with Ind AS 110 “Consolidated Financial Statements” and Ind AS 109 “Financial Instruments” respectively. Consequent to the transfer of control and as per the requirement of Ind AS 110, financial statements of ATL have not been consolidated with the company from the said date.

On October 05, 2020, the Company has completed the sale of its entire stake in Jhajjar KT Transco Private Limited (JKTPL) and it ceases to be the Joint venture of the Company, Consequently, the Company has recognized a gain (net of expenses) of ₹ 7.93 Crores.

55 Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Group has considered the possible effects that may result from COVID-19 in the preparation of the financial results including the recoverability of carrying amounts of assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the management has, used internal and external sources of information up to the date of approval of these financial results and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group’s financial statements may differ from that estimated as at the date of approval of these financial results.

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No : 101248W/W-100022

Vikas R Kasat

Partner

Membership No : 105317

Mumbai : 11th May, 2021

Ram Patodia

Chief Financial Officer

Rajeev Kumar

Company Secretary

For and on behalf of the Board of Directors

Manish Mohnot

Managing Director & CEO

DIN : 01229696

Sanjay Dalmia

Executive Director

DIN : 03469908

Mumbai : 11th May, 2021

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 - AOC-1

Part “A”: Subsidiaries

Sr. No.	Name of the Subsidiary	Reporting currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1	JMC Projects (India) Limited	INR	33.58	984.83	4,152.22	3,550.19	416.38	3,688.78	102.11	31.00	71.11	11.75	67.75%
2	Shree Shubham Logistics Limited	INR	104.06	59.22	531.76	388.45	19.97	148.89	5.22	0.02	5.20	-	100.00%
3	Energylink (India) Limited	INR	153.96	(1.07)	2.12	0.38	151.15	0.24	0.17	-	0.17	-	100.00%
4	Saicharan Properties Limited	INR	151.15	(33.22)	387.21	269.28	-	79.51	(0.90)	0.05	(0.95)	-	100.00%
5	Adeshwar Infrabuild Limited (footnote 6)	INR	0.05	(0.28)	-	0.23	-	-	-	-	-	-	100.00%
6	Amber Real Estate Limited	INR	0.99	2.68	8.97	5.30	-	7.45	3.41	0.76	2.65	-	100.00%
7	Kalpataru Power Transmission - USA, Inc.	USD	2.28	1.25	4.41	0.88	-	1.74	(1.11)	(0.23)	(0.88)	-	100.00%
8	Kalpataru Power Transmission (Mauritius) Limited	USD	2.90	(1.25)	4.81	4.55	1.39	-	(0.16)	-	(0.16)	-	100.00%
9	LLC Kalpataru Power Transmission Ukraine	UAH	0.27	(1.83)	3.81	5.37	-	-	(1.91)	-	(1.91)	-	100.00%
10	Kalpataru IBN Omairah Company Limited	SAR	0.85	3.09	4.53	0.59	-	0.10	(1.50)	-	(1.50)	-	65.00%
11	Kalpataru Metfab Private Limited	INR	30.01	(15.30)	14.75	0.04	-	-	(0.25)	-	(0.25)	-	100.00%
12	Alipurduar Transmission Limited (footnote 5)	INR	55.63	160.24	1,184.08	968.21	-	185.84	61.05	15.37	45.68	-	51.00%
13	Kalpataru Power DMCC UAE	AED	1.39	(3.29)	3.78	5.68	-	1.23	(0.63)	-	(0.63)	-	100.00%
14	JMC Mining & Quarries Limited	INR	0.50	(0.31)	0.90	0.71	-	-	-	-	-	-	67.75%
15	Brij Bhoomi Expressway Pvt. Limited (footnote 6)	INR	22.76	(64.31)	182.86	224.41	-	32.40	(2.94)	0.75	(3.69)	-	67.75%
16	Wainganga Expressway Pvt. Limited (footnote 6)	INR	30.00	(234.86)	646.14	851.00	-	62.70	(42.57)	(0.88)	(41.69)	-	67.75%
17	Vindhyaal Expressway Pvt. Limited (footnote 6)	INR	27.05	(47.92)	774.73	795.60	-	59.79	(19.77)	(0.94)	(18.83)	-	67.75%
18	Punarnasu Financial Services Pvt. Limited	INR	19.38	3.92	23.98	0.68	-	2.75	1.20	0.16	1.04	-	100.00%
19	Kalpataru Power Transmission Sweden AB (footnote 6)	SEK	52.49	1.88	16.85	108.60	146.12	-	2.97	-	2.97	-	100.00%
20	Linjemontage I Grastorp AB	SEK	0.17	104.69	325.68	220.82	-	1,063.23	50.40	11.77	38.63	-	85.00%
21	Linjemontage Service Nordic AB	SEK	0.09	9.89	31.01	21.03	-	47.04	0.22	0.96	(0.74)	-	85.00%
22	Linjemontage AS	SEK	0.26	2.14	3.85	1.45	-	5.26	(4.88)	(0.16)	(4.72)	-	85.00%
23	Kalpataru Power Senegal SARL	XOF	18.41	(0.78)	129.95	112.32	-	28.13	(0.03)	0.01	(0.04)	-	100.00%
24	Kalpataru Power do Brasil Participações Ltda	BRL	0.87	(0.67)	0.29	0.09	-	-	(0.68)	-	(0.68)	-	100.00%

Notes:

- Exchange rates at the year end considered for conversion : 1 USD = ₹ 73.5047; 1 AED = ₹ 20.0133; 1 UAH = ₹ 2.6421; 1 SAR = ₹ 19.6007; 1 SEK = ₹ 8.4215; 1 XOF = ₹ 0.1307; 1 BRL = ₹ 13.0524
- Average exchange rates for the year considered for conversion : 1 USD = ₹ 74.2148; 1 AED = ₹ 20.2091; 1 UAH = ₹ 2.6823; 1 SAR = ₹ 19.7828; 1 SEK = ₹ 8.3732; 1 XOF = ₹ 0.1318; 1 BRL = ₹ 13.7479
- There are no Subsidiaries which are yet to commence operations.
- There are no Subsidiaries which are liquidated during the year.
- Alipurduar Transmission Limited ceased to be a subsidiary of the Company w.e.f. November 25, 2020 in accordance with IndAS 110 “Consolidated Financial Statements”. However, based on the Company’s equity stake, it continues to be a Subsidiary in terms of section 2 (87) of the Companies Act, 2013.
- Sub-ordinate debt is considered as part of Liability.

Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures (Contd..)

Part “B”: Associates and Joint Ventures

(₹ in Crores)

Name of Associates / Joint Ventures	Jhajjar KT Transco Private Limited	Kurukshetra Expressway Private Limited	Kohima-Mariani Transmission Limited*
1 Latest audited Balance Sheet Date	31st March 2021	31st March 2021	31st March 2021
2 Shares of Associate/Joint Ventures held by the Company on the year end			
(a) Numbers	-	3,50,15,731	5,42,56,353
(b) Amount of Investment in Associates/Joint Venture	-	66.58	189.88
(c) Extend of Holding %	0.00%	33.59%	74.00%
3 Description of how there is significant influence	Holding 20% or more Share Capital		
4 Reason why the Associate/Joint Venture is not Consolidated	Refer footote 2	-	-
5 Networth attributable to Shareholding as per latest audited / unaudited Balance Sheet	-	(75.89)	174.14
6 Profit / (Loss) for the year			
(a) Considered in Consolidation	-	(32.21)	-
(b) Not Considered in Consolidation	2.16	-	(15.10)

Notes:

- There are no Associate or Joint Venture which are yet to commence operations
- “Jhajjar KT Transco Private Limited” ceased to be a Joint Venture of the Company w.e.f. September 27, 2020
- *wholly owned Subsidiary of the Company till May 1, 2018 and thereafter, became a Joint Venture on account of joint control as per Ind AS 111. However, based on the Company’s equity stake, continues to be a Subsidiary in terms of section 2 (87) of the Companies Act, 2013.

Corporate Information

Auditors

M/s. B S R & Co. LLP

Bankers

Indian Bank

SBI

UBI

PNB

ICICI Bank

EXIM Bank

IDBI Bank

SCB

HSBC

Axis Bank

Yes Bank

Company Secretary

Mr. Rajeev Kumar

Registered Office

Plot No. 101, Part III,

G.I.D.C Estate, Sector 28,

Gandhinagar - 382 028, Gujarat, India

Tel No.: +91-79-2321 4000

Fax No.: +91-79-2321 1966 / 68 / 71

Email: mktg@kalpatarupower.com

Corporate Office

‘Kalpataru Synergy’,

7th Floor, Opp. Grand Hyatt Hotel,

Vakola, Santacruz (E),

Mumbai - 400 055, India.

Tel No.: +91-22-3064 5000

Fax No.: +91-22-3064 3131

Website

www.kalpatarupower.com





www.kalpatarupower.com



KALPATARU POWER TRANSMISSION LIMITED

Regd. Office: Plot No. 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India
Tel.: +91 79 232 14000 Fax: +91 79 232 11966

Email: cs@kalpatarupower.com

CIN: L40100GJ1981PLC004281

Web: www.kalpatarupower.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE FORTIETH ANNUAL GENERAL MEETING (“AGM” or “MEETING”) OF THE MEMBERS OF KALPATARU POWER TRANSMISSION LIMITED WILL BE HELD ON **THURSDAY, JULY 15, 2021 AT 2:00 P.M. IST** THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt:

- (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2021 and the Reports of the Board of Directors & Auditors thereon; and
- (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021 and the Report of Auditors thereon.

2. To confirm the payment of Interim Dividend of ₹ 8.50/- per equity share, already paid and to declare final dividend on equity shares at the rate of ₹ 1.50/- per equity share for the financial year ended March 31, 2021.
3. To appoint a Director in place of Mr. Parag Munot (DIN: 00136337), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. Ratifying remuneration of Cost Auditor for the FY 2021-22

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force),

consent of the Company be and is hereby accorded to the remuneration payable to M/s K. G. Goyal & Associates (FRN : 000024), Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2022, as set out in the Statement annexed to the Notice convening this Annual General Meeting.”

“**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts, deed, matters and things as may be required or considered necessary, proper, expedient, incidental, ancillary or consequential to give affect to this resolution.”

5. Re-appointment of, and remuneration payable to, Mr. Sanjay Dalmia (DIN: 03469908) as an Executive Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 200 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules made thereunder read with Schedule V of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Articles of Association of the Company, approval of the Company be and is hereby accorded to re-appoint Mr. Sanjay Dalmia (DIN: 03469908) as an Executive Director of the Company for a period of 3 (three) years commencing from August 8, 2021, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall include any Committee thereof) to alter and vary the terms and conditions of said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Sanjay Dalmia, subject to the same not exceeding the limits specified under Schedule V of the Act or any statutory modification or re-enactment thereof.”

“RESOLVED FURTHER THAT notwithstanding anything contained herein, where in any financial year during the tenure of Mr. Sanjay Dalmia as an Executive Director, if the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals pay the above remuneration as the minimum remuneration by way of salary, perquisites, performance pay, other allowances and benefits as specified in the Explanatory Statement annexed to the Notice convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as may be required or considered necessary, proper, expedient, incidental, ancillary or consequential 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.”

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place: Mumbai
Date: May 11, 2021

Rajeev Kumar
Company Secretary

NOTES

- (A)** In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated January 13, 2021 read with circulars dated April 8, 2020, April 13, 2020 and May 05, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM or Meeting”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
- (B) GENERALLY, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
- Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
- (C)** The Explanatory Statement setting out the material facts, pursuant to Section 102 of the Act in respect of the special business is annexed hereto. The Board of Directors of the Company at its meeting held on May 11, 2021 considered that the special business being considered unavoidable, be transacted at the AGM of the Company.
- (D)** Corporate Members intending to represent through their authorized representatives at the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- (E)** Information as required under Regulation 36 of the SEBI Listing Regulations with respect to Brief resume of Directors proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of Listed companies in which they hold Directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Annexure to the explanatory statement attached to this Notice.
- (F)** In case of joint holders attending the Meeting, only such joint holder who is high in the order of names in the Register of Members will be entitled to vote.
- (G)** Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- (H)** The Board of Directors at its meeting held on May 11, 2021 has declared a Final dividend of ₹ 1.50/- per equity share of face value of ₹ 2 each. The Company has fixed Thursday, July 8, 2021 as the Record date for determining entitlement of members to Final Dividend for the financial year ended March 31, 2021, if approved at the AGM.
- (I)** The Company or its Registrars and Transfer Agents, Link Intime India Private Limited (“Link Intime”) cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.

(J) Members holding shares in physical mode:

- i. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Link Intime, if not registered with the Company as mandated by SEBI.
- ii. are advised to register the nomination in respect of their shareholding in the Company.

(K) All documents referred to in the Notice and the Explanatory Statement and other Statutory Registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. (i.e. except Saturdays, Sundays and public holidays) up to the date of the Meeting. Such documents will also be available electronically for inspection by the members from the date of circulation of this notice upto the date of AGM and during the AGM. Members seeking to inspect such documents can send an e-mail to cs@kalpatarupower.com.

(L) Members holding shares in physical form are requested to promptly notify in writing any changes in their address/ bank account details to Link Intime India Private Limited, 506-508, Amarnath Business Centre-1, Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

(M) SEBI HAS NOTIFIED THAT REQUESTS FOR EFFECTING TRANSFER OF SECURITIES SHALL NOT BE PROCESSED BY LISTED ENTITIES UNLESS THE SECURITIES ARE HELD IN THE DEMATERIALIZED FORM WITH A DEPOSITORY. IN VIEW OF THE ABOVE AND TO AVAIL VARIOUS OTHER BENEFITS OF DEMATERIALIZATION LIKE EASY LIQUIDITY, ELECTRONIC TRANSFER AND ELIMINATION OF ANY POSSIBILITY OF LOSS OF DOCUMENTS AND BAD DELIVERIES, MEMBERS ARE ADVISED TO DEMATERIALISE SHARES HELD BY THEM IN PHYSICAL FORM.

(N) Communication through e-mail: In compliance with the aforesaid MCA Circulars and SEBI Circular dated January 15, 2021 read with Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website www.kalpatarupower.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock

Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL <https://www.evotingindia.com>.

Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner:

a. In respect of electronic holdings with the Depository through their concerned Depository Participants. However, the members may temporarily register the same with the Company's Registrar and Share Transfer Agent i.e. Link Intime at https://linkintime.co.in/emailreg/email_register.html on their website www.linkintime.co.in in the Investors service tab (Email / Bank Detail Registration) by providing details such as Name, DP ID, Client ID, PAN, mobile number and e-mail address.

b. Members who hold shares in physical form are requested to register their e-mail ID with the Company's Registrar and Share Transfer Agent i.e. Link Intime at https://web.linkintime.co.in/EmailReg/Email_Register.html on their website www.linkintime.co.in in the Investors service tab (Email / Bank Detail Registration) by providing details such as Name, Folio No., Certificate number, PAN, mobile number and e-mail address and also upload the image of share certificate in PDF or JPEG format (upto 1 MB).

(O) With a view to serving the Members better and for administrative convenience, Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

(P) Members who have neither received nor encashed their dividend warrant(s) for the financial years from 2013-14 up to 2020-21 (Interim Dividend), are requested to write to the Company / RTA, mentioning the relevant Folio number or DP ID and Client ID, along with Bank account details and cancelled cheque to update the securities holder's data, if the same is not updated. The unpaid dividend shall be paid only via electronic bank transfer. The original cancelled cheque should bear the name of the shareholder failing which shareholder should submit copy of bank passbook /statement attested by the bank. RTA shall then update the bank details in its records after due verification.

- (Q) The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2012-13, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company www.kalpatarupower.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.
- (R) Members who have not exchanged their pre-split share certificate of face value of ₹ 10 each with new share certificate of face value of ₹ 2 each are requested to do the same by sending request to the Company / RTA.
- (S) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more. Details of shares transferred to the IEPF Authority are available on the website of the Company www.kalpatarupower.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed by the respective shareholder from IEPF. Respective shareholders are advised to visit the weblink: <http://www.iepf.gov.in/IEPF/refund.html>

- (T) The instructions for Members attending and voting electronically are as under:
- (i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- (ii) The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by

following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

- (iii) In pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
- (iv) **Process for those shareholders whose e-mail id are not registered:** The shareholders who have not registered their e-mail ids are requested to get the same registered by following the process stated in note (N) above.
- (v) The remote e-voting period begins on Saturday, July 10, 2021 at 9:00 A.M. and ends on Wednesday, July 14, 2021 at 5:00 P.M. The e-voting module shall be disabled by CDSL for voting thereafter. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of July 8, 2021 may cast their vote electronically.
- (vi) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- (vii) **Procedure for attending and Voting electronically**

A) For Individual shareholders holding in demat mode

The Company has enabled e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the CDSL (E-Voting Service Provider – ESPs), thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process. 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 e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>Option 1: CDSL Easi / Easiest facility</p> <p>If Members are already registered for Easi / Easiest facility:</p> <ol style="list-style-type: none"> 1. Visit webpage of Easi by https://web.cdslindia.com/myeasi/home/login 2. Member will have to enter their existing “USER ID” and “PASSWORD”. After successful authentication, Member will be able to see “E-VOTING” menu. 3. On clicking the “E-VOTING” menu, Member will be able to see the e-voting page. 4. Click on options available against Company name or ESP CDSL and Member will be redirected to the e-voting website of CDSL for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. <p>If Members are not registered for Easi / Easiest facility:</p> <ol style="list-style-type: none"> 1. Visit the web page at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 2. Enter 16 digit “DEMAT ACCOUNT NUMBER” 3. Enter “PASSWORD” as: “PAN” and first 4 digits of the “DOB” (DDMM) of first holder. 4. Tick check box of “terms and conditions” and click on “Submit” 5. “OTP” will be sent on the registered mobile number of Member 6. Enter the “OTP” and click on “Submit” 7. Registration form will appear, fill the form to create “USER NAME” and “PASSWORD” and answer to secrete question and click on “CONTINUE”. 8. Upon successful registration, please follow steps given in points 1 - 4 above. <p>Option 2: OTP based login</p> <ol style="list-style-type: none"> 1. Visit the e-voting website of CDSL at www.cdslindia.com. 2. Select “E-VOTING” and enter “DEMAT ACCOUNT NUMBER” and “PAN”. 3. The system will authenticate, by sending “OTP” on registered mobile & email as recorded in Member’s Demat Account. 4. After successful authentication, Members will be able to see the e-voting page. 5. Click on options available against Company name or ESP - CDSL and Member will be redirected to the e-voting website of CDSL for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with NSDL	<p>Option 1: NSDL IDeAS Facility</p> <p>If Members are already registered for IDeAS facility:</p> <ol style="list-style-type: none"> 1. Visit e-Services website of NSDL at https://eservices.nsdl.com/ 2. On the homepage of e-Services, click on the “BENEFICIAL OWNER” under “LOGIN”, available under the “IDeAS” section. 3. A new screen will open. Enter “USER ID” and “PASSWORD”. After successful authentication, Member will be able to see ESP page i.e. CDSL. 4. Click on “ACCESS TO E-VOTING” under e-voting services and Member will be able to see the e-voting page. 5. Click on options available against Company name or ESP - CDSL and Member will be re-directed to the CDSL e-voting website for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>If Members are not registered for IDEAS e-Services:</p> <ol style="list-style-type: none"> Option to register is available at https://eservices.nsd.com Select "REGISTER ONLINE FOR IDEAS" or click on https://eservices.nsd.comSecureWeb/IdeasDirectReg.jsp Enter the 8-character "DP ID" followed by 8-digit "CLIENT ID" and registered mobile number Select any of the following options for verification of demat account: <ol style="list-style-type: none"> Option 1: Bank account - enter last 4 digit of bank account Option 2: OTP - enter 6 digit OTP sent on registered mobile number Fill your personal information and click on "SUBMIT" Upon successful registration, please follow steps given in points 1 - 5 above. <p>Option 2: OTP based Login</p> <ol style="list-style-type: none"> Visit the e-voting website of NSDL at https://www.evoting.nsd.com/ On homepage of e-voting system, click on the "LOGIN" icon, available under the "SHAREHOLDER / MEMBER" section. A new screen will open and Member will have to enter "USER ID" (i.e. 8-character "DP ID" followed by 8-digit "CLIENT ID") and "PASSWORD"/ "OTP" and a verification code as shown on the screen. After successful authentication, Member will be able to see the e-voting page. Click on options available against Company name or ESP - CDSL and Member will be redirected to the e-voting website of CDSL for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click 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 company name or ESP name – CDSL and you will be redirected to website of CDSL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned websites.

- After successfully logging by following above process, Members will be able to see EVSN of all companies in which they held shares and whose voting cycle is active
- Click on the EVSN for the relevant "Kalpataru Power Transmission Limited" on which you choose to vote.
- On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

B) For Other than Individual shareholders and Physical Shareholders

Login method for e-voting and joining virtual meeting for **shareholders other than individual shareholders & physical shareholders.**

1. The Members should log on to the e-voting website www.evotingindia.com
2. Click on Shareholders
3. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Registered Folio Number registered with the Company.
4. Next enter the Image Verification as displayed and Click on Login.
5. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

6. If you are a first time user follow the steps given below:

PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department *Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN Field. The Sequence Number is stated in the email sent to the members. Members who have not updated their email ID may obtain sequence number by registering the email ID as per procedure stated in Note No. (N).
DOB (Date of Birth) or Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio in order to login. If both the details are not recorded with the depository or company, please enter the member ID / folio number in the Dividend Bank details field as mentioned in instruction above.

7. After entering these details appropriately, click on "SUBMIT" tab.
8. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
9. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
10. Click on the EVSN for the relevant "Kalpataru Power Transmission Limited" on which you choose to vote.
11. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
12. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
13. After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
14. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
15. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
16. If a Demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(viii) INSTRUCTIONS FOR SHAREHOLDERS VOTING ON THE DAY OF THE AGM ON e-VOTING SYSTEM ARE AS UNDER: -

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available in the AGM.
3. If any Votes are cast by the members through the e-voting available during the AGM and if the same members have not participated in the meeting through VC/OAVM facility, then the votes cast by such members shall be considered invalid as the facility of e-voting during the meeting is available only to the members participating in the meeting.
4. Members who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(ix) OTHER INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for Remote e-voting.
3. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
4. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. 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.

6. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request during the period Monday, July 5, 2021 to Saturday, July 10, 2021 mentioning their name, demat account number/folio number, email id, mobile number at company email id: cs@kalpatarupower.com. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending on the availability of time as appropriate for smooth conduct of the AGM.
 7. Members desirous for any information or queries on accounts / financial statements or relating thereto or any matter to be placed at the AGM may send their questions in advance during the period Monday, July 5, 2021 to Saturday, July 10, 2021 mentioning their name demat account number/folio number, email id, mobile number at company email id: cs@kalpatarupower.com. The same will be replied by the company suitably.
- (x) **Additional Notes for Non – Individual Members and Custodians**
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
 - A scanned copy of the valid Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively, Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter / Power of Attorney etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer on csurmilved@gmail.com and to the Company on cs@kalpatarupower.com, if voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.
- (xii) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.
- (U) Tax Deductible at Source / Withholding tax:**
- Pursuant to the requirement of Income Tax Act, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/RTA/ Depository Participant.

A. RESIDENT SHAREHOLDERS:

A1. Tax Deductible at Source for Resident Shareholders

Sr. No.	Particulars	Withholding Tax Rate	Documents required (if any)
(1)	(2)	(3)	(4)
1	Valid PAN updated in the Company's Register of Members	10%	No document required (if no exemption is sought)
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	No document required (if no exemption is sought)
3	Not Filed ITR for AY 19-20 and AY 20-21 & aggregate TDS / TCS is Rs. 50,000 or more in each of such AY	20%	No document required (if no exemption is sought)
4	Availability of lower/ nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority

A2. No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no. 4 of the below table

Sr. No.	Particulars	Withholding Tax Rate	Documents required (if any)
(1)	(2)	(3)	(4)
1	Submission of Form 15G/ Form 15H	NIL	Declaration in Form No. 15G (applicable to an individual who is below 60 years) / Form 15H (applicable to an individual who is 60 years and above), fulfilling certain conditions
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence that the said provisions are not applicable.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under Section 197A (1F) of Income Tax Act, 1961
5	- Recognised provident funds - Approved superannuation fund - Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any resident shareholder exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification	NIL	Necessary documentary evidence substantiating exemption from deduction of TDS

B. NON-RESIDENT SHAREHOLDERS:

Withholding tax on dividend payment to non-resident shareholders if the non-resident shareholders submit and register following document as mentioned in column no.4 of the below table.

Sr. No.	Particulars	Withholding Tax Rate	Documents required (if any)
(1)	(2)	(3)	(4)
1	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)	20% (plus applicable surcharge and cess)	FPI registration certificate
2	Other Non-resident shareholders	20% (plus applicable surcharge and cess) OR Tax Treaty Rate whichever is beneficial	To avail beneficial rate of tax treaty following tax documents would be required: <ul style="list-style-type: none"> • Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received • PAN • Form 10F filled & duly signed • Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non-Resident shareholder and review to the satisfaction of the Company)
3	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India
4	Availability of Lower/NIL tax deduction certificate issued by Income Tax Department	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
5	Any non-resident shareholder exempted from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act 1947, etc.	Nil	Necessary documentary evidence substantiating exemption from WHT deduction

In case all necessary documents are not submitted, then the TDS/ Withholding tax will be deducted @ 20% (plus applicable surcharge and cess).

However, in case, non-resident shareholder having Permanent Establishment in India who were liable to file tax returns and has not filed the same for Assessment Year 2019-20 & Assessment Year 2020-21 in case the aggregate amount of TDS and TCS is Rs. 50,000 or more in each such year, the rate of withholding tax would be increased to 40% plus applicable Surcharge and Cess.

- Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindia.gov.in/>
- The aforesaid documents such as Form 15G/15H, documents under Sections 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. needs to be mandatorily uploaded on the link <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> on or before July 05, 2021 to enable the Company to determine the appropriate TDS / withholding tax rate applicable. Any communication on the tax determination/deduction received after July 05, 2021 or through any other mode shall not be considered. Formats of Form 15G / Form 15H / Form 10F are available on the website of the RTA and can be downloaded from the General tab on <https://linkintime.co.in/client-downloads.html>
- Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company/ RTA.
- In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed ₹ 5,000/-. However, where the PAN is not updated in Company/RTA/ Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of ₹ 5,000/-.

Rule 37BA u/s 199

- In case where dividend is assessable in the hands of person other than in the name of shareholder, credit for tax deducted at source in aforesaid manner shall be given to such other person only on submission of a declaration as required under section 199 of the Income-tax Act, 1961 from the recipient to the effect giving details of name, address, permanent account number of the person to whom credit is to be given, payment or credit in relation to which credit is to be given and reasons for giving credit to such person. Upon receipt of such declaration, the company will verify the details stated therein and when same is found satisfactory, the same can be considered.

- All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company / RTA (if shares are held in physical form) against all their folio holdings on or before July 05, 2021.
- In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the shareholder, such shareholder will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings.
- This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

Other information

- (A) The Company has appointed Mr. Urmil Ved, Practicing Company Secretary, (Membership No. F8094 and CP No. 2521) to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.
- (B) The Scrutinizer shall, after the conclusion of voting at the General Meeting, first count the votes cast at the Meeting and unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make no later than 48 hours of the conclusion of the meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any, forthwith to the Chairman of the Company or the person authorized by him, who shall countersign the same and declare the result of the voting forthwith.
- (C) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.kalpatarupower.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.
- (D) The resolutions shall be deemed to be passed on the date of the Meeting, subject to receipt of sufficient votes.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place: Mumbai
Date: May, 11, 2021

Rajeev Kumar
Company Secretary

Explanatory Statement

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013

Item No. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. K. G. Goyal & Associates (FRN 000024) as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending March 31, 2022, for a remuneration of ₹ 1,10,000 (Rupees One lakh and Ten Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

Your Board recommends the resolution at Item No. 4 as on Ordinary Resolution for approval of the members.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution at out at Item No. 4.

Item No. 5

Mr. Sanjay Dalmia (DIN: 03469908) was appointed as an Executive Director on the Board of the Company w.e.f August 8, 2018 for the period of 3 years. Subsequently, the shareholders at the Annual General Meeting held on July 30, 2019 approved the appointment of Mr. Dalmia for a period of 3 years w.e.f August 8, 2018. The tenure of Mr. Dalmia is due to expire on August 7, 2021. Now, it is proposed to re-appoint him as an Executive Director for a further period of 3 years effective from August 8, 2021.

Under the able guidance of Mr. Dalmia, the International T&D Business has successfully delivered on profitability front. The Company ventured into new international markets of Sweden, Bolivia, Djibouti, Mali, Guinea, Turkmenistan, Myanmar and Tunisia. Under his able leadership, the Company also completed successful acquisition of EPC Companies in Sweden and Brazil.

Accordingly, the Board of Directors, at the recommendation of Nomination and Remuneration Committee, at its meeting held on May 11, 2021, approved the re-appointment of Mr. Dalmia as Executive Director for further period of 3 years w.e.f. August 8, 2021 subject to approval of shareholders at this AGM.

The main terms and conditions of appointment and remuneration of Mr. Sanjay Dalmia as an Executive Director are given below:

Main terms and conditions	Details
Tenure of Appointment	Mr. Sanjay Dalmia is proposed to be re-appointed as an Executive Director for a period of 3 years w.e.f August 8, 2021 to August 7, 2024.
Nature of Duties	<p>Mr. Sanjay Dalmia shall perform all duties and responsibilities related / incidental to the position of the Executive Director of the Company and will manage all work related to International Business of the Company including carrying out any other orders and directions given by the Board / Managing Director & CEO from time to time in all respects.</p> <p>Mr. Sanjay Dalmia shall give his whole time attention to the management and affairs of the Company subject to the superintendence, control and direction of the Managing Director & CEO and shall use his best endeavors and efforts that would impact the revenues, profits, customer delight, brand equity, corporate governance / ethics, corporate social responsibility and overall growth of the Company and shall in all respects diligently and faithfully observe all lawful orders and instructions of the Company in relation to the conduct of the business of the Company and shall not divulge any secrets or dealings relating thereto.</p>

Main terms and conditions	Details
Remuneration	<p>Mr. Sanjay Dalmia will be paid monthly salary, allowances, perquisites and amenities in the following manner subject to overall ceiling laid down under Section 197 and Schedule V of the Companies Act, 2013::</p> <p>I. Salary & Allowances</p> <p>(as decided in the Board meeting held on May 11, 2021):</p> <p>Basic Salary: ₹ 7,09,500 (Rupees Seven Lac Nine Thousand Five Hundred only) per month, exclusive of Company's contribution to the provident fund of ₹ 85,140 (Rupees Eighty Five Thousand One Hundred and Forty only) per month.</p> <p>Allowances: ₹ 9,97,027 (Rupees Nine Lac Ninety Seven Thousand and Twenty Seven only) per month.</p> <p>Total Remuneration: ₹ 17,91,667 (Rupees Seventeen Lac Ninety One Thousand Six Hundred and Sixty Seven only) per month.</p> <p>The above total remuneration is inclusive of Company's contribution towards provident fund.</p> <p>The Executive Director shall be entitled to such increments in addition to the above remuneration every year as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.</p> <p>II. Perquisites:</p> <p>PART – A:</p> <ul style="list-style-type: none"> • Club Fee: The Company shall pay membership fees of the club at Mumbai. <p>PART- B:</p> <ul style="list-style-type: none"> • Gratuity will be payable as per Payment of Gratuity Act, 1972. <p>PART- C:</p> <p>(i) Company's car will be provided for use of company's business.</p> <p>(ii) Telephone shall be provided for business related use at company's expenses. Personal outstation calls shall be on personal account.</p> <p>(iii) Working hours/days and leaves (including leave encashment) would be as per Company's rules.</p> <p>III. Profit Link Incentive / Commission:</p> <p>Commission in addition to the basic salary, allowances, perquisites, calculated with reference to the net profits in a particular financial year, as recommended by the Nomination and Remuneration committee and as approved by the Board of Directors within the limit stipulated under Section 197 and schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.</p>
Minimum Remuneration	<p>In the event of loss or inadequacy of profits in any Financial Year, Mr. Sanjay Dalmia shall subject to necessary approvals, be paid remuneration by way of Salary and Perquisites as specified above subject to the restriction, if any, set out in Schedule V of the Companies Act, 2013, from time to time.</p>
Notice period	<p>The appointment of Executive Director may be terminated by either party giving to the other 6 months' notice in writing. However, the appointment may be terminated by giving a notice shorter than 6 months' by mutual agreement between the parties.</p>

The Brief profile of Mr. Sanjay Dalmia, the nature of his expertise, the names of listed entities in which he holds directorships/ memberships of Committees of Board, and details of his shareholding in the Company and other information is annexed to the Explanatory Statement.

The Company has received notice in writing pursuant to Section 160 of the Companies Act, 2013, from a member proposing the appointment of Mr. Sanjay Dalmia for the office of Director of the Company.

Pursuant to the provisions of Sections 196, 197 and all other applicable provisions of the Companies Act, 2013 ("the Act"), terms and conditions of appointment and the remuneration payable to Mr. Sanjay Dalmia as an Executive Director is now being placed before the members in the 40th AGM for their approval by way of a Special Resolution.

Mr. Sanjay Dalmia satisfies all the conditions set out in Part-I of Schedule V of the Act as also conditions set out under Section 196(3) of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The terms and conditions of re-appointment of Mr. Sanjay Dalmia shall be open for inspection by the Members at the Registered Office of the Company.

The Board recommends the resolution set out at Item No. 5 of the Notice for your approval by way of passing a Special Resolution.

Mr. Sanjay Dalmia is interested in the resolution set out at Item No. 5 of the Notice as the same relates to his re-appointment and remuneration payable to him. The relatives of Mr. Sanjay Dalmia may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/ Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place: Mumbai
Date: May, 11, 2021

Rajeev Kumar
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants and in respect of physical holding, with the Registrar and Transfer agent of the Company. Members who hold shares in Physical form, are also requested to get their shares dematerialized.

Annexure to the Explanatory Statement

Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings(SS-2) of Directors seeking appointment / re-appointment / continuation of appointment at the forthcoming Annual General Meeting

I. Mr. Parag Munot

Name	Mr. Parag Munot
Age (as on March 31, 2021)	51 Years
Date of first appointment on the Board	September 30, 1991
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Mr. Parag Munot is the Managing Director of Kalpataru Ltd., the flagship real estate arm of the Group. He is responsible for Group's Real Estate and Property Development business. At Group level, he provides strategic support and drives new business initiatives. He is a graduate in Commerce and holds an MBA from Carnegie Mellon University, USA.
No. of shares held in the Company	79,63,615
Relationship with other Directors and Key Managerial Personnel	Mr. Parag Munot is son of Mr. Mofatraj P. Munot, Executive Chairman of the Company

List of directorship of other listed entities (as on March 31, 2021)	Chairmanship / Membership of Committees of the Board in such companies
NIL	NIL

II. Mr. Sanjay Dalmia

Name	Mr. Sanjay Dalmia
Age (as on March 31, 2021)	58 years
Date of first appointment on the Board	August 8, 2018
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Mr. Sanjay Dalmia has more than three decades of experience in areas related to power, infrastructure, textiles, mining and business development. He has earlier worked in diverse geographies like Far East, Africa, C.I.S. and Middle East, and has experience of working with multicultural people. He is a qualified Chartered Accountant and Company Secretary.
No. of shares held in the Company	16,100
Relationship with other Directors and Key Managerial Personnel	None

List of directorship of other listed entities (as on March 31, 2021)	Chairmanship / Membership of Committees of the Board in such companies
NIL	NIL

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn, etc., please refer to the Corporate Governance Report section of the Annual Report.