



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

July 13, 2023

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

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

**Symbol: KEC**

**Scrip Code: 532714**

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

**Sub: Notice of Eighteenth Annual General Meeting and Integrated Annual Report for FY 2022-23**

Dear Sir/Madam,

This is further to our letter dated July 10, 2023, conveying that the Eighteenth Annual General Meeting (“AGM”) of the Members of the Company will be held on **Tuesday, August 08, 2023 at 3.00 pm (IST)** through Video Conferencing (VC) / Other Audio - Visual Means (OAVM).

Pursuant to Regulation 34(1) and Regulation 30(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Integrated Annual Report of the Company for the financial year 2022-23 along with the Notice of AGM, which is being sent through electronic mode to the Members of the Company whose e-mail address are registered with Depositories/ the Company/the Registrar and Share Transfer Agent in compliance with the applicable circulars issued by SEBI and the Ministry of Corporate Affairs in this regard from time to time.

The Integrated Annual Report for the financial year 2022-23 and Notice of AGM are also available on the website of the Company at <https://www.kecrpg.com/agm> under “AGM 2023” tab.

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

You are requested to take the same on records.

Thanking you,

Yours faithfully,

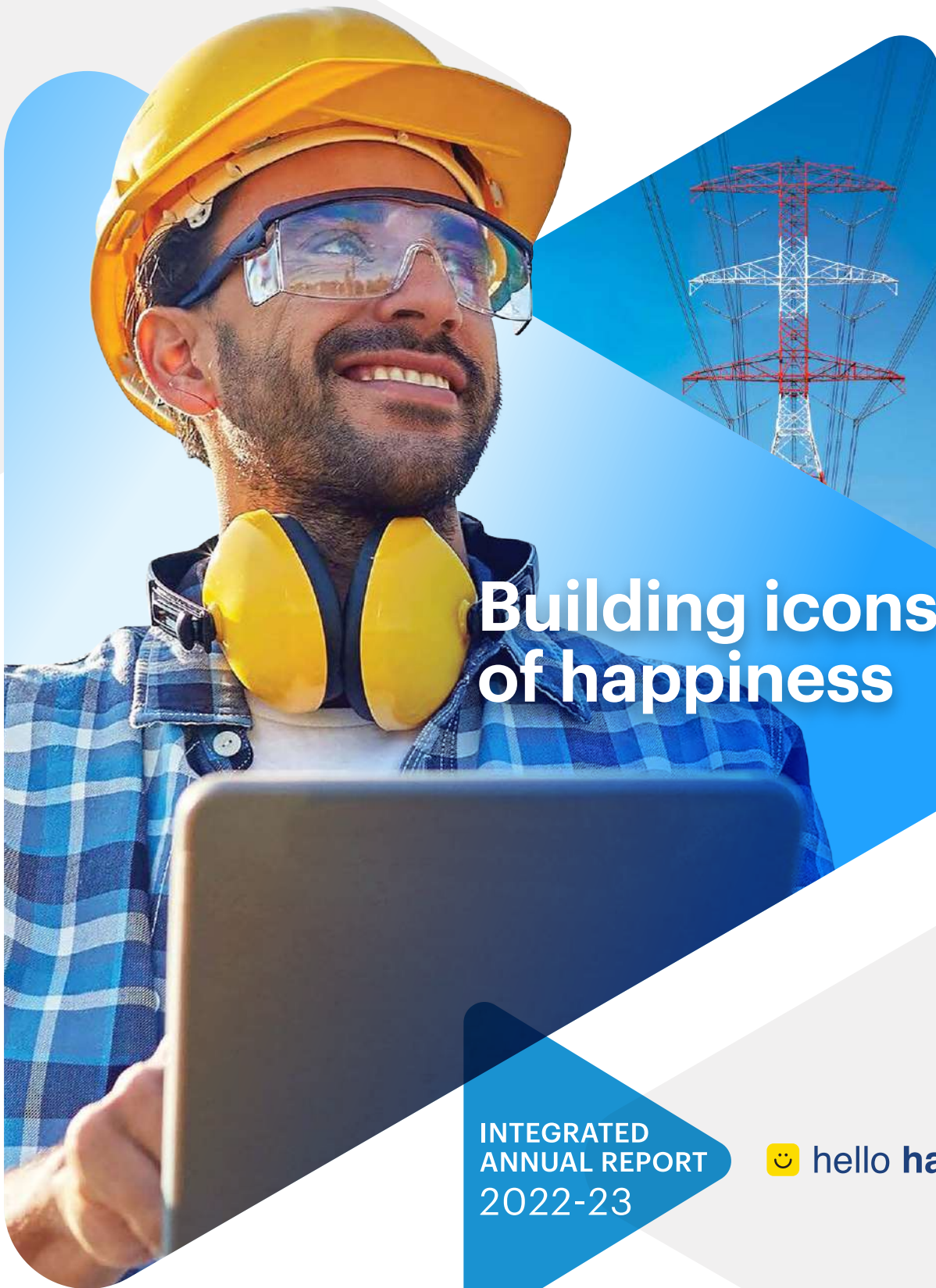
**For KEC International Limited**

Amit Kumar  
Gupta

**Amit Kumar Gupta**

**Company Secretary & Compliance Officer**

Encl: As above.



# Building icons of happiness

INTEGRATED  
ANNUAL REPORT  
2022-23

😊 hello happiness

# About RPG

RPG Group is a global diversified business group with operations in the areas of Infrastructure, Tyres, Information Technology, Pharmaceuticals, Energy, and Plantations. Founded by the legendary industrialist Dr RP Goenka, the Group’s lineage dates to the early 19th century. Today, RPG has several companies in core sectors of the economy: KEC International, CEAT, Zensar Technologies, RPG Life Sciences, Harrisons Malayalam, Raychem RPG, and Spencer International Hotels. One of India’s most diversified conglomerates, the RPG name is synonymous with stability, sustained growth, high standards of corporate governance and a culture of respect for people and the environment.

## hello happiness

“Hello Happiness” encompasses a mission we are extremely passionate about at RPG Group. It represents our vision and ethos and encapsulates the very essence of our identity - to unleash talent, touch lives, outperform and continuously create a future of happiness.

This engaging expression embodies RPG’s unwavering commitment towards all our stakeholders. Our efforts are focussed on making a positive impact towards society through our people, products, services, and initiatives; driving sustainable business growth for our customers and investors; and fostering a work environment that encourages growth, fulfilment, and well-being for our people.

“Hello Happiness” is our firm belief in the transformative effect of workplace happiness, which can enhance performance, creativity, collaboration, and resilience. It is a bold statement of confidence and purpose that opens up boundless opportunities and possibilities for the Group towards becoming a force for positive change in the world and creating a culture of happiness in everything we do.

# Building icons of happiness

We build infrastructure that empowers people, transforms communities and delivers sustainable growth for all our stakeholders. Our vision is to create a positive impact on the society and environment by building icons of happiness that enhance the quality of lives of people globally.

We have established a well-diversified portfolio of businesses encompassing Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Oil & Gas Pipelines, and Cables. We take pride in powering the remotest corners of the world, connecting people through safe and sustainable transportation infrastructure, ensuring availability of water to Lakh of households, building factories to support industrialisation, delivering quality and safe housing, and promoting renewable energy through ground-based solar PV projects. Our efforts towards building a better world is reflected not only in our portfolio of green businesses but also in our processes, engineering & design philosophy, procurement strategies, construction practices, people policies, stringent safety guidelines, ethical culture & conduct, and CSR initiatives. We continue to strengthen our core through focussed investments in building a world-class engineering organisation, integrated global supply chain, industry-leading execution capabilities by leveraging latest mechanisation, automation and digital technologies.

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

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### KEC on Social Media:

-  @KEC International Ltd.
-  @KEC\_Intl
-  @KEC International Limited
-  @kec.intl



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



# About the Report

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



400 kV Overhead Transmission Line, UAE



## Approach to Reporting

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



## Responsibility Statement

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



## Reporting Frameworks

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

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



## Forward-looking Statements

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



## Report Scope & Boundary

The Report covers financial and non-financial information and activities of the Company and its subsidiaries during the period April 1, 2022 to March 31, 2023.



## Statutory Audit

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

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

## KEC at a Glance

KEC International, headquartered in Mumbai, India, is the flagship company of the RPG Group. A USD 2.1 Billion Engineering, Procurement, and Construction (EPC) major, we deliver projects in key infrastructure sectors such as Power Transmission & Distribution, Railways, Civil, Urban Infrastructure, Solar, Oil & Gas Pipelines, and Cables.

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

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



## Values

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



**7,779**

Employees

**2,624 km**

Transmission Lines executed

**37**

Nationalities

**268**

Substation Bays built

**₹ 17,282 Crore**

Revenue

**1,564 RKM**

About 24% of India's railway tracks electrified

**₹ 30,553 Crore**

Order Book (as on March 31, 2023)

# Diversified Global Footprint

**70+ Countries**  
EPC

**90+ Countries**  
Cables Supply

**65+ Countries**  
Tower Supply

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

**30+ Countries**  
Executed/executing EPC projects in FY23

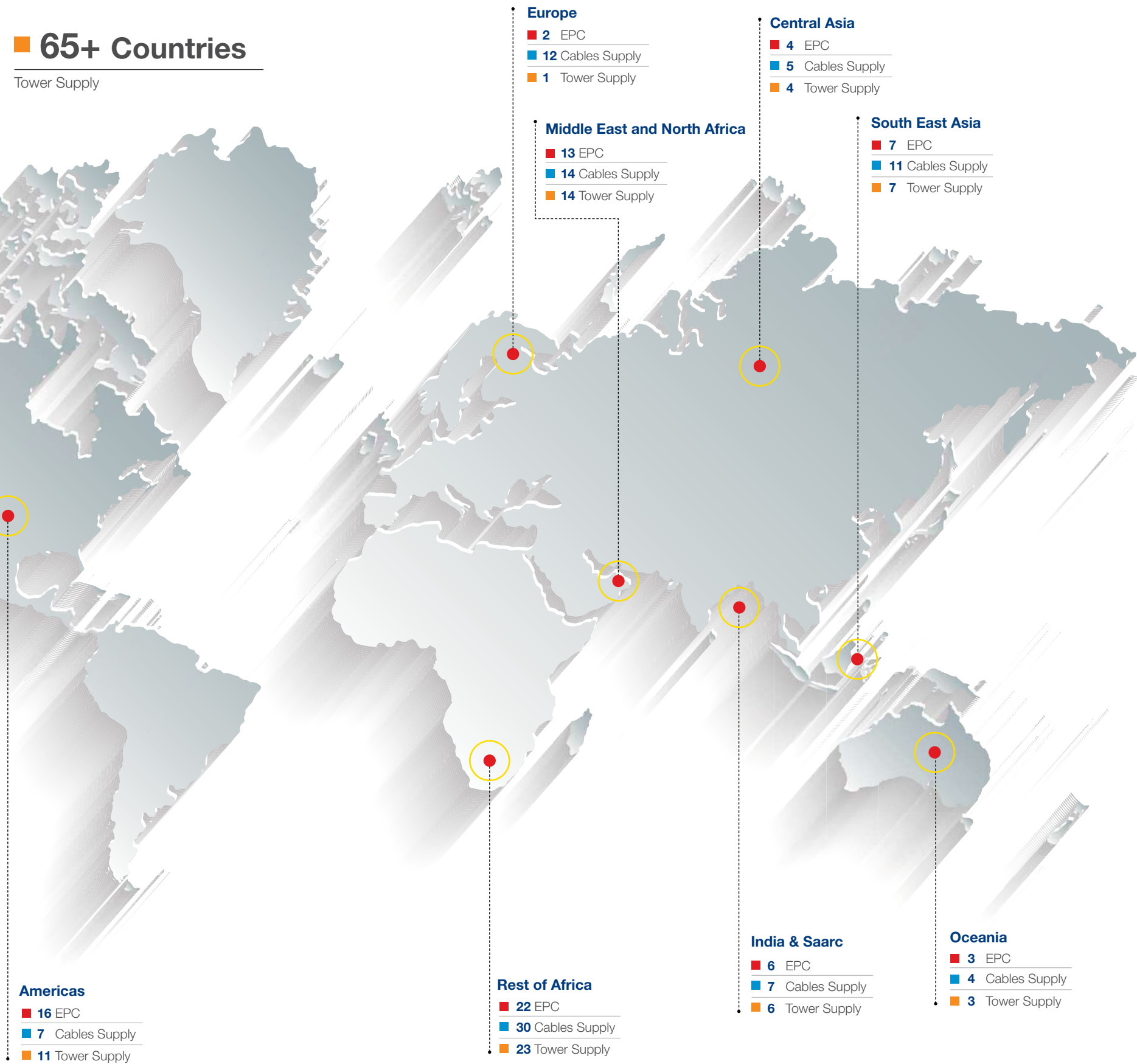
**₹ 22,378 Crore**  
Order Intake (Growth of 30% in FY23)

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

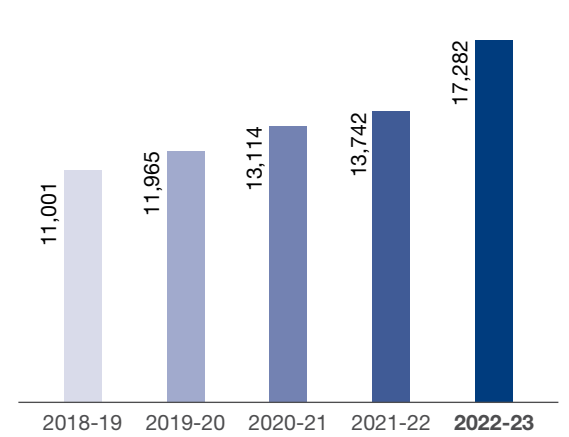
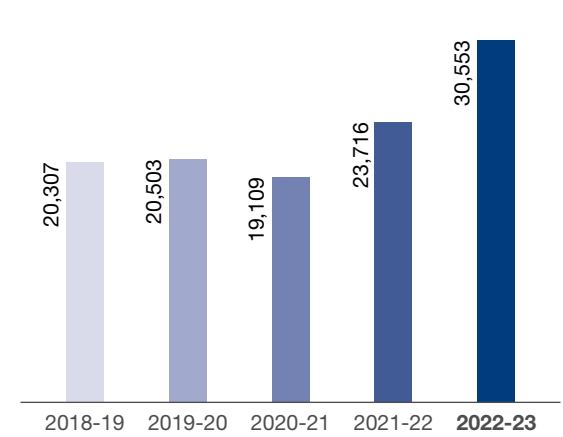
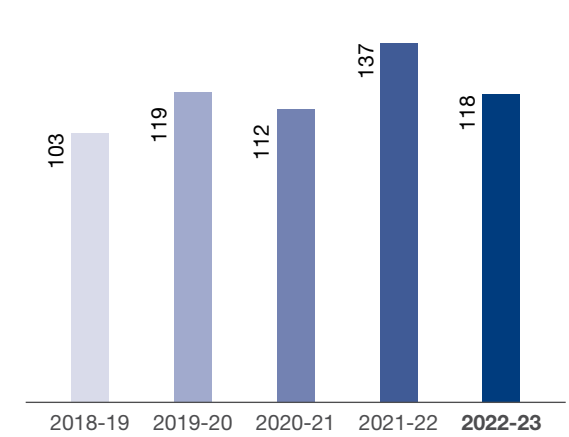
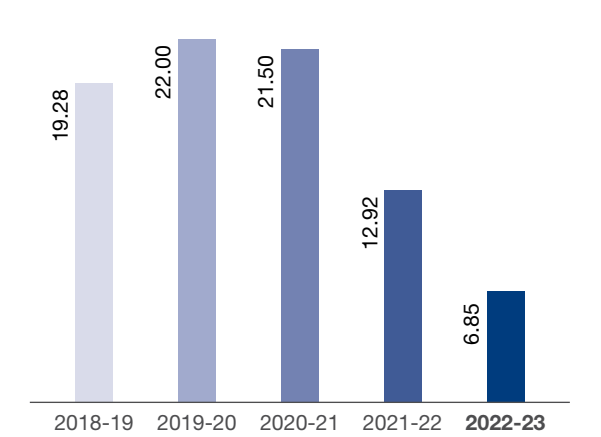
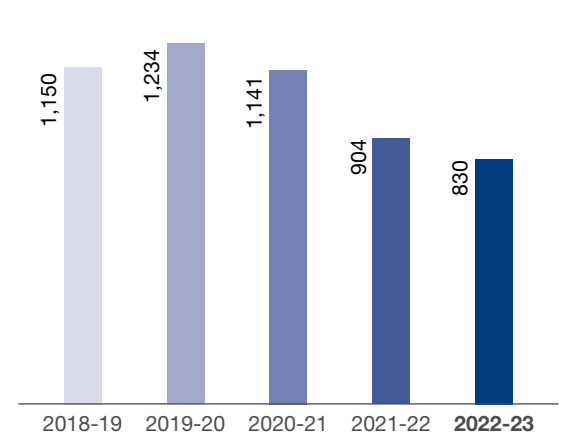
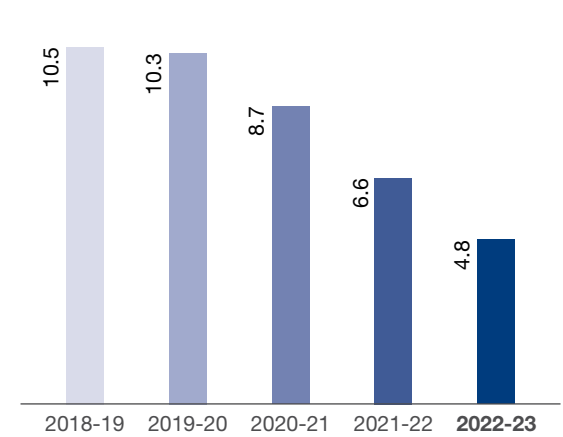
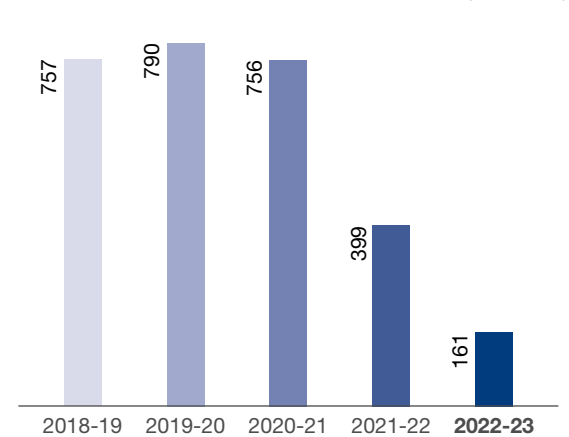
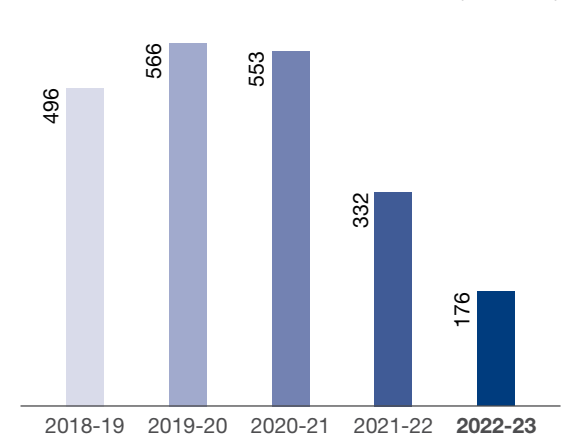
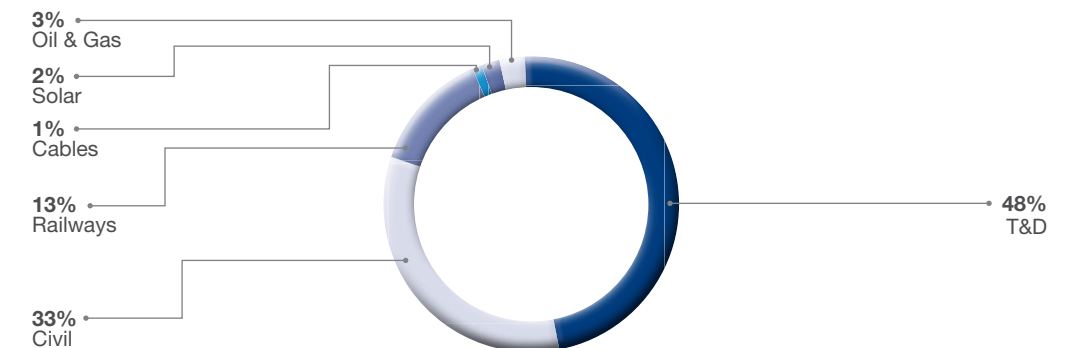
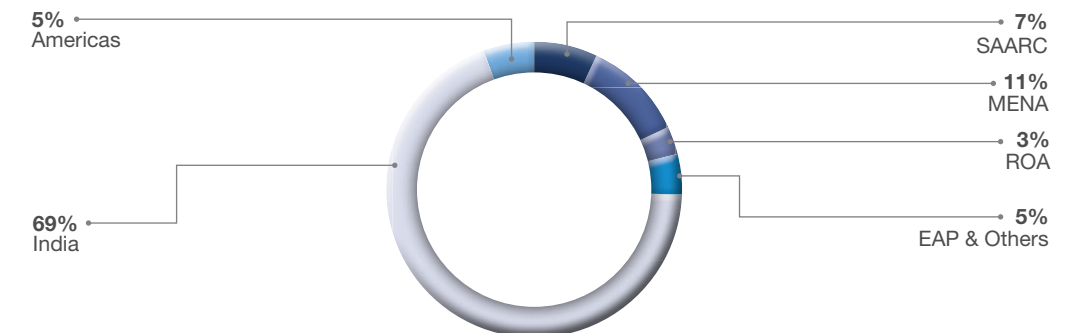
**8**  
Manufacturing plants across India, Dubai, Brazil, and Mexico

**5,66,356**  
Lives impacted through CSR (including COVID-19 Response beneficiaries)

Map not to scale. For illustrative purposes only.



# Financial Performance

**Revenue** (₹ in Crore)

**Order Book** (₹ in Crore)

**Net Working Capital** (In Days)

**EPS** (Face value ₹ 2 each)

**EBITDA** (₹ in Crore)

**EBITDA Margin** (%)

**PBT** (₹ in Crore)

**PAT** (₹ in Crore)

**Business-wise Order Book – March 31, 2023**

**Geography-wise Order Book - March 31, 2023**

**Notes:**

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

# Corporate Information

## Registered Office

RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai 400 030  
Ph: 022-66670200  
Fax: 022-66670287

## Manufacturing Facilities

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

## India

### Butibori:

B-190 Industrial Area,  
Butibori 441 108, Maharashtra

### Jabalpur:

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

### Jaipur:

Jhotwara Industrial Area,  
Jaipur 302 012, Rajasthan

## International

### Brazil:

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

### Dubai:

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

### Mexico:

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

## Cables

### Mysuru:

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

### Vadodara:

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

## Bankers

### India

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

### Middle East

Abu Dhabi Commercial Bank, Abu Dhabi  
Arab Banking Corporation (B.S.C.), Bahrain  
First Abu Dhabi Bank, Abu Dhabi, Oman  
JP Morgan Chase NA, Riyadh, KSA  
National Bank of Oman, Muscat  
National Bank of Bahrain, Abu Dhabi  
Standard Chartered Bank, Dubai

## Brazil

Banco BBM S.A. (Bocom)  
Banco Bradesco S.A.  
Banco do Brasil S.A.  
Banco HSBC Brasil S.A.  
Banco Itau BBA S/A  
Banco Santander S.A.  
Banco Deutsche  
Export-Import Bank of India

## Mexico

Banco HSBC

## USA

Wells Fargo  
JP Morgan Chase

## Board of Directors

### Harsh V. Goenka

Chairman

### Vimal Kejriwal

Managing Director & CEO

### A.T. Vaswani

Independent Director

### Dilip G. Piramal

Independent Director

### G.L. Mirchandani

Independent Director

### M.S. Unnikrishnan

Independent Director

### Nirupama Rao

Independent Director

### Ramesh Chandak

Independent Director

### S.M. Trehan

Independent Director

### Vikram Gandhi

Independent Director

### Vinayak Chatterjee

Non Independent –  
Non Executive Director

## Management Team

### Vimal Kejriwal

Managing Director & CEO

### Rajeev Aggarwal

Chief Financial Officer

### Neeraj Nanda

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

### Anand Kulkarni

Executive Director – Business Operations

### Kaushal Kodesia

Executive Director – Railways

### Manjit Singh Sethi

Executive Director – Cables

### Nagesh Veeturi

Executive Director – Civil

### Sanjeev Agarwal

Executive Director – International  
(T&D, Solar)

### Mayank Agrawal

Chief Executive – Oil & Gas Pipelines

### Milind Apte

Chief Human Resources Officer

## Rakesh Kumar Gaur

CEO – SAE Towers

## Sumant Srivastava

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

## Amit Kumar Gupta

Company Secretary

## Statutory Auditors

Price Waterhouse Chartered  
Accountants LLP  
Chartered Accountants

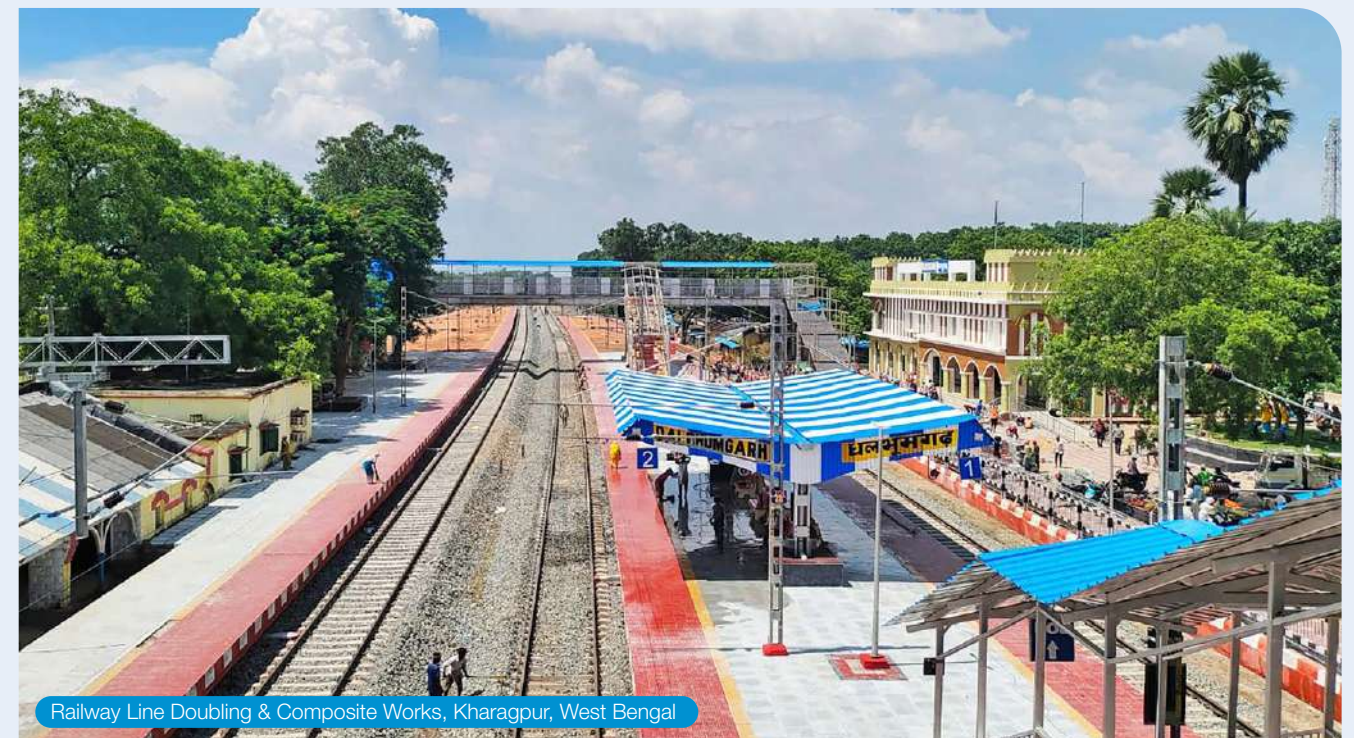
## Registrar and Share Transfer Agents

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

Ph: +91 22 49186270

Fax: +91 22 49186060

Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



Railway Line Doubling & Composite Works, Kharagpur, West Bengal

## Board of Directors



### Harsh V. Goenka, Chairman

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

Mr. Harsh V. Goenka is the Chairman of RPG Enterprises, one of the largest industrial groups in India, active in key business segments such as tyres, infrastructure, information technology and other diversified segments having an annual turnover of about USD 4.7 Billion. Born in 1957, Mr. Goenka is a graduate in Economics and MBA from the International Institute of Management Development (IMD), Lausanne, Switzerland and is now on the Foundation Board of IMD. Mr. Goenka, a past President of the Indian Merchants' Chamber, is also a member of the Executive Committee of FICCI. Mr. Goenka has been the Chairman of the Board of the Company since 2006.



### Vimal Kejriwal, Managing Director & CEO M M

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

Mr. Vimal Kejriwal is the MD & CEO of KEC International Limited. He has been with the Company for more than two decades and has successfully led the Company towards profitable growth during his tenure.

Mr. Kejriwal has more than four decades of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking.

He serves on the Boards of KEC's wholly-owned operating subsidiaries, and Raychem RPG Private Limited, an RPG Group company. He is also an Executive Council Member of Indian Electrical and Electronics Manufacturers' Association (IEEMA). Mr. Kejriwal is a recipient of the prestigious 'CA Business Leader – Corporate' award for the year 2018, conferred by the Institute of Chartered Accountants of India.



### A.T. Vaswani, Independent Director C M M C

*Chartered Accountant, ICAI; Company Secretary, ICSI*

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



### Dilip G. Piramal, Independent Director

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

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

He is the recipient of several awards, including the 'Business leader of the year 2018' by Horasis: The Global Visions Community, an International think-tank based in Switzerland, and the 'Economic Times Polymers Lifetime Achievement Award'.



### G.L. Mirchandani, Independent Director

*Bachelor of Engineering (Mechanical), BITS Pilani*

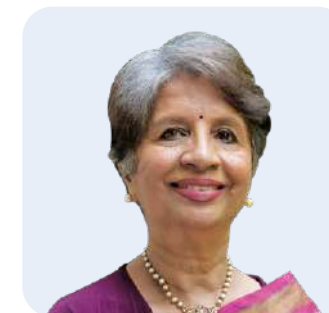
Mr. G.L. Mirchandani is an eminent industrialist and the Founder Chairman of the Onida Group. Mr. Mirchandani is on the Board of Fractal Analytics. He has served as a Chairman of the Bombay Chapter of the World Presidents' Organisation (WPO). He remains closely involved with the development of corporate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



### M.S. Unnikrishnan, Independent Director

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

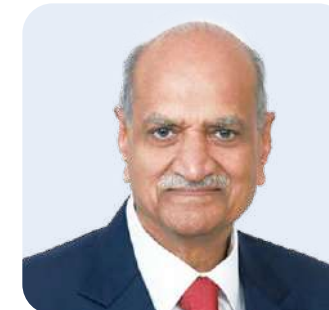
Mr. M.S. Unnikrishnan is the CEO of IITB-Monash Research Academy. He has previously held the position of MD & CEO of Thermax Ltd. He is the Chairperson of Research Council of Central Mechanical Engineering Research Institute, Durgapur. He serves as a director of IIT Palakkad Technology Innovation Hub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



### Nirupama Rao, Independent Director M M

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

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



### Ramesh Chandak, Independent Director M M C C M C

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

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


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

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

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


**Vikram Gandhi, Independent Director**

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

Mr. Vikram Gandhi is a member of the Faculty of the Harvard Business School (HBS) and is the Founder of Asha Impact, an impact investing platform addressing the critical development challenges in India and other emerging economies. Mr. Gandhi is a Senior Advisor to the Canada Pension Plan Investment Board and is a member of the Young Presidents Organization (YPO) since 1997. In his 26 years in Investment Banking, he has led various global teams at both Credit Suisse and Morgan Stanley.


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

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

Mr. Vinayak Chatterjee co-founded Feedback Infra Private Limited in 1990 and served as its Chairman from 1990 to 2021. Since stepping down from active management, he now devotes his time and energy to Infrastructure Policy, Advocacy and Capacity Building; and for this purpose has recently founded The Infravision Foundation, where he is a Managing Trustee.

Currently, he is the Chairman of the Confederation of Indian Industry's (CII's) 'Mission on Infrastructure, Trade and Investment'. He is on the Board of Apollo Hospitals Enterprise Limited and, LTIMindtree Limited amongst others and is a member of the Advisory Board of JCB India. He also serves as the Chairman of the Board of Governors of the Indian Institute of Technology, Dharwad and is on the Board of Indian Institute of Management, Simaur.

(C) Chairman    (M) Member    (A) Audit Committee    (N) Nomination and Remuneration Committee    (S) Stakeholders' Relationship Committee  
 (Y) Sustainability and Corporate Social Responsibility Committee    (R) Risk Management Committee    (F) Finance Committee

# Governance



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

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

The RPG Code of Corporate Governance & Ethics ('Code') that outlines the principles of Corporate Governance is applicable throughout the Company. While the Code covers important aspects such as Investor Relations, Ethics, Conflict of Interest, Equal Opportunities, Regulatory Compliance, Whistle Blower Mechanism, etc., the Company has specific policies on anti-bribery and anti-corruption, conflict of interest, equal opportunities, etc.

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


**Board of Directors**

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


**Board Committees**

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on diverse matters. Each Committee plays a very crucial role in the overall governance structure and deals with matters as mandated by the statutory regulations/terms of reference. Please refer to the Report on Corporate Governance on page no. 154 for more details.


**Managing Director & Chief Executive Officer (MD & CEO)**

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


**Executive Committee (ExCom)**

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

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

# Transmission & Distribution

## ELECTRIFYING HAPPINESS



We are one of the largest Power Transmission and Distribution EPC companies in the world, with a well-diversified presence in 70+ countries. We provide integrated solutions on a turnkey basis for Transmission Lines up to 1,200 kV, large size Substations – Air Insulated up to 1,150 kV, Gas Insulated up to 765 kV and Hybrid Substations up to 220 kV, and Underground Cabling up to 220 kV. Our projects have made electricity accessible to people in the remotest corners of the world and contributed to improving their quality of life.



During the year, the business witnessed significant traction in order intake and secured new orders of ~₹ 10,500 Crore.

We are known for successfully delivering complex projects under extreme weather conditions and inhospitable terrains, spanning raging rivers and oceans, deserts, mountains, snowfields, and cities. Our deep understanding of local markets combined with advanced design and manufacturing capabilities, strong execution and project management experience, and a pool of highly skilled professionals enable us to deliver outperformance year-on-year. We are currently executing 160+ Transmission Line, Substation and Underground Cabling projects and supplying towers to major utilities worldwide.

The Company has continued its growth trajectory in the T&D sector. During the year, the business witnessed significant traction in order intake and secured new orders of ~₹ 10,500 Crore. In line

with our strategy, we have forayed into technology intensive projects and have secured 765 kV and 400 kV Digital GIS substations and + 320 kV HVDC Converter Station in India.

As part of our diversification agenda, we continue to strengthen our capabilities in underground cabling projects in India and international markets. During the year, we successfully completed nine projects, which gives us the confidence to expand our portfolio in Underground Cabling market.

The standalone Tower supply business has secured orders of over ₹ 2,000 Crore in FY23. In a significant achievement, we have secured our first order from a USA based client for 10,000 MT tower supply. Our state-of-the-art, 50,000 MT tower manufacturing

facility in Dubai (KEC Towers LLC), with a focus on the high-growth Middle Eastern and African markets, has shown robust growth. It secured orders of over ₹ 550 Crore, including repeat orders from North Africa and South America.

KEC EPC LLC (for EPC services) is also executing multiple projects, both Transmission & Distribution and Underground Cabling, in UAE on a standalone basis and is further strengthening its regional presence. It is now qualified for all ADWEA projects and has received approval from GCCIA.

SAE Towers, our wholly-owned subsidiary is one of the most comprehensive in-house resource for transmission structures and related services in the Americas. The Company provides complete end-to-end solutions for building Transmission Lines and Substations across the Americas. It is also one of the largest producers of steel lattice transmission towers in the region and manufactures an extensive range of products that include poles, hardware, substation structures, and optical ground wire (OPGW) products & fittings. During the year, SAE Towers completed all the EPC projects, including four transmission lines spanning 900 km and three substations totalling to over 1,000 MVA in Brazil.

In our quest for execution excellence, building a future-ready World-Class Engineering Organisation is a key priority. We are working on building and strengthening our design capabilities along multiple streams to achieve 'first time right' designs, which are reliable as well as optimised. We are leveraging robotic process automation, artificial intelligence, and advanced analytical techniques that can improve design timeline and costing accuracy for tendering as well as execution.

Our success has been a result of:

- Cutting-edge design and engineering solutions for Transmission Lines and Substations
- Strong project management and execution capabilities
- Bespoke and efficient solutions to meet challenging customer needs



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

### FY 2022-23 Highlights

#### South Asia business (India and SAARC)

- Achieved robust order intake of ~₹ 4,900 Crore, a growth of over 60% over FY22
- Significantly bolstered Substation portfolio through orders of more than ₹ 2,300 Crore
- Strengthened portfolio by diversifying client base with new Private and Industrial customers; successfully ventured into emerging areas of Digital GIS Substations and HVDC terminal stations
- Successfully delivered 25 projects, commissioned 1900 CKM and more than 10,000 MVA substation capacity
- Received awards and appreciation for excellence in Quality and EHS across multiple projects of PGCIL, SEBs as well as private and other SAARC clients

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

- Delivered robust revenue growth of 68% over last year; achieved significant order intake of over ₹ 4,000 Crore
- Breakthrough growth in standalone tower supply business; strategic cooperation with large utilities in Americas and other private players

- Strengthened substation portfolio with substantial orders in Malaysia, Thailand and Burkina Faso
- Physically completed 15 transmission line and substation projects during the year in countries such as Malaysia, Thailand, Mali, Burkina Faso, Burundi, and Saudi Arabia, amongst others
- Recognised by clients across geographies such as Saudi Arabia, Oman, Malaysia, Uganda, and Togo as well as international organisations such as British Safety Council for Safety, Quality and Sustainability efforts

#### SAE Towers (Americas)

- Completed all EPC projects in Brazil - Commissioned four transmission line projects spanning 900 km and three substations totalling to over 1,000 MVA in FY23
- Strong order intake of over ₹ 1,500 Crore, a growth of 9% over last year; secured largest ever order with 32,500 Tonnes of Tower Supply
- Expanded hardware portfolio with fittings for OPGW, Cross-ropo steel wire and Stock Bridge Damping system

# Railways

LAYING THE TRACKS OF HAPPINESS



Hubli - Tinaighat Railway Electrification Project, Karnataka

KEC has a rich experience of over 50 years in the railway infrastructure EPC sector. We have emerged as a prominent EPC player in railways track laying, over-head electrification (OHE), civil infrastructure as well as technology intensive segments such as train collision avoidance systems (KAVACH) and signalling & telecommunications.



In FY23, we electrified 1,564 RKM, approximately 24% of India's railway electrification achievement, contributing towards the Indian Railways' 100% Electrification Mission.



Our proficiency in EPC project management has been the cornerstone of our success and has helped us attain a leadership position in several areas of the mainline railways segment. Our expertise covers a range of areas, including OHE, speed upgradation, traction substations, signalling & telecommunication systems, railway track laying, civil infrastructure works such as road over bridges, bridges, stations, and platforms, and technology intensive areas such as KAVACH (Train Collision Avoidance System), Automatic Block Signalling (ABS), tunnel ventilation, etc. We continue to build our capabilities in line with the technology evolution of the railways business.

In FY23, we electrified 1,564 RKM, approximately 24% of India's railway electrification achievement, contributing towards the Indian Railways' 100% Electrification Mission. Additionally, we have commissioned 198 RKM of track laying works during the same period. We are also one of the largest players in the upcoming speed upgradation projects with a major share in 2x25 kV OHE segment, which is one of the key enablers in increasing the speed of marquee trains such as Rajdhani, Duronto and Vande Bharat. The Company is presently working on 11 projects totalling 2,400 RKM of 2x25 kV upgradation under mission Raftaar.



Duhai Depot, Delhi-Meerut RRTS project

The business, this year, won orders in several new technology segments, including projects involving KAVACH and ABS, which will pave the way for enhanced safety and efficiency in the transportation sector. The business also focussed on widening the client base to include Central Railways (CR), South and Central Railway (SCR) and Western Railway (WR), reinforcing our commitment to provide top-notch solutions and services to meet unique needs of our clients.

We deploy innovative technologies in our projects to mechanise, digitise, and automate processes and procedures. We leverage the latest machinery to expedite project execution and implement advanced digital solutions such as AI, IoT, mobility, and analytics to improve CRS, debottleneck block hour activities, track train movements, optimise costs, and manage the workforce at project sites. These initiatives significantly enhance efficiency, safety, and quality, and deliver superior value to our clients.

We are leveraging synergies with our Cables as well as T&D businesses

to improve the competitiveness of our Railways business. We continue to develop new types of cables for the Railway segment to enhance our competitiveness and control over supply chain. We are also manufacturing galvanised steel structures for Railways at our tower manufacturing units.

Project Excalibur, the business transformation programme of the Railways business, is making great strides to enable growth in newer

segments and improve profitability. The programme continued to deliver significant results during the year, enabling the business to diversify into technology-intensive emerging segments and redesign its end-to-end business processes, including construction, procurement, and manufacturing practices. We are committed to sustaining our leadership position by pursuing growth opportunities and delivering excellence in our operations.



Third Line Between Mathura, Uttar Pradesh &amp; Dholpur, Rajasthan

## KEY HIGHLIGHTS: FY 2022-23

- Secured Order Intake of ₹ 2,900 Crore with a growth of 15% YoY
- Forayed into new technology segments such as KAVACH (TCAS) and Automatic Block Signalling (ABS)
- Expanded Client portfolio to include Zonal Railways - CR (Central Railway), SCR (South and Central Railway) and WR (Western Railway)
- Electrified 24% of India's railway network during the year, totalling to 1,564 RKM; commissioned railway track laying of 198 RKM
- Contributed to Mission Raftaar (2 x 25 kV Speed upgradation projects) - delivering 11 projects spanning 2,400 RKM
- Won the Construction Times' 'Best Railway Project of the Year' award for the Hubli-Tinaighat Railway Electrification project

## Civil

### CONSTRUCTING BUILDING BLOCKS OF HAPPINESS



Beneficiation Plant at Dariba, Rajasthan

Our Civil business focusses on EPC for world-class infrastructure in segments of buildings & factories, public spaces, water pipelines & water treatment plants, defence, data centres, and logistics & warehouses. The business is a key growth driver for the Company and is currently delivering over 70 projects across sectors.



During the year, the business received multiple repeat orders from existing clients, a testimony to the fact that KEC's Civil business has established itself as the preferred construction partner for major companies across the sectors of Cement, Metals & Minerals, Chemicals, etc.

The business has delivered a revenue of over ₹ 3,300 Crore, a remarkable growth of ~75% over last year, along with a staggering order book inflow of over ₹ 6,600 Crore during the year. The business is poised for a healthy growth in FY24 across all the sectors. In line with our diversification strategy, we have ventured into commercial buildings, logistics, and paints segment this year. The business has been awarded its first logistics park project by a Singapore based developer.

In the Water segment, the business maintained its leadership and bagged multiple orders in the state of Odisha

and Madhya Pradesh. In FY23, the Company has won its single largest value order ever, of more than ₹ 2,000 Crore, in Madhya Pradesh for water supply and distribution, as part of Government of India's Jal Jeevan Mission. We are proud to be constructing multiple Water Treatment Plants, hundreds of ESRs, and laying thousands of kilometres of pipelines to provide water connection to rural parts of the country.

The Company has strengthened its portfolio in the Industrial factories segment by securing EPC orders across different sectors. During the year, the business received multiple

repeat orders from existing clients - a testimony to the fact that KEC's Civil business has established itself as the preferred construction partner for major companies across the sectors of Cement, Metals & Minerals, Chemicals, etc. The business has also built substantial capabilities in installation of heavy electro-mechanical equipment and systems.

As the construction partner of choice for eminent real estate developers across the country, the Civil business has added more than 50 high rise residential towers to its portfolio since expanding into this segment. The Company has strengthened its presence in the real estate markets in Mumbai, Pune and Bengaluru. In line with the focus on diversification, the Company has been awarded its first Commercial IT Park Building from one of the largest Global Asset Management companies. The Company continues to focus on government buildings and has secured a order for construction of MLA Staff Quarters on EPC basis in Odisha in FY23.

In the fast-growing segment of Data Centre in India, the Civil business undertakes complete design to development projects. We are currently building four Data Centres with aggregate capacity of ~60MW with highest redundancies and state-of-the-art electro-mechanical systems and are well positioned to secure significant market share in this upcoming segment.

During the year, we have focussed on improving processes and execution capabilities for consistent delivery of projects ahead of schedule. We are also constantly working towards integrating mechanisation and digitalisation technologies in our processes to deliver excellence to our clients. Our dedicated efforts towards robust quality, EHS standards and ESG practices across projects has earned us numerous awards and appreciation from our clients in the industry.



Residential Project, Goa

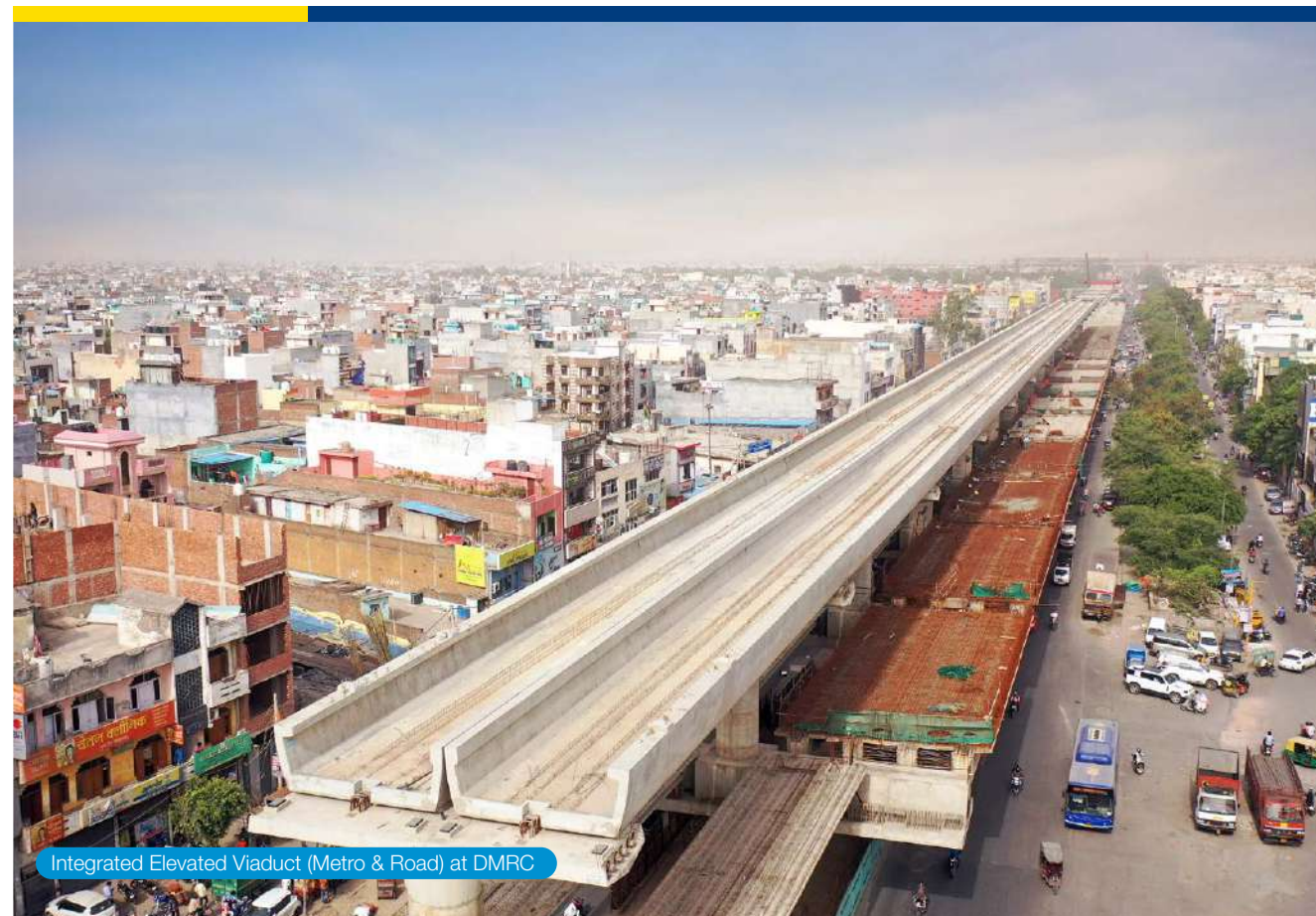


Water Intake Well in Bheden, Odisha

#### KEY HIGHLIGHTS: FY 2022-23

- All time high order intake of over ₹ 6,600 Crore, with a well-diversified portfolio
- Forayed into commercial buildings, logistics, and paints segments
- Expanded portfolio in Industrial sector with new orders from marquee clients in Cement, Metals & Minerals, and Paints; ventured into EPC projects
- Executing more than 35 high rise luxury residential buildings
- Secured single largest order of over ₹ 2,000 Crore in Water segment in Madhya Pradesh
- Building mega water supply infrastructure in states of Odisha and Madhya Pradesh; contributing to the Jal Jeevan Mission by constructing thousands of kilometres of pipelines, over 850 ESRs, 16 Water treatment plants for connections to more than 7 Lakh households
- Delivering four state-of-the-art Data Centres for public and private clients

## Urban Infrastructure DRIVING URBAN HAPPINESS



Integrated Elevated Viaduct (Metro &amp; Road) at DMRC

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



We continue to leverage advanced digital technologies such as BIM, including 4D and 5D to design and monitor projects, drones for topographical surveys and tracking real-time project progress and Ground Penetrating Radar (GPR) for utility detection, in addition to digital project management platforms and smart wearables.

KEC has established a strong footprint in the Metro segment with project value of over ₹ 7,500 Crore. During the year, we have strengthened our Urban Infrastructure portfolio with five new projects for overhead electrification, power supply systems, and ballastless track laying for metro customers. We have completed or have ongoing construction of viaducts and stations for 21 Metro and RRTS projects, for clients such as Delhi Metro Rail Corporation, Kochi Metro Rail Corporation, Chennai Metro Rail Limited, National Capital Region Transport Corporation, Madhya Pradesh Metro Rail Corporation, Gujarat Metro Rail Corporation, Mumbai Metropolitan Region Development Authority and Rail Vikas Nigam Limited. We have established seven

well-equipped casting yards and have developed superior expertise in erecting heavy precast superstructures using sophisticated equipment such as launching girders and high-capacity cranes.

In a significant achievement, the Pettah – SN junction stretch of Kochi Metro became commercially operational in FY23. KEC not only constructed viaduct and stations, but also ballastless track works for this project, all of which was completed within scheduled timelines. We are also close to completion of the RRTS (Rapid Rail Transit System) project, where NCRTC recently conducted a trial run from the Duhai at-grade station to the elevated station, marking a significant milestone in the



Casting Yard at Chennai Metro

project's development. The work is progressing well on the two Delhi Metro and two Chennai Metro projects, which are expected to ease congestion and heavy traffic areas of the cities. CMRL project includes delivering 1.2 km long integrated grade separator with one level each of metro viaduct and road. Our projects towards building a depot cum workshop for Bhopal Metro, and the Duhai depot cum workshop for RRTS have also made significant progress.

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

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



Vadakkekkotta Station, Kochi Metro Project, Kerala

### KEY HIGHLIGHTS: FY 2022-23

- Commercial operations started for KEC's first elevated viaduct (Kochi Metro), for which the Company had also executed ballastless track works
- Physically completed RRTS project – trial run conducted by NCRTC from the Duhai at-grade station to the Sahibabad elevated station
- Expanded presence in technology-enabled areas of Metro Electrification – OHE & Third Rail, Power supply systems, and Ballastless track works
- Secured five new orders for overhead electrification, power supply systems, and ballastless track laying for metro customers
- Worked with Global Management Consultants to develop best-in-class practices for accelerated execution of metro projects
- Received multiple awards such as International Safety Award from British Safety Council, CIDC Vishwakarma award for construction safety and environment, EHS Excellence award from CII, Greentech Environment award, etc.

## Oil & Gas Pipelines

FUELLING HAPPINESS



Station Piping Works at Sultanpur Jhajjar Pipeline Project

Our Oil & Gas Pipelines business focusses on the construction of Oil & Gas cross-country pipelines, station works, slurry pipelines in India as well as international markets. We have seamlessly completed integration of Spur Infrastructure Private Limited, acquired in FY22, streamlining the processes, systems & policies and assimilating the talent into KEC Spur Infrastructure Private Limited (name changed post-acquisition).



Further, as part of our diversification strategy, we are planning to foray into the international markets and are assessing potential partnership with international players in Middle East and African markets.

The business has gained confidence of its clients through KEC's track record of successful execution of multiple mega projects in domestic and overseas markets. Our integrated project management proficiencies ensure that we deliver our projects ahead of schedule with strict adherence to quality and safety. Over the year, the business has significantly augmented its capabilities to cater to the evolving needs of the oil and gas industry by focussing on building people, process, and technical competencies.

During the year, the business has achieved revenue of ₹ over 480 Crore, a staggering growth of 2.7 times over

last year. In a significant achievement, we have completed laying of 16" diameter gas pipeline, which enables us to bid for larger diameter pipeline projects. The business has also secured new orders of ~₹ 500 Crore during the year. In line with the diversification strategy of the Company, the business has ventured into station works development projects, which will further pave the way for entry into process plant projects at terminals and refineries. The Company is currently executing over 20 projects in oil & gas pipelines, slurry pipelines, and station development projects.



Pneumatic Testing at Kochi Salem Pipeline Project



Kandla Gorakhpur Pipeline Project, Gujarat

With a strong thrust from the Government on a gas-based economy coupled with our rich EPC experience of delivering linear projects spanning several decades, we are well-poised to service larger and more complex oil and gas projects. Further, as part of our diversification strategy, we are planning to foray into the international markets and are assessing potential partnership with international players in Middle East and African markets.

### KEY HIGHLIGHTS: FY 2022-23

- Delivered revenue of over ₹ 480 Crore, a significant growth of 2.7 times over last year
- Secured significant orders of ~₹ 500 Crore from PSUs such as IOCL, GAIL and IGGL
- Forayed into station work development projects
- Enhanced pre-qualifications to bid for larger diameter pipeline projects
- Demonstrated strong HDD (Horizontal Direction Drilling) execution capabilities with 32", 2.2 km HDD on Brahmani river in Odisha

## Cables POWERING HAPPINESS



Cables manufacturing facility at Mysuru, Karnataka

KEC Asian Cables offers an extensive range of cables across 90 countries. We specialise in manufacturing power cables, control & instrumentation cables, railway contact, catenary conductors, signalling & quad cables, telecom cables & special cables for wide range of applications. We have established ourselves as a brand synonymous with superior quality and reliability over the six decades of operation. We continue to diversify our portfolio by adding new products to tap into the growing cables market globally.



We are on track to develop and commercialise more products for the domestic and exports market in FY24.

The Cables business delivered robust order intake of over ₹ 1,700 Crore, a growth of 15% over last year. The business has achieved revenue of over ₹ 1,600 Crore on the back of higher sales in market segments such as Industrial, Oil & Gas, Metros, Railways, Data Centres, Telecom, etc. The business' focussed efforts to innovate on cable designs, drive operational excellence & cost optimisation coupled with continuous investments in manufacturing have resulted in enhanced profitability of the business. During the year, we have also backward integrated into manufacturing of PVC compounds to improve competitiveness and quality of products.

The Cables business continued its thrust on new product development at the two

state-of-the-art manufacturing units at Vadodara and Mysuru, both located in India. In line with our focus on developing new products that are niche and high margin cables, we have successfully developed and commercialised PV Solar cable, Cathodic Protection cable, Concentric cable, Flat Submersible cable, LV Hybrid cable, and Railway Signalling Power cable during the year. We have also developed green power and control cables that are RoHS (Restriction of Hazardous Substances) and REACH compliant. We are on track to develop and commercialise more products for the domestic and exports market in FY24.

The business continues to be a strategic partner for the Company's other SBUs to cater to captive demand.

This approach is significantly helping us to improve the performance of the Cables business and at the same time, enhancing competitiveness of our other business segments such as Railways Overhead Electrification, Urban Infra Power Supply Systems and Electrification, Solar, Substation and Underground Cabling.

The business continues to improve its portfolio mix of cabling projects, especially in the EHV and HT segment. The increasing demand for building modern and smarter cities and reliable power supply, especially in areas prone to extreme weather conditions, is driving the market for underground power cabling, where the business offers unparalleled expertise and experience.



Cables Manufacturing Facility at Vadodara, Gujarat

### KEY HIGHLIGHTS: FY 2022-23

- Delivered highest ever revenue, profitability, and order intake for the business
- Re-introduced "Asian Cables" brand to leverage upon a name well respected for its quality and reliability
- Achieved ~20% order intake growth in exports market
- Developed 10 new products such as PV Solar cable, Cathodic Protection cable, Concentric cable, Flat Submersible cable, LV Hybrid cable, Railway Signalling Power, etc.
- Continued to be a strategic enabler for KEC's other businesses with ~30% of captive consumption

### Product Portfolio



#### Power Cables

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



#### Control and Instrumentation Cables

- Control Cables: 1.1 kV
- Instrumentation Cables: Up to 1.1 kV



#### Telecom Cables

- Optic Fibre Cables
- ADSS Cables
- PIJF Cables



#### Railway Cables and Conductors

- Contact and Catenary Conductors
- Unscreened Railway Signalling Cables
- Quad Cable
- 3.3 kV, 25 kV and 33 kV Cables for Metro Rail & Tunnelling projects
- Dropper, Jumper, Feeder wires
- Earthing conductors (AEC, BEC and ACSR)
- Unscreened Armoured Power Cables
- Cu-Silver Contact Wire
- ACSR/AAC Overhead Conductors
- 24/48 OFC



#### Special Cables

- Solar Cables
- CPR Compliant FR Cables
- 110°C FR Cables
- Lead Sheathed LT Power and Instrumentation Cables
- Nylon Sheathed Terminate Resistant Cables
- Hybrid Cables
- Mining Cables
- Cathodic Protection Cables
- Concentric Cables
- Flat Submersible Cables

## Solar ENERGISING HAPPINESS



150 MWp Solar PV project for a private developer in Bhadla, Rajasthan

Our Solar business offers integrated EPC solutions for power generation and evacuation across large-scale ground-mounted and rooftop solar projects. KEC is one of the few companies with capabilities to execute large-scale projects of up to 600 MWp, including Single Axis Tracker technology and unique solar projects such as carports.



The Company expects to win a good share of these tenders, given our engineering-focussed solutions and proven execution capabilities. We also continue to explore EPC opportunities internationally in markets such as MENA, Africa, Latin America, and Southeast Asia.

The Company's experience of delivering transmission lines, substations and underground cabling projects across geographies, especially in challenging terrain, and long-standing relationships with utilities provides us with unique expertise to provide comprehensive concept-to-commissioning integrated solutions for solar power generation and evacuation. Our in-house manufacturing capacity of 12,000 MTPA of module mounting structures and special solar cables, with a firm focus on accelerated project execution enable us to create value for our esteemed clients.

In FY23, the business won its biggest ever 600 MWp tracker based solar order of over ₹ 750 Crore project. KEC aims to leverage this momentum for future growth and has established its presence in key solar hubs. On the domestic front, there is expected increase in tenders issued by central PSUs, thanks to supportive policies from both state and central governments. The Company expects to win a good share of these tenders, given our engineering-focussed solutions and proven execution capabilities. We also continue to explore EPC opportunities internationally in markets such as MENA, Africa, Latin America, and Southeast Asia.

### KEY HIGHLIGHTS: FY 2022-23

- Re-focussing on solar EPC market given expectations of significant investments in renewables and green hydrogen
- Secured largest ever solar order of over ₹ 750 Crore for 600 MWp tracker based project
- Successfully completed three operations and maintenance contracts, exceeding performance guarantees
- Strengthened partnership with various developers in domestic and international markets

## Delivering Outperformance

01

225 kV ZINIARE-KAYA OVERHEAD TRANSMISSION LINE, BURKINA FASO



### Scope

- Design, supply, and construction of 225 kV overhead transmission lines for SONABEL to connect substations of solar power generation plants and for reinforcing the national grid network
- A critical nation-building project supported by the World Bank to improve access to electricity and improve the reliability of supply

### Challenges

Burkina Faso is a land-locked country in Sub-Saharan Africa. World Bank has financed multiple projects in the country to improve its socio-economic situation, and this project is one of them. The 21-month contract for construction of 70 km line was awarded in December 2019. First challenge for the project team was the delay in site handover due to Right-of-way issues. Finally, the contract became effective after 18 months in June 2021. Thereafter, we faced two military coups in the country in a span of eight months (January 2022 and September

2022), right when project started physical work. The coups impacted the availability of local manpower, who were targeted for initial activities, as well as the security situation of the project personnel and workmen from outside the country.

### Outperformance

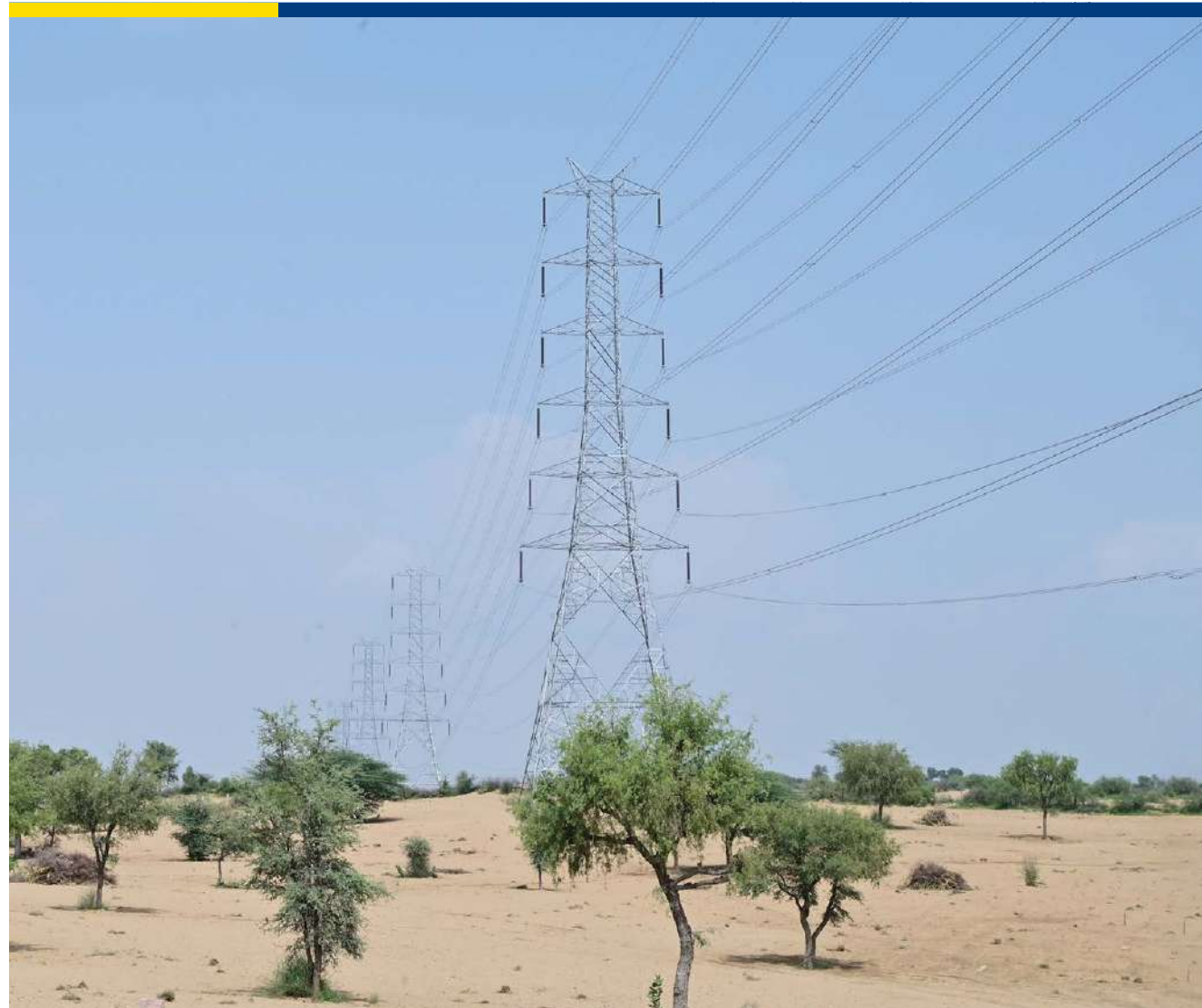
The project started in June 2021 only after rigorous pursuit with the utility for site handover and clearance of right-of-way issues. We focussed on fast tracking the construction activities to mitigate the political uncertainty. We were able to complete the

line within 17 months of initiating foundation work, despite the two intervening coups. Project Team focussed on effective contract management to accelerate execution and manage cash flows for the project. Our success in this project, which is also our first project in Burkina Faso, helped us to secure another order, a substation project, in the country.

### Project Status

Physical work completed in Q4 FY23

02

400 kV MC BIKANER KHETRI TRANSMISSION  
LINES FOR PGCIL**Scope:**

- Design, engineering, procurement and construction of 400 kV multi circuit transmission line associated with transmission scheme for evacuation of power from Solar energy zones in Rajasthan (8.1 GW) under Phase II Part F through Tariff Based Competitive Bidding (TBCB) route

**Challenges:**

A considerable portion of the transmission line passes through a vast desert in Rajasthan, creating challenges in the transportation of construction materials and labour to the project locations. In addition to the eight km of line that passes through dense forests, most of the locations are located at a notable distance from the main road, requiring significant manual effort for

transporting the necessary materials. Moreover, the stringing of the line involved crossing other high-tension power lines in the vicinity.

**Outperformance:**

Despite the numerous challenges faced, the team successfully completed and commissioned the project in line with the local clearances. This was achieved by adopting various

mechanisation initiatives such as cranes for tower erection and cables for alternative arrangements for high-tension shutdowns. The team maintained the highest level of quality standards throughout, resulting in client appreciation for implementing the best project management practices.

**Project Status:**

Project commissioned in Q1 FY23

03

400 kV BOGURA – KALIAKOIR DOUBLE CIRCUIT  
TRANSMISSION LINE, BANGLADESH**Scope**

- Design, Supply and Installation of 400 kV D/C Bogura-Kaliakoir Transmission Line Project (131 km), financed by EXIM Bank of India, for Power Grid Company of Bangladesh Limited (PGCB)

**Challenges**

The execution of the Bogura-Kaliakoir transmission line faces significant accessibility challenges. This is because 80 km out of total 131 km, passes through agricultural and marshy areas, as well as four different revenue districts. These factors have led to severe right-of-way (RoW) and accessibility issues, which have compounded material transport and execution challenges.

Additionally, approximately 21 km of the line passes through low-lying areas, which remain waterlogged for several months, limiting the working season.

**Outperformance**

Due to the extended monsoon season in Bangladesh from April to October, the project team had a limited window for project execution. Hence, the team

developed a comprehensive action plan, which involved carrying out construction in various sections simultaneously, while closely monitoring progress against established targets. Through careful planning and the allocation of additional resources, the team is on track for timely completion of the project.

**Project Status**

Expected completion in Q3 FY24

04

## 400 kV OVERHEAD TRANSMISSION LINE AND UNDERGROUND CABLING WORKS FOR BU HASA INTEGRATED FIELD DEVELOPMENT PROJECT, UNITED ARAB EMIRATES

**Scope**

- Design, supply, and construction of 65 km overhead transmission line with 419 towers and 23 km underground cabling work for Técnicas Reunidas

**Challenges**

Bu Hasa is one of the largest onshore oilfields in Abu Dhabi. This was KEC's first T&D project in an active oilfield. The oilfield had frequent sandstorms and moving sand dunes that posed a challenge for the construction activities. Moreover, working in an oilfield required interfacing with multiple agencies and subcontractors since activities such as pipeline works, oil production, oil rig movements, etc., were ongoing simultaneously in the same area. The underground cabling work was a complex piece of work with 69 rig-road crossings, 133 isolator switch installations and

2,000 cable terminations. Many safety requirements and practices, such as Road Safety Management Team (RSMT), separate permits for every activity including housekeeping, etc., were required.

**Outperformance**

The project team did an excellent job in terms of planning and coordination with all stakeholders, obtaining all requisite clearances, pre-qualification of sub-contractors, manpower and asset mobilisation etc. Rigorous and frequent safety trainings were done for the site team to ensure safety as well as continuous progress of work. As a

result of all these practices, KEC team was able to achieve higher productivity, especially in piling and tower erection, compared to other sub-contractors deployed by the client. The successful completion of the project has given a significant boost to the team morale as well as available opportunities in the region. The client has already awarded additional OHL works in the same oilfield to KEC. We expect to leverage this experience for more project opportunities coming up in oilfields.

**Project Status**

Physical work completed in Q4 FY23

05

## UPGRADATION OF THARAMANI 230 kV INTO 400 kV GIS PROJECT

**Scope**

- Supply and Installation, on turnkey basis, for upgradation of existing Tharamani 230/110/33 kV substation into 400/230-110/33 kV GIS substation for Tamil Nadu Transmission Corporation Limited (TANTRANSCO)

**Challenges**

The project involved the construction of buildings and interconnecting Transformer/Reactor foundations, along with associated infrastructure such as cable ducts, roads, and drainage, all within a 3.7-acre area. This presented difficulties not only in the design phase but also in terms of storage of material. The project site is situated in a prominent IT hub in Chennai. It was challenging to transport using heavy vehicles, due to the presence of IT parks and residential areas in the vicinity. The construction area was surrounded by a live 110/230 kV substation, necessitating the highest level of safety precautions.

**Outperformance**

Our team successfully executed the substation project in the heart of the Chennai IT hub through effective planning and management. We followed just-in-time principles to bring in materials for the project site, in line with our erection plans, thereby overcoming transportation and storage challenges. Major concrete and erection works were carried out exclusively during night hours. The project design was optimised to accommodate all necessary structures within the compact location. We implemented fibre reinforced plastic barricading to isolate the existing

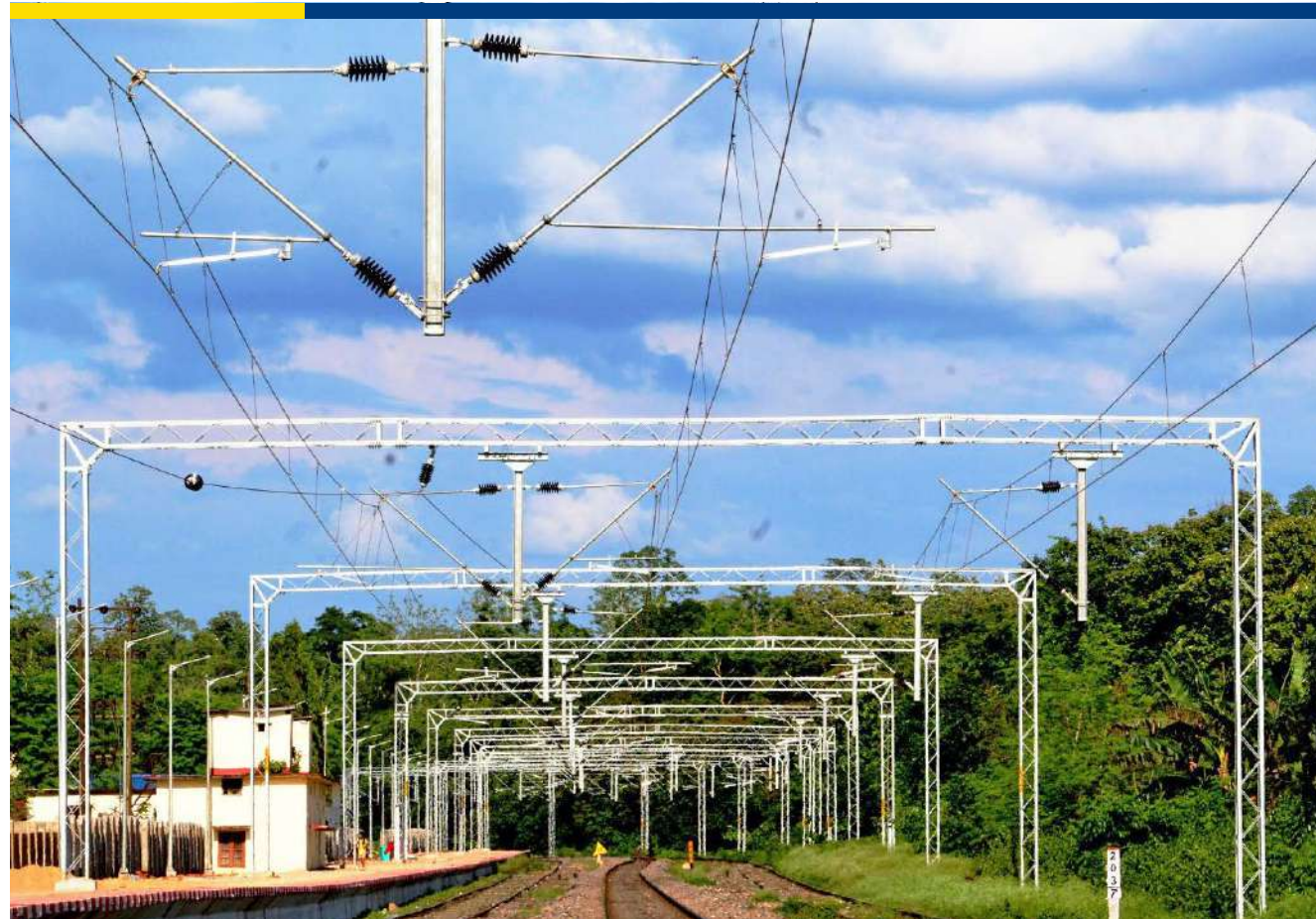
substation from the working area, and prevent unauthorised access to the energised substation, minimising any electrical safety incidents. The use of tower crane, concrete boom placer, and aluminium box shuttering played a crucial role in ensuring efficient and accelerated construction.

**Project Status**

Expected completion in Q2 FY24 (230 kV GIS commissioned in Q4 FY23)

## 06

## ENGINEERING, PROCUREMENT AND CONSTRUCTION OF RAILWAY ELECTRIFICATION WORK FOR NORTHEAST FRONTIER RAILWAY (NFR) (PACKAGE NO. 6)



## Scope

- Design, procurement and construction of Overhead Electrification (OHE), Power Supply Installation (PSI) and Signalling & Telecom Works for Lumding – Dibrugarh Via Tinsukia and Simaluguri – Dibrugarh Sections (497 RKM/650 TKM)
- Construction of Traction substation, Sectioning Post (SP)/Sub-Sectioning and Paralleling Posts (SSP), Tower Wagon Shed, OHE/PSI Depots, Service Buildings & Staff Quarters

## Challenges

The first challenge was conducting a survey that spanned over 650 km through a remote and forested area in the Northeast Frontier regions of Assam and Nagaland. Specification changes, proposal for future doubling across the entire project alignment and delay in location finalisations, led to multiple design iterations. Power Block was unavailable to execute the Overhead Electrification Work, and there was a lack of environmental clearances for the Gibbon Sanctuary at Hollongpur for

endangered species. Additionally, there are Right Of Way (RoW) concerns as a road runs parallel to the railway line for 79 TKM of the section from Tinsukia to Dibrugarh, making it impossible to erect any masts. On the other hand, doubling is recommended on the opposite side of the track, and it is challenging to plan for the same when the position for the OHE Masts has not been decided.

## Outperformance

Dedicated design and liaising teams were deployed to expedite the project

design and accelerate the RoW clearance. Execution team used BFR mounted batching plant to speed up the OHE Foundation work, and rail cranes for the overhead electrification work. We have successfully mobilised multiple subcontractors despite the difficult terrain and multiple ongoing infrastructure projects in the region. We are on track to complete the project in a timely manner.

## Project Status

Expected completion in Q4 FY24

## 07

## INSTALLATION OF TRACKWORK FOR MUMBAI METRO LINE 2B AND MANDALE DEPOT



## Scope

- Design, supply, installation, testing, commissioning of standard gauge ballastless track in main line from Chembur to Mandale and ballasted, ballastless & special track works in Mandale depot of line-2b for MMRDA

## Challenges

The project faced significant initial obstacles and local resistance. Transportation of vehicles and equipment through forest areas required additional approvals. One of the most challenging aspects of the project was the non-standard requirement for a buffer stop with a sliding distance of 5 metres, previously unseen in any metro projects in India. Typically, rolling stock arrives after 75% of the depot track construction has been completed.

However, in this project, the rolling stock is arriving before the depot track work has even begun. Hence, fast track execution is a very critical aspect of the project.

## Outperformance

Our team proactively engaged with forest officers for approvals and planned tree re-plantations to mitigate the adverse impact on the local eco-system. We worked with the local community and have provided employment

opportunities to them through subcontractors, thus contributing to the socio-economic development of the area. The non-standard buffer stops were identified to have been previously used in some UK metro projects. We are currently working with suppliers to those projects on the necessary designs. We are targeting accelerated completion of the track for receiving the rolling stock.

## Project Status

Expected completion in Q3 FY24

08

## PROVISION OF THIRD LINE BETWEEN GUDUR JUNCTION AND BITRAGUNTA JUNCTION ON VIJAYAWADA DIVISION OF SOUTH CENTRAL RAILWAY, ANDHRA PRADESH

**Scope**

- Construction of roadbed, major & minor bridges, Road Under Bridges (RUB), platforms, buildings
- Supply of ballast, supply & installation of track (excluding supply of rails and track sleepers), electrical (general electrical), provisions of OHE, signalling and telecommunications works in connection with 3rd line

**Challenges**

Project scope includes the construction of a 2.28 KM Rail Over Rail (ROR) to bypass four important and major bridges and two minor bridges. This marks the first ever construction of a ROR in the history of India railway. The ROR will also serve as a third line for crossing from Up Line to Down Line. The novelty of ROR itself makes it a challenging and aspirational project. Besides this, earthworks formation and construction of 17 major bridges posed a significant challenge for this project. Many of the

piles had to be constructed close to operational tracks, which compounded the project complexity.

**Outperformance**

KEC team leveraged its technical knowledge, collective experience, and exceptional planning to complete the project ahead of schedule. 10 piling rigs were deployed to complete the entire piling work of 515 piles within a short period of six months. We employed sheet piling techniques to successfully execute the piling

works located in close proximity to operational tracks. We actively collaborated with the subcontractors to minimise impact on the earthwork formation works.

We successfully completed the project ahead of stipulated milestone period, and hence also succeeded in receiving a bonus of three months.

**Project Status**

Completed in Q2 FY23

09

## RUBBER AND SPECIALISED CARBON BLACK PLANT, INCLUDING CAPTIVE POWER PLANT AT THIRUVALLUR DISTRICT, TAMIL NADU

**Scope**

- Construction of general civil & infrastructural works including land development, process structures, plant and non-plant buildings and infrastructure works (road and storm drains) for the greenfield project at Thiruvallur, Tamil Nadu

**Challenges**

Spread across 60 acres with plant build up area of 30 acres and 50 structures, and a project timeline of 14 months, this project was highly complex in terms of planning and mobilisation of resources. The project also witnessed iterative design progress during its lifecycle because of the mandatory Interface dependency works sequence, compounding the execution challenges. Given the project was kickstarted post-COVID in October 2021, workforce

mobilisation and retention was a significant roadblock during the initial days. The project is situated in a remote location, which presented further challenges to equipment availability and mobilisation.

**Outperformance**

This project was mobilised in a record time of 21 days. The project team put in place a robust resource strategy, which helped maintain a consistent workforce of 850 workmen throughout

the project life cycle. We delivered on both safety and quality fronts - clocked 2.2 million safe manhours with zero reportable incidents and achieved high quality product with highest customer satisfaction on the deliverables. Project team also received appreciation letter from client for the same. Carbon black production at the facility has already been commenced.

**Project Status**

Plant commissioned in Q4 FY23

10

HIGH RISE RESIDENTIAL TOWERS IN PUNE,  
MAHARASHTRA

## Scope

- Core and shell work for 15 high rise buildings with 2,964 flats and a total built-up area of 3.78 million sqft

## Challenges

The project commenced during the peak pandemic period amidst lockdown conditions and travel restrictions in railways, hampering mobilisation of workmen and resources such as machinery and raw materials. Strict adherence to COVID-19 rules post lockdown relaxation, including workmen health check-up, testing and quarantine protocol, social distancing norms posed significant challenges to project progress. These were compounded as second wave of the pandemic came along affecting workmen retention. Uncertainty on design for multi-level parking structure added to the project planning and mobilisation complexity.

The project team also had to navigate through significant local law and order challenges.

## Outperformance

The project team successfully mobilised 6,500 workmen throughout the project life-cycle, despite COVID-19. We arranged special transportation for the workforce to ease their commute to the project site and set up a well-established workmen camp with facilities such as quarantine room, grocery shop and staff guest houses, etc., to create a lively and safe working environment. Special task force was deployed to take care of co-ordination challenges and ensure delivery in line

with schedule. Comprehensive focus on health and safety of our workforce supported the team to deliver 4.0 million safe manhours. The project achieved a slab cycle of five days in sectors R3 & R4, and was acknowledged and appreciated by the client.

Despite the disruptions due to global pandemic, this project got fastest Occupancy Certificate ever across all projects of the client.

## Project Status

Two Sectors completed and handed over to client.

Balance work expected to be completed by Q2 FY24

11

RURAL PIPED WATER SUPPLY PROJECTS,  
JAJPUR DISTRICT, ODISHA

## Scope

- Part of Central Government's Jal Jeevan Mission, project will supply water to over 60,000 households in Jajpur district
- Engineering, Procurement & Construction of various structures for water intake, treatment and storage, laying of Pipeline for distribution and household connections for RWSS (Rural Water Supply & Sanitation) Odisha

## Challenges

The project involves construction of two intake wells in Mahanadi River, two water treatment plants and 77 elevated storage reservoirs, and laying of 1,391 km of distribution pipeline, which will provide water to 60,111 households. Given the vast expanse of the project, statutory permissions and right-of-way management has been a major challenge. The pipelines pass through agricultural fields and cross national/state highways. Approvals and

clearances need to be sought from multiple government bodies as well as gram panchayats. Many sites within the project are at remote locations and have accessibility issues. Odisha also experiences severe heat waves during summer and heavy thunderstorm during monsoons leading to flooding in Mahanadi River, including at the intake location. The state of Odisha currently has multiple ongoing water projects resulting in a challenging environment in terms of sub-contractor and workmen availability.

## Outperformance

Project team interacted with multiple government departments namely PWD (Public Works Department), R&B (Roads & Building Department), National & State Highways, Indian Railway, Irrigation Department, State Electric Department, State Water Resource Department, Revenue Inspectors & Tahsildars to ensure we had all the requisite permissions. A dedicated representative was appointed to liaison with government organisations and maintain up-to-date documentation for timely approvals. Dedicated local team was deployed to have effective communication with villagers for collection of documents such as Aadhaar Card for authentication of household connection.

Execution work was also scheduled keeping in mind local weather so that work could progress in a timely manner without adversely affecting the health of workmen. KEC deployed multiple subcontractors at various locations so that execution progresses at a fast speed. Mechanisation was effectively leveraged to boost productivity. We deployed lifting equipment to speed up concrete works for more than 10m height and used Horizontal Directional Drilling (HDD) to avoid damage to roads and smooth pipe laying for longer stretch.

## Project Status

Expected completion in Q4 FY24

12

DATA CENTRE PROJECT IN HYDERABAD,  
TELANGANA**Scope**

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

**Challenges**

This greenfield project is spread across 30 acres with nine acres of build-up area in a restricted corridor, making movement of manpower, machinery and raw materials a challenging task. Project site is also at a location where groundwater table is very low and bringing in water from outside was a resource and productivity challenge. The project witnessed design changes during execution, compounding the challenge of integrating design and interface management. Resource deployment was a tough task during COVID 1st and 2nd waves and added to the challenges of water availability at a massive work-site.

**Outperformance**

KEC deployed dedicated representatives who meticulously planned for and sought approvals from government authorities and ensured seamless execution. Successful design interventions, e.g., use of Autoclaved Aerated Cement (AAC) blocks instead of cement concrete blocks, were made with client approval, to reduce the need for water (AAC blocks require less water for construction and do not need curing). During COVID-19, project team successfully mobilised all the resources with a special focus on following COVID protocols and ensuring adequate storage of food and water for the workforce. Separate sheds

were made for storage of construction materials to avoid unforeseen lead time and lockdown delays. Multiple mechanisation initiatives, such as rock breakers and rock drilling compressors, were introduced to boost productivity. Proper design and planning of each activity was done to overcome the challenging integration of civil and MEP work related services.

**Project Status**

Physical work completed in Q4 FY23

13

CONSTRUCTION OF DEPOT CUM WORKSHOP NEAR DUHAI RRTS STATION  
OF DELHI – GHAZIABAD – MEERUT RRTS CORRIDOR**Scope**

- Construction of depot cum workshop at Duhai including administrative offices, workshops, inspection bays, a test track, train parking and maintenance facilities, elevated ramp along with one at grade RRTS station for NCRTC (National Capital Region Transport Corporation)

**Challenges**

The first major hurdle for the project was land acquisition, followed by filling of four Lakh cubic meter of borrowed earth. The site team also had to plan for the installation of numerous combined services inside the depot before executing any type of construction work. These, along with COVID-19 disruptions, presented unforeseen obstacles for the team during the project. The 17 km priority stretch of

Delhi-Meerut-Ghaziabad corridor is planned to be operated from the Duhai depot, making this project very critical for the client.

**Outperformance**

Project execution team worked at war footing at multiple work-fronts for timely handover to the system provider for conducting trial runs of the metro. The project team delivered the 11 stabling lines for the metro ahead of schedule,

ensuring that the trains have sufficient parking and maintenance facilities at the depot. Despite facing several challenges such as the ongoing COVID-19 pandemic, land acquisition, etc., the project team worked tirelessly to ensure that the depot and its facilities were completed on time.

**Project Status**

Physical works completed in Q1 FY24

14

ELEVATED METRO RAIL PROJECT IN CHENNAI,  
TAMIL NADU**Scope**

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

**Challenges**

This project's alignment is along very busy, highly congested roads of the city amidst residential and commercial areas, with a significant stretch also under forest department. Major challenge in the project is creating an encumbrance-free workfront for piling and precast element erection works. This includes a significant number of charted and uncharted utilities above as well as below the ground, sewer and water lines of sizes varying from 100 mm to 1200 mm diameter and depth varying from 2 m to 5 m, communication cables of both public and private companies as well as encroachments all along the alignment. The narrow width of roads allows construction in a very restrictive manner. Existence of previously unknown Grade I and Grade II rock strata in a significant stretch has also

been a major challenge for construction productivity. Additionally, transportation of pre-cast elements from our casting yard at Vandalur to erection locations, which are ~30 km away, has also been a challenge.

**Outperformance**

The project team has taken up the diversion of utilities in coordination with the concerned utility owner within a short span of time and without creating trouble to the public through stringent follow-ups with authorities. We have also successfully managed the negotiation and works for demolition of the obstructing buildings along a 2 km stretch to ensure smooth work progress. We have set up a team, well versed in local language, culture and processes to fast-track the permissions, manage traffic diversions and resolve local

issues. For transportation of elements from Vandalur casting yard, we resolved the challenge by discussing with the traffic authorities for demolition of certain portion of median and relocating the signages at some locations, and by training the axle drivers. Project team has explored different rock cutting tools and tricone drilling bits to boost productivity in areas where Grade I and Grade II rock strata has been found.

Thanks to concerted efforts by the project team, we have completed the elevated viaduct stretch from Porur to Poonamallee. We have already commenced the handing over of viaduct for track laying works ahead of all other contractors.

**Project Status**

Expected completion in Q3 FY24

15

JAJPUR – PARADIP IRON ORE  
SLURRY PIPELINE PROJECT, ODISHA**Scope**

- Laying, testing, and commissioning of 32" diameter, 129 km long iron ore slurry pipeline

**Challenges**

The pipeline route is along the National Highway, which has significant encroachments. Additionally, 80% of the route passes through locally sensitive areas. This project corridor also includes ~50 km stretch in paddy fields. Moreover, the rocky terrain makes not just trenching activities extremely difficult, but also needs soft soil sourced externally for backfilling purposes. The project scope includes HDD (Horizontal

Directional Drilling) of a cumulative length of ~7 km, out of which 2.2 km HDD for Brahmani River must be completed in a single shot.

**Outperformance**

Multiple pipeline crews have been deployed for various sections to carry out work simultaneously, so that client timelines can be met. Prior to beginning of construction activities, the team leveraged drones to survey

the complete pipeline route including critical crossings, encroachments, and terrain. A thorough geotechnical survey was done for 2.2 km long Brahmani River HDD crossing and 500 T HDD rig mobilised to complete this difficult stretch. Project team's concerted efforts is leading to smooth progress of the project.

**Project Status**

Expected completion in Q1 FY25

## Our Green Portfolio

Our endeavour has been to promote sustainability by developing and establishing businesses that efficiently use natural resources and other forms of capital. This helps ensure a positive transformation in the lives of people and communities.



### Transmission & Distribution



- Energy transportation in an effective and efficient manner with minimal carbon footprint
- Promoting transmission of clean and reliable renewable energy through Green Energy Corridor (GEC) projects
- World-class engineering solutions that optimise utilisation of resources



### Civil



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



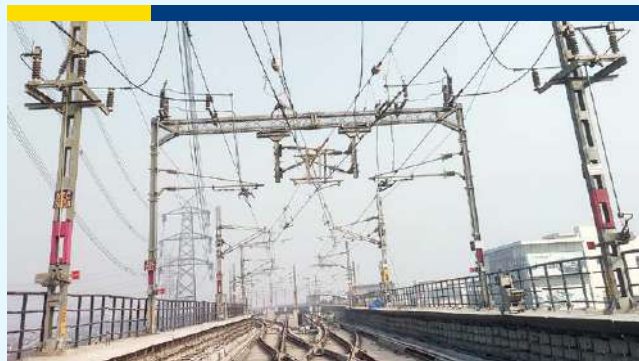
### Railways



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



### Urban Infrastructure



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



### Solar



- Constructing large solar-based power generation plants, which have one of the lowest lifecycle emissions
- Reducing dependency on fossil fuels through advanced industrial solar solutions



### Oil & Gas Pipelines



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



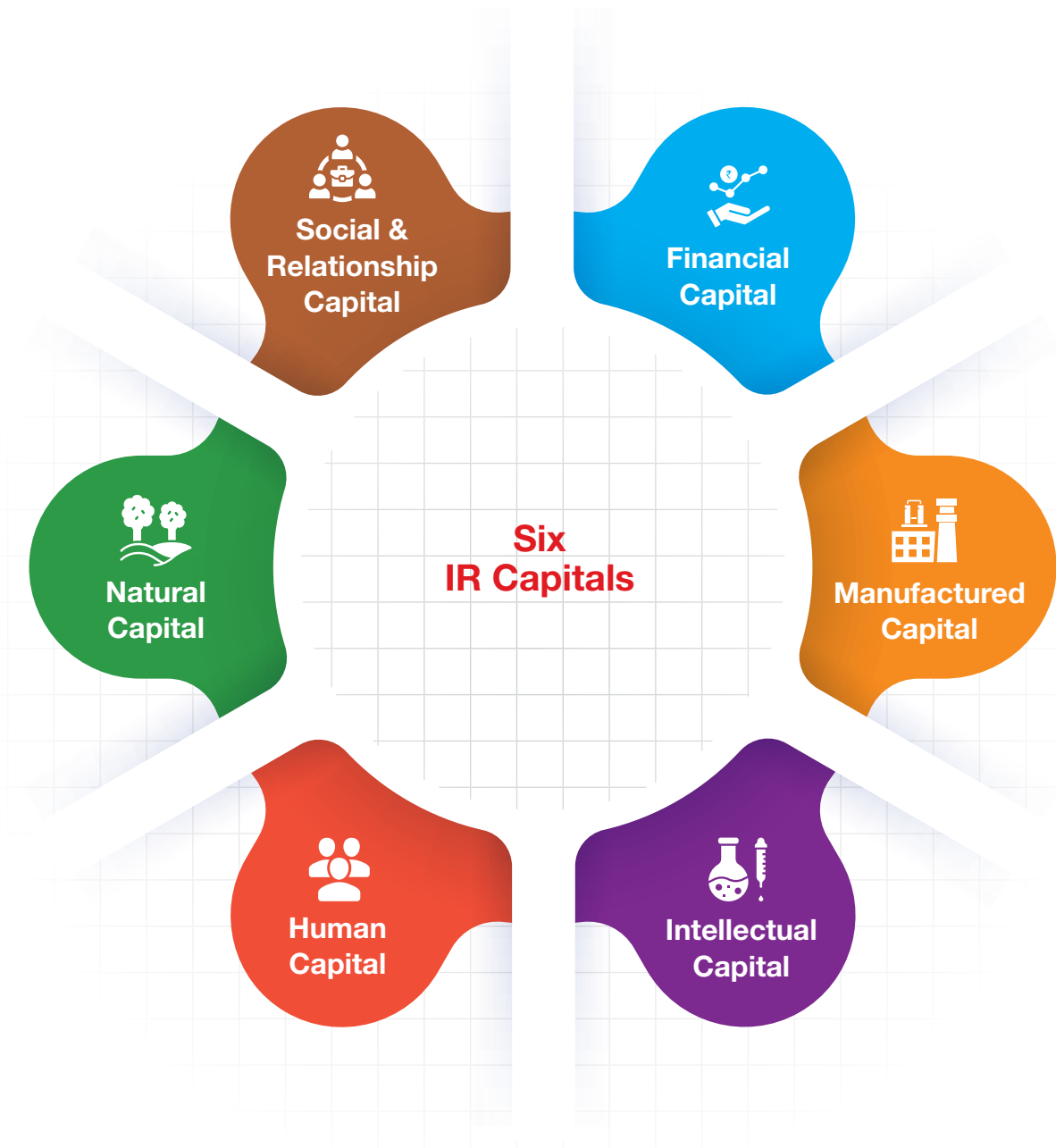
### Cables



- Reducing transmission losses through energy efficient cable designs
- Providing underground cabling solutions to improve land utilisation
- Minimising raw material consumption by developing innovative cable designs and solutions
- Enhancing safety and saving energy for end-users by manufacturing advanced and energy efficient conductors

## Brief Description of the Six IR Capitals

The six capitals, which form the basic constituents for all our businesses are the key to KEC's success. These capitals are transformed due to business activities thereby creating value for all our stakeholders in the form of business performance and outcomes.



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



Financial Capital

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



Manufactured Capital

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



Intellectual Capital



Human Capital



Natural Capital



Social & Relationship Capital

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

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

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

# Our Business Model

Enduring value through sustainable outperformance



# Stakeholder Engagement and Materiality

## KEC's approach towards sustainability

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

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

KEC, as a responsible corporate citizen, believes that Sustainability and ESG (i.e. Environmental, Social, and Governance) are critical pillars of its purpose and are vital links for building resilience and creating long-term value in and around the whole organisation. In line with this, KEC has launched a Sustainability Policy, which clearly highlights the Company's sustainability aspirations, targets, and strategic roadmap.

## ESG & Sustainability Structure

The Company's ESG and sustainability policies and structure is driven under the supervision of the Board of Directors. The Board of Directors are responsible for approval of the sustainability policy and ensure ESG practices are aligned and incorporated into the Company's long-term vision towards sustainability.

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

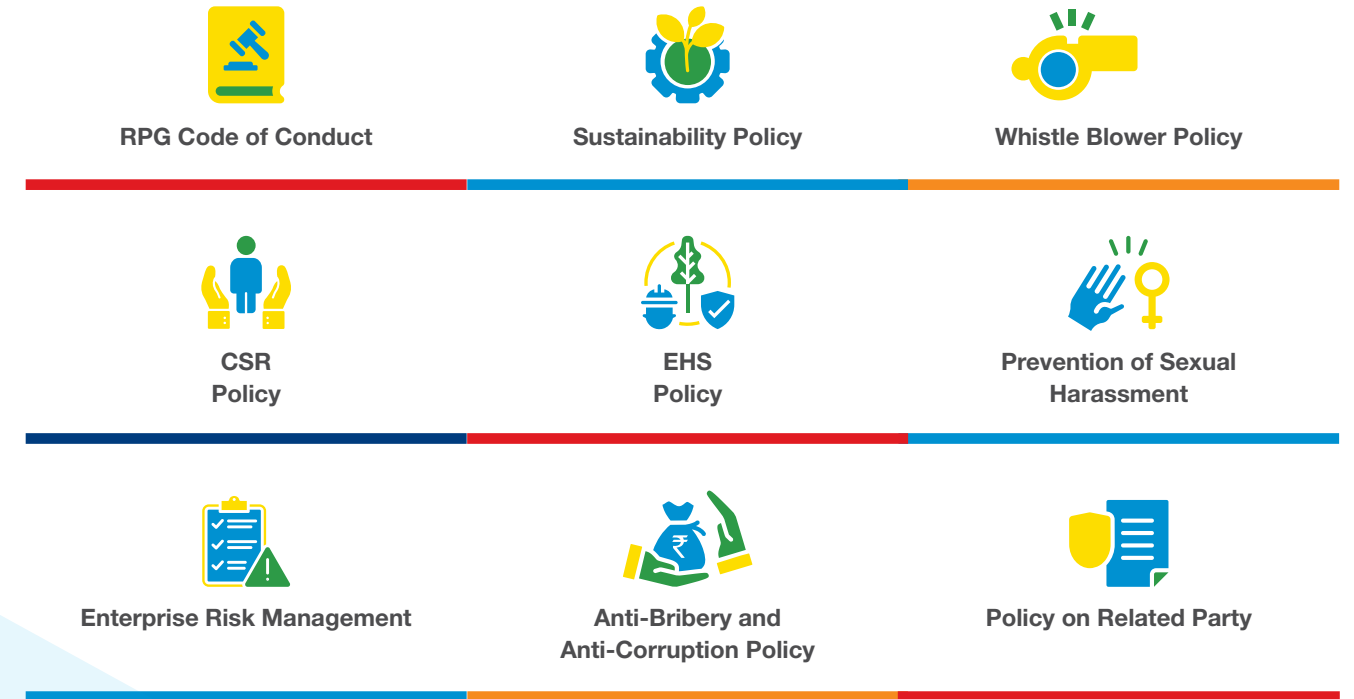
At the Corporate level, the Executive Committee (ExCom), which comprises the Senior Management team, is responsible for overseeing the progress on ESG and sustainability agenda and ensuring implementation and adherence to the sustainability roadmap.

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

## Structure



## Important Policies - Governance



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

## KEC's Commitment to ESG

In FY21, we undertook an exhaustive engagement to develop our strategic sustainability roadmap that enumerated our aspirations and action plan towards sustainable business transformation. This included an extensive stakeholder engagement and materiality analysis exercise that led to the identification and prioritisation of material topics as well as sustainability initiatives for the Company.

In the last few years, we have taken greater strides in deployment of several initiatives across ESG and Sustainability focus areas. Our progress on this front has been well appreciated, which is reflected in the improvement of our ESG Rating by S&P Global DJSI and Morningstar Sustainability.



## Stakeholder Engagement and Materiality

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

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

| Stakeholder Groups                                                                                                                        | Engagement Objectives                                                                                                                                                                                                                                                                                                  | Engagement Mechanisms and Frequency                                                                                                                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <br><b>Employees</b>                                     | <ul style="list-style-type: none"> <li>Share the Company's vision, short-term and long-term goals, workplace needs and expectations</li> <li>Understand their career ambitions, job satisfaction parameters, support career growth, employee well-being, training &amp; development, and Employee Happiness</li> </ul> | <ul style="list-style-type: none"> <li>Structured appraisals, career path guidance, training programmes, employee rewards, recognition, development programmes</li> <li>Townhall meetings with leadership</li> <li>Happiness survey and corresponding focussed-group discussions</li> </ul> |
| <br><b>Vendors</b>                                      | <ul style="list-style-type: none"> <li>Share mutual expectations and needs about quality, cost and timely delivery, growth plans</li> <li>Share best practices</li> </ul>                                                                                                                                              | <ul style="list-style-type: none"> <li>Periodic one-to-one interactions</li> <li>Engagement meets</li> </ul>                                                                                                                                                                                |
| <br><b>Customers</b>                                   | <ul style="list-style-type: none"> <li>Develop a sustained relationship</li> <li>Understand short and long-term expectations</li> </ul>                                                                                                                                                                                | <ul style="list-style-type: none"> <li>Regular one-to-one interactions with key customers</li> <li>Interactions at customer touchpoints</li> <li>Satisfaction surveys and/or feedback</li> <li>Trade fairs &amp; exhibitions</li> </ul>                                                     |
| <br><b>Investors &amp; Analysts</b>                    | <ul style="list-style-type: none"> <li>Understand concerns and expectations</li> <li>Drive value creation</li> </ul>                                                                                                                                                                                                   | <ul style="list-style-type: none"> <li>Regular dissemination of financial &amp; non-financial performance through published reports and media interactions</li> <li>Investor meets and calls</li> <li>Shareholders' meetings</li> <li>Investor grievance channels</li> </ul>                |
| <br><b>Local Community and NGOs &amp; CSR partners</b> | <ul style="list-style-type: none"> <li>Develop and support local communities and economies</li> </ul>                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>Structured CSR initiatives</li> <li>Focussed-group discussions with the community</li> </ul>                                                                                                                                                         |
| <br><b>Media</b>                                       | <ul style="list-style-type: none"> <li>Communicate the Company's vision, brand, and developments to all stakeholders for further transparency</li> </ul>                                                                                                                                                               | <ul style="list-style-type: none"> <li>Regular dissemination of Press Releases and media interactions by senior management</li> </ul>                                                                                                                                                       |

## Materiality Assessment

As a rapidly progressing organisation, the material issues that surround KEC are highly dynamic, which requires the Company to constantly monitor and assess them in order to ensure its continued success. For KEC, materiality assessment is an approach that helps the Company in identifying significant economic, environmental, and social issues. The assessment

helps us to better understand the sustainability landscape, which enables the Company to focus and act on the issues that are in the highest order of priority for the business. It is a dynamic process which continuously incorporates important topics, new challenges, stakeholder inputs and is compiled periodically.

The outcome of this materiality exercise is presented below:

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

Risks and Opportunities

KEC operates in a highly volatile and complex macro environment that requires the Company to constantly identify, assess and monitor the risks that surround its business and develop ways to respond to these challenges to ensure long-term success of the organisation. KEC has a robust risk management framework to monitor the business activities and review systems periodically to ensure they are in line with the current internal and external

environments. Through a dedicated risk management structure, the Company endeavours to create lasting value for all its stakeholders while remaining resilient to unprecedented events.

For more details on Risk Management, please refer 'Management Discussion & Analysis', page numbers 98 to 119 of this report.

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

| Identified Risk                                      | Capitals Impacted                                                                                                                                                                                                                              |
|------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Geopolitical Risks                                   |  <b>Social and Relationship Capital</b><br><b>Financial Capital</b>                                                                                           |
| Commodity Price Variations and Currency Fluctuations |  <b>Financial Capital</b>                                                                                                                                     |
| Execution Challenges                                 |  <b>Manufactured Capital</b><br><b>Intellectual Capital</b><br><b>Financial Capital</b><br><b>Natural Capital</b><br><b>Social and Relationship Capital</b> |
| Cyber Security Risk                                  |  <b>Financial Capital</b><br><b>Intellectual Capital</b>                                                                                                    |
| Pandemic Risk                                        |  <b>Human Capital</b><br><b>Social and Relationship Capital</b><br><b>Financial Capital</b>                                                                 |
| Demand Risk                                          |  <b>Social and Relationship Capital</b><br><b>Manufactured Capital</b><br><b>Financial Capital</b>                                                          |
| Succession Planning Risk                             |  <b>Human Capital</b>                                                                                                                                       |
| Interest Rate Fluctuation Risk                       |  <b>Financial Capital</b><br><b>Manufactured Capital</b>                                                                                                    |

Sustainability Roadmap 2026 - Performance

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

In FY21, as a part of our sustainability roadmap, we have set measurable targets after extensive consultations with all our stakeholder groups. A detailed materiality assessment and benchmarking exercise had been conducted before narrowing down to our sustainability focus areas. We have made significant progress across most of our targets as enumerated below:

|                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                        |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <b>Happiness Quotient</b><br><b>Target:</b><br>Increase Happiness Quotient to 85% by FY26<br><b>Status:</b><br>Happiness Quotient for FY23 has increased to 81% vis-à-vis 80% for FY21                                  |  <b>Diversity &amp; Inclusion</b><br><b>Target:</b><br>Increase in diversity by 25% by FY26<br><b>Status:</b><br>Diversity has increased by 39% in FY23 vis-à-vis FY21                                                      |  <b>Occupational Health &amp; Safety</b><br><b>Target:</b><br>Work towards the goal of achieving Zero accidents<br><b>Status:</b><br>Lost Time Injury Frequency Rate (LTIFR) has reduced to 0.25 in FY23 vis-à-vis 0.68 in FY21, a reduction of 63% |
|  <b>Corporate Social Responsibility</b><br><b>Target:</b><br>Reach 2 Lakh CSR beneficiaries by FY26<br><b>Status:</b><br>CSR beneficiaries for FY23 are 5.7 Lakh (includes COVID-19 response beneficiaries of 2 Lakh)  |  <b>Circularity</b><br><b>Target:</b><br>Zero waste to landfill by FY26 for manufacturing plants<br><b>Status:</b><br>Waste to landfill has reduced by 51% in FY23 vis-à-vis FY21                                         |  <b>Water Positive Approach</b><br><b>Target:</b><br>Reduce water consumption intensity in manufacturing plants by 20% by FY26<br><b>Status:</b><br>Water consumption intensity has reduced by 16% in FY23 vis-à-vis FY21                         |
|  <b>Energy Consumption</b><br><b>Target:</b><br>Reduce energy consumption intensity of manufacturing plants by 15% by FY26<br><b>Status:</b><br>Energy consumption intensity has reduced by 27% in FY23 vis-à-vis FY21 |  <b>Carbon Emission</b><br><b>Target:</b><br>Reduce Greenhouse Gas (GHG) emissions intensity of manufacturing plants by 20% by FY26<br><b>Status:</b><br>GHG emission intensity has reduced by 18% in FY23 vis-à-vis FY21 |  <b>Sustainable Procurement</b><br><b>Target:</b><br>100% of key suppliers to be assessed under ESG criteria by FY23<br><b>Status:</b><br>100% of key suppliers have been assessed under ESG criteria                                             |

# Financial Capital



Financial capital refers to the funds available to the Company as well as funds generated through operations. Judicious use of financial capital is a key focus area for KEC. Over the years, we have managed the capital structure enabling us to counter risks effectively. We are on a growth trajectory that requires working capital for continuous investments in projects and ventures. We have not raised any equity for more than two decades and the entire working capital required for growth has been funded through debt and internal accruals. As a part of our strategy, we continue our undeterred focus on deleveraging, bringing efficiency in working capital and tapping growth and returns from new business areas.

The year commenced with unprecedented volatility in commodity prices & freight rates owing to Russia-Ukraine conflict and ended with a weak global outlook characterised by signs of recession, high inflation and high interest rates. In the second half of the year, commodity prices stabilised, and freight rates came down to almost pre-COVID levels. Notwithstanding these challenges, we delivered a notable performance by achieving highest ever revenues, record order intake and considerable improvement in working capital. Our focussed approach on diversification and de-risking, prudent capital allocation, building a robust order book, and commercial execution of projects is paying off well in the current environment.

Our sustained business growth over the years, highlight the success of our diversification strategy where non-T&D business has increased from 13% in 2016 to 52% as on March 31, 2023, majorly contributed by growth in Railways, Civil and Cables businesses. Our entry into the Oil & Gas Pipelines EPC segment and the acquisition of Spur Infrastructure Pvt. Ltd. in FY22, is further helping to diversify and de-risk our business portfolio.

During the year, we have delivered a robust revenue growth of 26% over last year, with highest ever revenue of ₹ 17,282 Crore. We witnessed significant traction in order intake, which stood at a record level of ₹ 22,378 Crore, a staggering growth of 30% over last year. On the other hand, our profitability has

been lower owing to adverse commodity prices, increased freight costs, and losses in the Company's subsidiary in Brazil. Considering the strong order book and robust business outlook, the Board of Directors have recommended a dividend of 150% i.e. ₹ 3/- per equity share.

We are focussing on transforming our business operations and driving cost optimisation across the value chain to improve profitability. Over the past year, we have undertaken a transformation journey to create a "World-Class Engineering" organisation to enhance our engineering prowess across business segments and gain competitive advantage in the industry. This ambitious programme has strengthened our position as the preferred partner for

infrastructure projects, reaffirming our commitment to excellence.

We have maintained a consistent focus on strengthening our balance sheet by optimising working capital and reducing the debt on our books. The Company has brought down the net debt including acceptances by ~₹ 1,100 Crore from its peak level of June 2022. The debt level including acceptances stands below ₹ 5,000 Crore, at ₹ 4,985 Crore as on March 31, 2023, largely at the same level as last year, despite a growth of 26% in the revenue over the previous year. The Company has also reduced the net working capital by 30 days to 118 days as on March 31, 2023 from its peak level of 148 days in June 2022.

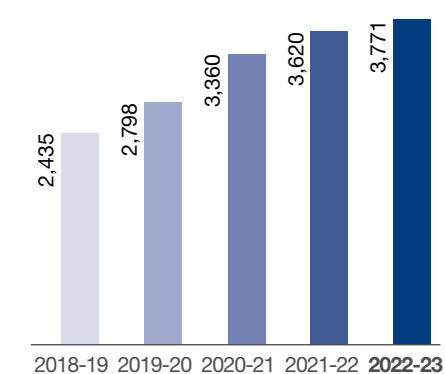
Over the years, we have successfully maintained our leverage ratios well within comfortable levels. Our Net Debt-to-Equity ratio, which has reduced from 1.2 in 2016 to 0.8 at the end of FY23 reflects the optimisation of capital structure, which has enabled optimal returns for our stakeholders consistently over the last few years. As of March 31, 2023, our Market Capitalisation stands at ₹ 11,732 Crore, which is an increase of ~4x against March 31, 2016. We are fully prepared to optimise the debt levels by better management of working capital through efficient execution of projects, war room focus on collecting receivables, and innovative solutions with our banking partners. We continue to be cautious while allocating capital to maximise the returns to our stakeholders.

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

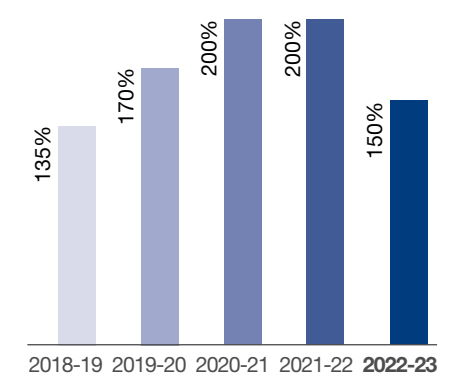
In terms of cyber security, the Company's IT systems are protected with latest anti-virus and its network security through firewall to avert any cyber-attacks. New generation Security Operations Centre Services have been deployed, which not

## Net Worth

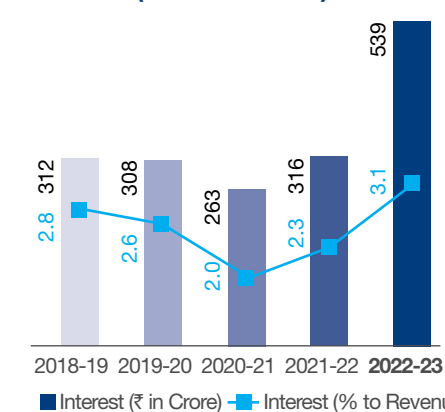
(₹ in Crore)



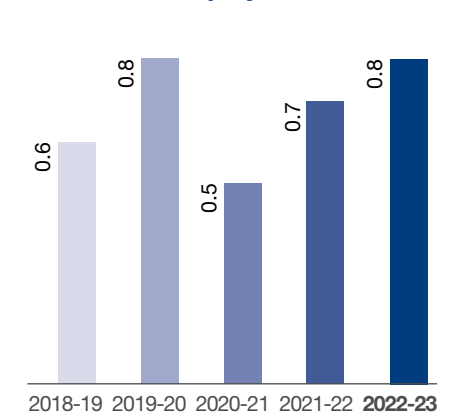
## Dividend History on face value of ₹ 2/- per equity share



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



## Net Debt to Equity



only records but automatically disables any network intrusion.

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

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

- Synergistic diversification of business portfolio
- Monitoring of working capital through daily/weekly war rooms
- Efficient mix of domestic and foreign currency borrowings
- Enhancing digitalisation efforts

| Stakeholders impacted                                                                         | Material issues addressed                                                                             | Key risks addressed                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Employees</li> <li>Investors &amp; Analysts</li> </ul> | <ul style="list-style-type: none"> <li>Financial Performance</li> <li>Corporate Governance</li> </ul> | <ul style="list-style-type: none"> <li>Pandemic risk</li> <li>Execution challenges</li> <li>Commodity price variations and currency fluctuations</li> <li>Geopolitical risk</li> <li>Demand risk</li> <li>Cyber security</li> <li>Interest rate fluctuation risk</li> </ul> |

# Manufactured Capital



Tower Manufacturing Factory at Betim, Brazil

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

We remain focussed on strategic investments in processes, and technology to strengthen capabilities in manufacturing, testing and supply chain. Similarly, we continue to invest in equipment for mechanisation and automation at project sites to improve site productivity and accelerate project delivery. These investments have also helped improve safety and reliability of our operations. Our quest for continuous process improvement and endeavour for operational excellence enable us to maintain cost and quality leadership in the industry.

## Manufacturing

Our geographically well-distributed manufacturing footprint and presence near key local markets is an important source of competitive advantage. We have vertically integrated our operations through in-house manufacturing of transmission towers, monopoles, hardware, cables, and structures for substation, railways and solar at eight state-of-the-art tower and cables manufacturing facilities located in India, UAE, Brazil, and Mexico.

We are one of the largest globally operating T&D players with six tower manufacturing facilities

comprising a consolidated capacity of 3,62,200 MTPA. We also manufacture galvanised steel structures, with a capacity of 60,000 MTPA, for our Railway and Solar businesses, as part of backward integration strategy to enable better control on the supply chain and enhance our competitiveness. During the year, we have also started manufacturing shutters, formworks, and scaffoldings to cater to requirement from the Civil business.

Our two fully integrated cables manufacturing facilities at Vadodara and Mysuru, both in India, manufacture an array of cables such as power, control and instrumentation, railway,

telecom, and several special cables for a wide range of applications. We continue to lay emphasis on developing new products and have developed 10 new cables during the year. This is in line with our plan to enhance our portfolio of niche products and cater to emerging segments such as EV charging cables, data centres, marine,

defense, telecom, etc. During the year, we have also backward integrated into manufacturing of PVC compounds to improve competitiveness and quality of products.

In our endeavour to deliver products and services with lower carbon footprint, we are increasing the share of renewables in our energy consumption

through commissioning of rooftop solar power plants in our tower factories and purchase of green power through open access at our cables manufacturing plants. We continue to strengthen our manufacturing capabilities by deploying best-in-class equipment and advanced technologies, including digital and automation tools.



PVC Manufacturing at Cables Plant, Vadodara

## 8 Number of Transmission Tower & Cables manufacturing facilities

Transmission Tower: Cables:

**6**  
3 in India, 1 each in  
UAE, Brazil and Mexico

**2**  
(India)

**4,22,200 MTPA**  
Global consolidated manufacturing capacity

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

**48,000 MTPA**  
Railway structures

**12,000 MTPA**  
Solar structures

## Cables Manufacturing Capacity:

Power  
cables

**~42,000 km**  
per annum (Increased 2,000  
km per Annum in FY23)

Instrumentation  
cables

**3,600 km**  
per annum

Optical fibre  
cables

**8 Lakh**  
fibre km per annum

Copper telecom  
cables

**6 Lakh**  
conductor km per annum

Catenary  
Conductor

**2,040 MTPA**

Contact  
wire

**3,240 MTPA**

### Tower Testing

KEC is one of the only companies in the world with four tower testing stations - three in India and one in Brazil. These world-class facilities are located in close proximity to our manufacturing plants and provide complete testing solutions

for all kinds of transmission towers of up to 1,200 kV, including Lattice and Guyed Towers, Tubular Towers and Monopoles.

We continued with virtual tower testing at the Butibori testing station, which offered an opportunity to our customers

across the globe to verify design and quality parameters of towers through live video-streaming. This unique digitalisation and innovation initiative is helping us accelerate project progress and is being well appreciated by our esteemed clients.



Tower Testing Station, Butibori

#### Butibori testing facility, India:

One of the largest facilities in the world, with a capability to test towers up to 1,200 kV

#### Belo Horizonte testing station, Brazil:

One of the largest tower testing station in the Americas

#### ACCREDITATIONS

##### Testing stations in India:

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

##### Testing station in Brazil:

ISO 9001:2015 accredited by Bureau Veritas

### Supply Chain Management

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

There have been many challenges during the year, starting with impact of Russia-Ukraine conflict, volatility

in commodity prices, unprecedented rise in freight costs, and supply chain bottlenecks at major ports. During this period, we worked closely with our strategic partners to improve agility in the supply chain to ensure timely delivery at right costs and mitigate risks arising out of volatility. We also widened our vendor base in line with new growth initiatives of the Company.

With an aim to ensure sustainable supply chain, we published a Sustainable Supply Chain policy and conducted audit & assessment of key vendors on various ESG parameters. We continue to focus on increasing our procurement from vendors promoting sustainability practices. All supply chain managers have also gone through awareness programmes on ESG.



80/100 MVA Power Transformer being transported to UAE

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

| Focus Areas                                                                    | Key actions and initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Quality and Service Delivery</li> </ul> | <ul style="list-style-type: none"> <li>Robust customer feedback process to effectively monitor and address customer concerns under VOC (Voice Of Customer) programme digitally to enhance customer satisfaction.</li> <li>Quality culture enhancement across the organisation through quality workshops, quality month celebration followed by Kaizen Championship.</li> <li>Continued enhancement of organisation capabilities &amp; credentials by adding new certification i.e., DAST, ITSM with existing IMS, NABL, ISMS and CE-EN</li> <li>Continuous improvement programme through advanced quality tools such as DMAIC, PDCA, 8D, Poka Yoke</li> <li>Quality academy is launched through quality CoE program to create quality champions across organisation for enhancing level &amp; standard of quality in all products &amp; services.</li> </ul> |

| Stakeholders impacted                                       | Material issues addressed                                                      | Key risks addressed                                                                                                             |
|-------------------------------------------------------------|--------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Customers</li> </ul> | <ul style="list-style-type: none"> <li>Quality and Service delivery</li> </ul> | <ul style="list-style-type: none"> <li>Execution challenges</li> <li>Demand risks</li> <li>Interest rate fluctuation</li> </ul> |

# Intellectual Capital



BIM for Korattur Substation

Our focus on strengthening people capabilities, transforming business models, re-engineering processes, and driving continuous improvement through innovation and digitalisation forms the core of our intellectual capital. It forms the backbone of our success and allows us to remain ahead of the curve to maintain leadership position in the industry. We are committed to staying at the forefront of technological advancements and believe that this forward-thinking approach enables us to continue delivering unmatched customer experiences.

## Engineering and Design

We have an exceptional team of over 276 engineers, possessing vast experience and expertise, located across eight different locations in India and the Americas. Our ability to deliver complex projects on time and within budget is supported by our world-class engineering and design capabilities. Our team is highly skilled in utilising cutting-edge technologies and software to provide innovative engineering and design solutions for complex and

challenging projects. Over the years, we have successfully designed a wide range of structures, including transmission line towers, poles, substations, and solar structures, for projects located in diverse terrains and geographies.

We recognise the importance of constantly enhancing our capabilities to meet the evolving needs of the business. In line with this, we have expanded our engineering team for civil and railway businesses and have

developed new capabilities, which include design of metro rail systems - including viaducts and stations, water supply networks and Elevated Storage Reservoirs (ESRs), buildings (residential & commercial), industrial factories, data centres, overhead electrification systems, signalling & telecommunication technologies, etc. We have also strengthened centres of excellence for PEB structures, MEP systems, BIM, and geotechnical designs.

### Our Strengths

- Comprehensive knowledge bank of designs for Transmission Line towers, Poles, and substations
- Proven processes and best practices to ensure quality designs that are environment-friendly
- Stringent design-to-delivery cycle time
- Use of digital platforms and automation tools for design, detailing, and profiling; and generate submittals with high level of accuracy
- Adoption of latest technology – DEM, LIDAR, Drones, and Photogrammetry to conduct surveys
- Fast track tender estimation process using AI and advance analytics algorithms
- Expertise in use of Building Information Modelling (BIM) for improving design & construction efficiency and optimising cycle time



## Nuorbit – a World-Class Engineering initiative

Over the past year, we have undertaken a transformation journey to create a “World-Class Engineering” organisation to enhance our engineering prowess across business segments and gain competitive advantage in the industry. In line with our growth strategy, we have strengthened engineering capabilities in targeted segments for market entry. We have re-engineered and automated end-to-end design processes to reduce engineering cycle time, leading to significant improvements in both efficiency and design quality. We have launched a series of Design-To-Value initiatives that have helped in value engineering of project designs. Furthermore, we have deployed leading edge digital technologies such as Artificial intelligence, advanced analytics, NLP for engineering design optimisation and improving the quality of our submittals to the clients. This programme has helped in positioning us as the preferred partner for infrastructure projects, reaffirming our commitment to excellence and reinforcing our reputation as leading EPC player in the industry.

### Digital and Innovation

With the rapid advancement of technology, the ability to adapt and implement digital solutions can significantly improve efficiency, reduce costs, and enhance the overall quality of EPC services. We continue to make strides into our digital journey by adopting new age technologies and putting them at use across our project sites and factories. During the year, we have upscaled the use of Artificial Intelligence, Machine Learning, Advanced analytics, Robotic process automation, Industrial IoT, UAVs, Autonomous systems and Metaverse.

In parallel to our Digital roadmap, we have established a dedicated platform to foster grassroot innovations. This platform serves as a catalyst for turning ideas into tangible outcomes, ready to be scaled up throughout the organisation. These innovative solutions transcend functional boundaries, spanning across our diverse businesses, including transmission, substations, railways, civil, cables and oil & gas pipeline projects. Moreover, they engage various departments such as engineering, manufacturing, supply chain, finance, and human resources. By harnessing the collective expertise of our teams, these innovations help drive construction productivity, expedite project execution, optimise costs, uphold superior quality, safety & ESG standards, and reduce wastage.

### Connected Construction

Under our “Connected Construction” initiative, we have developed a range of digital solutions to get valuable insights into our operations and streamline the construction processes across project sites.

With “Drone Go-To Work”, we continue to leverage UAVs to enhance our surveys and project monitoring in the remote areas / terrains along with stringing of power conductors.

We have deployed a unified digital workspace called “MyZone” for KEC employees and business partners. It bundles all the business apps into a single user-centric mobile app.

We also continue to enhance our EHS compliance across sites, workplaces,

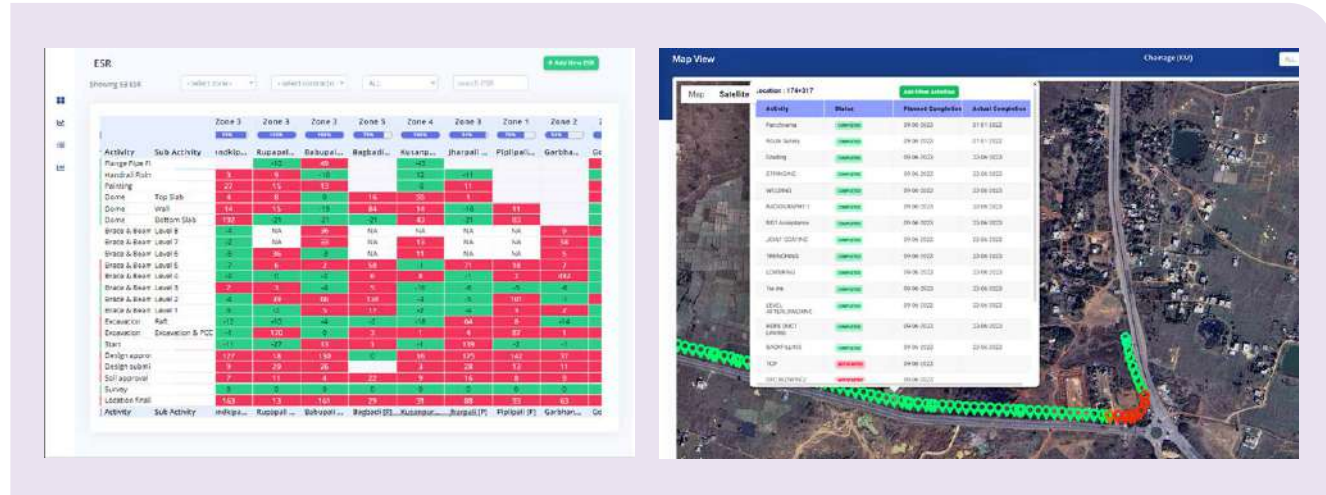
and factories by leveraging “Raksha”, a homegrown digital platform for EHS.

We get end-to-end visibility into our quality processes and compliance through the digital platform called “iQuality”. It is also extended across project sites and subcontracting locations.

Workforce management platform, developed by us, is being used at projects sites - to monitor and track site workforce and optimise the productivity.

“iTrack” - an Intelligent Project Monitoring Platform enables us to proactively plan, track and control project progress. It also provides a consolidated view of multiple projects and facilitates prompt decision-making and decisive actions.





### KECity Metaverse

We are building our own construction metaverse named “KECity” to showcase our expertise and capabilities to our business partners. It contains interactive virtual tours and 3D immersive walkthroughs for construction sites.

### Digital planning for factories

Manufacturing of products involves many complexities and that makes it difficult to recalibrate production plan based on dynamic scenarios such as Supply chain disruption, long lead time for raw materials, labour shortages, etc.

We have developed an in-house analytics platform which enables the planners with an ability to perform dynamic scheduling, taking into account real-time production progress. By leveraging digital planning techniques, we have achieved substantial improvements in planning efficiency and significantly enhanced overall throughput.

### Design process automation and optimisation

The use of artificial intelligence and machine learning has enabled us to create an advanced design optimisation platform that streamlines the entire

design process for various artifacts. Our platform employs cutting-edge algorithms that automate key design tasks, eliminating the need for manual intervention and reducing the design cycle time and rework.

With our platform, the design process is more efficient and accurate than ever before. The system generates key document submittals automatically, freeing up valuable time for designers and engineers to focus on more important tasks. This automation ensures that all necessary documentation is produced quickly and efficiently, reducing the risk of errors, and ensuring compliance.



### Innovation



At KEC and the RPG Group, we believe in engaging our employees through various platforms to foster a culture of innovation and excellence. The RPG Innovation festival, now in its 5th edition, showcased over 150 ground-breaking ideas from across KEC businesses and functions, emphasising our unwavering commitment to innovation. Additionally, our flagship innovation platform - “RPG Click” enables employees to contribute impactful solutions and ideas to solve critical business challenges. These initiatives have played a vital role in elevating our innovation agenda to new heights.

“Inspiring Innovation” is one of the core values of RPG Group. At KEC, we strive to challenge conventional methods and continuously improve our systems and processes. To achieve this, we have established a dedicated task force that is constantly seeking out game-changing ideas to enhance efficiency and productivity of our businesses & functions and make us more agile and profitable.



Modular Precast Foundation

| Stakeholders impacted                                                                           | Material issues addressed                                                       | Key risks addressed                                                                            |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Employees</li> <li>Vendors</li> <li>Customers</li> </ul> | <ul style="list-style-type: none"> <li>Digitalisation and Innovation</li> </ul> | <ul style="list-style-type: none"> <li>Execution Challenges</li> <li>Cyber Security</li> </ul> |



BIM for Navsari Substation

# Human Capital



KEC recognises the value of human capital and its vital role in the Company's consistent performance. We lay special emphasis on developing a diverse workforce through our progressive policies, clear set of values, and well-designed programmes. Our people-centric agenda focusses on fostering happiness as reflected in our brand tagline "Hello Happiness", an integral aspect of the RPG Group's philosophy. We have established a performance-oriented environment that promotes learning, transformation, and overall growth throughout the organisation. In FY23, the Group launched the third edition of the "Happiness Survey", an employee engagement initiative aimed at collecting valuable insights from employees across our group companies. Due to our unwavering commitment to employee-centric initiatives encompassing growth, culture, recognition, and work-life balance, we have successfully improved our happiness quotient to 81%.

In line with RPG's overarching vision of Unleash Talent, Touch Lives, OutPerform, and , our Company fosters a culture characterised by meritocracy, transparency, care, and respect throughout the organisation. We actively strive to establish a work environment that is diverse and inclusive, embracing individuals from various backgrounds, irrespective of their nationality, religion, marital status, gender, age, ethnic origin, physical abilities, or any other unique attributes. As an equal opportunity employer, we are committed to promoting diversity across all spectrums. In pursuit of this objective, we have placed emphasis on the recruitment of women employees and individuals with disabilities. Additionally, we have also initiated efforts to hire transgender individuals, further

advancing our commitment to inclusivity and providing equal opportunities.

At our organisation, we promote an environment centred around continuous learning and personal growth, regardless of an employee's position. This commitment to learning begins from the moment individuals join our Company and extends throughout their tenure. To ensure that each employee receives the necessary training to enhance their skills and expertise, we regularly evaluate their learning and development requirements. Our comprehensive learning academies and training programmes encompass various learning formats, including digital platforms, classroom sessions, experiential learning opportunities, and virtual instructor-led programmes.

Furthermore, we put significant emphasis on nurturing a pipeline of talented individuals for future leadership positions. To accomplish this, we actively recruit promising graduates and postgraduates from esteemed academic institutions providing them with opportunities for growth and development through our talent and leadership programmes. Our talent and leadership capacity development initiatives includes Group Management Resource (GMR), Engineering Leadership Program (ELP) and Future Leaders Board (FLB).

Safeguarding the physical and mental well-being of our employees is of paramount importance within our organisation, and we achieve this by cultivating a culture that prioritises

proactive safety measures. Our unwavering commitment towards ensuring a safe work environment is evident from the implementation of advanced and customised safety practices. We continuously strive to enhance safety awareness amongst our workforce through specialised training programmes that harness the power of technology. As we forge ahead in building a future-ready organisation, we are integrating digital safety solutions across our entire business value chain, demonstrating our dedication to evolving safety practices and embracing innovation. We consistently foster a proactive safety culture and promote Environment, Health, and Safety excellence.

KEC continues to be the preferred employer in the construction and infrastructure sector. Our workforce consists of talented professionals with diverse experience, enabling us to generate significant value for our stakeholders and provide exceptional services to our clients. Our consistent ability to surpass expectations in engineering, projects, manufacturing, and services further strengthens our position as an industry leader. Through our unwavering commitment to excellence and stakeholder satisfaction, we have been recognised with multiple prestigious awards at global forums during the fiscal year 2023.

The Company has bagged awards such as most admired company in power sector at The Economic Times Infra Focus Awards; Excellence in Innovation at Indo-American Corporate Excellence Awards 2022; Outstanding contribution in Power EPC & T&D at EPC World Awards 2022; and HR Strategy at The Gujarat State Best Employer Brand Awards 2022.



|                                                 | 31-03-2023 | 31-03-2022 |
|-------------------------------------------------|------------|------------|
| No. of employees*                               | 7,779      | 9,114      |
| Temporary/contractual employees**               | 41,057     | 31,137     |
| Diversity                                       | 543        | 479        |
| - Women employees                               | 483        | 415        |
| - People with Disability                        | 60         | 64         |
| Happiness Quotient (%)                          | 81         | 80         |
| Staff with tenure more than 10 years            | 1,788      | 1,534      |
| Number of nationalities represented             | 37         | 39         |
| Percentage of millennials                       | 62%        | 59%        |
| Total Training hours                            | 1,65,341   | 1,55,195   |
| - Classroom/Virtual Sessions                    | 29,117     | 34,571     |
| - E-learning                                    | 1,36,225   | 1,20,624   |
| Average Training hours (per employee, per year) | 28.25      | 29.05      |
| - Managers                                      | 28.58      | 32.25      |
| - Officers / Associates                         | 27.93      | 23.61      |

\*Reduction in number of employees due to completion of EPC projects in SAE Brazil

\*\*Increase in number of Temporary/contractual employees in Railways and Civil businesses



## Happiness Quotient

### Target

Increase Happiness Quotient to 85% by FY26

### Status

Happiness Quotient for FY23 is 81%, vis-à-vis 80% for FY21

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

### Human Capital Management

- Prioritised the development of a progressive work culture and implemented modern people practices that focus on personal and professional growth and advancement
- Successfully rolled out 8th edition of the Digital Learning Championship, our flagship event for eLearning, with an increase in content consumption and learning assets completion. This technology-driven initiative utilises
- Promoted virtual learning through innovative learning platforms and practices such as Knowledge Café, Learning-On-The-Go, PMP Bootcamps and D.E.A.L. (Drop Everything and Learn). These interactive sessions were facilitated by our senior leadership, internal and external industry experts, covering a diverse range of topics
- Launched Project Management Excellence certification programme

in partnership with NICMAR faculty to strengthen the capability of project managers

- Deepened capabilities in Procurement, Sales, and Tendering through strategic partnerships with renowned institutions, fostering collaborative learning and skill development
- Introduced Employee Emotional Wellness programme, in collaboration with an online counselling platform, to prioritise and enhance the mental health and emotional well-being of our employees
- Started LIT (Listen, Inspire and Talk), a self-help group that provides support and guidance on themes such as mental health awareness, parenting and family, and veteran support
- Enhanced capabilities of our AI-powered chatbot, Electra by integrating features such as Employee Onboarding, Attendance Management, Payslip, Form 16, etc.

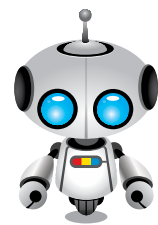
#### Diversity & Inclusion

Diversity & Inclusion council ensures an inclusive environment by rolling out employee-friendly policies and programmes that address gender sensitisation and unconscious bias, amongst others. We remain steadfast in our ongoing endeavours to recruit candidates from diverse ethnic backgrounds for key positions, as well as nurturing a continuous stream of fresh graduates to strengthen our talent pipeline.

- Implemented several initiatives aimed at promoting and developing diversity, recognising that the collective strength of our diverse workforce brings forth innovative ideas, perspectives, and solutions that drive our success
- Augmented programmes such as Women Mentoring and Womenocity designed to gain insights into the experiences of our female employees and identify ways to improve the working conditions



Group Management Resource (GMR) batch of 2023



- Developed a programme aimed at recruiting and empowering women who are returning to the workforce
- Continued focus on hiring transgender individuals and persons with disabilities, recognising the value and unique perspectives they bring to our organisation



A safe working environment is the first step in ensuring women empowerment.



#### Diversity & Inclusion

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

**Status** Diversity has increased by 39% in FY23 vis-à-vis FY21

#### Occupational Health and Safety



- The Company has been re-certified under the single umbrella of the latest international standards of Integrated Management System (IMS) by M/s TUV Nord as per the requirements of ISO 9001-2015, ISO 14001-2015 and ISO 45001-2018 respectively. During the year, KEC Spur Infrastructure Pvt. Ltd. was also certified with the above standard. The said certificates are valid till September 2025 subject to successful yearly surveillance audit by the certification agency

- KEC EHS Management system has been reviewed and revised based on its operations, past incidents and near misses reported. EHS Minimum Mandatory Requirements (MMR) for each business unit have been revised and are implemented at all project sites as well as manufacturing plant locations

- Digitalisation of EHS processes, real-time reporting of incidents, near misses across all levels of the organisation as well as monitoring closure of audit action points through in-house digital platform "RAKSHA". During the year, new features like e-Permit to work and last-minute risk assessment modules have been added. The platform provides end-to-end EHS management and helps the Company to achieve zero incident way of working

- Framed and implemented a comprehensive Fatality Prevention Plan across all businesses to stringently monitor safety measures and deployed safety systems at high-risk operations to achieve the goal of zero accidents. Owing to our sustained efforts, we have achieved a 4% improvement in Lost Time Injury Frequency Rate over FY22

- Enhanced focus on safety training for all levels of employees and contract workers by leveraging modern technologies such as virtual and augmented reality and achieved improvement of 27% in safety manhours training per person per month over FY22

- A total of 405 internal and external safety audits, including the audit



Vertigo Test Structure



Wheel Wash



Safety Net at site



Safety Park at Dubai Plant

of our Environment and Safety Management Systems as per the requirements of ISO 14001 & ISO 45001 respectively, have been conducted in financial year

- Special emphasis on design and implementation of social and environmental management plan as per the requirements of World Bank / other financial institutions especially at project sites
- Health and safety awareness sessions, community development programmes, gender-based violence awareness session, HIV awareness sessions for local community etc, including for our contract workforce, have been taken up during the year
- Safety performance is reviewed at quarterly board meetings and direction/guidance is provided. EHS Steering Committee for every business and Safety committee for each project site is well established

and functioning for effectively monitoring safety performance

- The Company was presented with several awards and recognitions during the year, including certificate of Appreciations and Prashansa Patra from National Safety Council of India, International Safety awards (Distinction & Pass Category) from British Safety Council, CIDC Vishwakarma Awards, CII Southern Region Safety excellence award for excellent safety practices adopted at our project sites, Greentech International EHS Awards 2023 for Construction Safety

#### Target

Work towards the goal of achieving Zero accidents

#### Status

Lost Time Injury Frequency Rate (LTIFR) has reduced to 0.25 in FY23 vis-à-vis 0.68 in FY21, a reduction of 63%

| Stakeholders impacted                                         | Material issues addressed                                                                                                                                     | Key risks addressed                                                                              |
|---------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>■ Employees</li> </ul> | <ul style="list-style-type: none"> <li>■ Human Capital Management</li> <li>■ Diversity &amp; Inclusion</li> <li>■ Occupational Health &amp; Safety</li> </ul> | <ul style="list-style-type: none"> <li>■ Pandemic Risk</li> <li>■ Succession Planning</li> </ul> |

# Natural Capital



Green Solar Project, Himachal Pradesh

We are focussed on building sustainable operations through nurturing of businesses that promote green economy and re-imagining processes to reduce consumption of natural resources. We are making significant progress on our strategic sustainability roadmap that includes environment-friendly practices, procedures, and policies to address the impact of our operations on climate change.

We believe that preserving and enhancing Natural Capital is of paramount importance in our journey to build a more robust business model. Our plans to enhance the natural capital revolve around three broad focus areas of decarbonisation & energy conservation, circularity, and water positive approach. Initiatives such as lean manufacturing practices, greener sources of energy, improvement in equipment efficiency, waste reduction and recovery, conservation and recycling of water, etc., are helping us achieve

our sustainability goals. Further, we are deploying latest electrical equipment & vehicles and digital technology to monitor and reduce our carbon footprint.

The core of the Company's comprehensive sustainability policy brings focus on environment, community and society, and governance practices. We have set up an integrated environmental facility control reporting mechanism system under ESG goals. We make sure that employees are fully aware of the importance of the environment

through EHS-wide campaigns aimed at preventing accidents and monitoring environmental risks. Our efforts in delivering sustainable project services and products are reaping rich benefits. We have made substantial progress against the FY26 sustainability targets.

Our progress on ESG and sustainability has been well appreciated by our clients and the industry. This is reflected in improvement of our ESG ratings by S&P Global DJSI and Morningstar Sustainability.

| S. No. | Parameter                                               | Unit               | Value  |
|--------|---------------------------------------------------------|--------------------|--------|
| 1      | Renewable Energy units consumed                         | Mwh                | 7,373  |
| 2      | Total Energy consumed                                   | Mwh                | 86,228 |
| 3      | Energy consumption intensity - Manufacturing plants     | Mwh/MT             | 0.29   |
| 3.1    | Energy consumption intensity - Transmission line plants | Mwh/MT             | 0.26   |
| 3.2    | Energy consumption intensity - Cable plants             | Mwh/MT             | 0.47   |
| 4      | Greenhouse Gas Emissions (GHG)                          | tCO <sub>2</sub> e | 31,564 |
| 4.1    | Scope 1 GHG                                             | tCO <sub>2</sub> e | 14,213 |
| 4.2    | Scope 2 GHG                                             | tCO <sub>2</sub> e | 17,351 |

| S. No. | Parameter                                              | Unit                   | Value    |
|--------|--------------------------------------------------------|------------------------|----------|
| 5      | GHG intensity - Manufacturing plants                   | tCO <sub>2</sub> e/ MT | 0.11     |
| 5.1    | GHG intensity - Transmission line plants               | tCO <sub>2</sub> e/ MT | 0.09     |
| 5.2    | GHG intensity - Cable plants                           | tCO <sub>2</sub> e/ MT | 0.24     |
| 6      | Water Consumed                                         | KL                     | 2,35,644 |
| 7      | Water consumption intensity - Manufacturing plants     | KL/MT                  | 0.79     |
| 7.1    | Water consumption intensity - Transmission line plants | KL/MT                  | 0.68     |
| 7.2    | Water consumption intensity - Cable plants             | KL/MT                  | 1.45     |
| 8      | Percentage of Water Saved                              | %                      | 11%      |
| 9      | Acid Neutralisation sludge diverted to landfill        | MT                     | 1,255    |
| 10     | Specific Steel waste generated (per MT of production)  | %                      | 3.33%    |
| 11     | Specific Zinc waste generated (per MT of production)   | %                      | 0.93%    |

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

## Decarbonisation & Energy Conservation



Natural lights at plant, Brazil

KEC International's Jaipur & Butibori plants were awarded Platinum & Gold Awards respectively for Energy conservation & Sustainability under SEEM (Society of Energy Engineers & Managers) Award 2022.

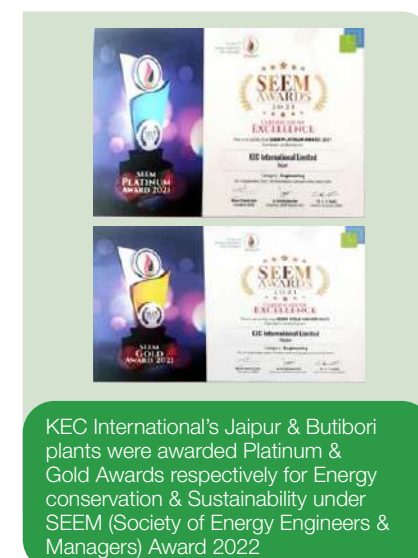
The Company is constantly striving to reduce the environmental impact of all its business activities. We have established stringent internal control criteria for energy consumption and Greenhouse Gas emissions (GHG) for all locations. We operate in an industry that is highly energy intensive and hence

opportunities to minimise our energy consumption is an important element of our journey towards decarbonisation.

Given the huge volatility in energy prices, we have made significant investments towards reducing energy consumption and minimising carbon emissions. Our use of renewable energy through in-house solar power generation at Jaipur, Butibori and Dubai plants and procurement of green energy at cable plants will fulfil 17% of our total requirements and reduce our carbon footprint.

### Initiatives

- Enhance renewable energy footprint in manufacturing plants through installation of Solar power plants in Jaipur, Butibori, and Dubai
- Renewable power purchase through open access in Vadodara & Mysuru
- Capital investment in three new induction furnaces to replace fossil fuel based bending furnaces
- Utilisation of LPG instead of fossil fuel to optimise energy consumption intensity and reduce carbon emissions
- Efficiency improvement of Induction heating to reduce the usage of fossil fuel
- Conservation of power & fuel by using flue gas heat in drying process and fuel atomisation
- Implementation of vehicle telematics at project sites to minimise fuel consumption



KEC International's Jaipur & Butibori plants were awarded Platinum & Gold Awards respectively for Energy conservation & Sustainability under SEEM (Society of Energy Engineers & Managers) Award 2022



## Carbon Emission

### Target

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

### Status

GHG emission intensity has reduced by 18% in FY23 vis-à-vis FY21

### Circularity

The Company's sustainability policy is embedded with the objectives of reduction in environmental degradations and promotion of 3Rs (Reduce, Reuse and Recycle) to minimise the impact on environment. Our operations are designed and planned in a manner

that fully abides with the principles of circularity wherein the amount of material used, such as steel, zinc, copper, aluminium, cement, etc., is optimised from the design stage itself. We have established zero based material consumption guidelines for our manufacturing plants and project

sites. Post the useful life of material, we ensure repurpose or recycle of waste so that the used material goes back into the supply chain instead of the landfill. We are also building plants, for our clients, that convert waste to energy, thus promoting circularity.



Waste to Energy Plant, Rewa, Madhya Pradesh



ETP Plant for Spent Acid Neutralisation, Jabalpur



## Energy Consumption

### Target

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

### Status

Energy consumption intensity has reduced by 27% in FY23 vis-à-vis FY21



## Circularity

### Target

Zero waste to landfill by FY26 for manufacturing plants

### Status

Waste to landfill has reduced by 51% in FY23 vis-à-vis FY21

### Initiatives

- Modernisation of plants & machinery and adoption of lean manufacturing practices for continuous improvement in yield, reduction in consumption and wastage of materials
- Reduction of ETP sludge generation through appropriate spent acid disposal, thereby reducing the amount of hazardous waste reaching the landfills
- Installation of closed loop pre-flux regeneration plants and acid recovery plants
- Design-to-value optimisation of cable products to optimise consumption intensity of various materials
- Design optimisation of transmission towers and foundations to minimise overconsumption of raw materials such as steel and cement
- Re-design of cable drums to enhance packing efficiency as well as reduce logistics footprint

### Water Positive Approach

The construction business is highly water intensive and various measures have been taken to bring down the overall water footprint. We have undertaken complete water mapping for our factories to identify the processes of high consumption to drive water conservation initiatives. All the manufacturing plants are zero discharge plants and have advanced wastewater treatment facilities to recycle effluents and domestic wastewater.

As an acknowledgement of our efforts, KEC Butibori Plant has been assessed by EKI Energy Services Limited as a Water Positive Plant. Several measures, such as rainwater harvesting, and wastewater



## Water Positive Approach

### Target

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

### Status

Water consumption intensity has reduced by 16% in FY23 vis-à-vis FY21

recycling have been implemented at the plant resulting in a water credit to debit ratio of 1.60, which means that the plant is generating 60% more water credits than it is debits.



Sewage Treatment Plant, Jaipur



Rainwater Harvesting Pond, Jabalpur



KEC International's Butibori Plant received Water Positive Certificate which acknowledged efforts towards reducing water consumption and promoting water conservation.

### Initiatives

- Investing in & adopting new technology for effluent treatment plants & water treatment plants
- Developed 16 rainwater harvesting structures inside the plants as well as beyond the fence as part of our community initiatives, wherein an approximate increase in water level by 7-9 feet has been observed
- Installation of cooling towers to reduce evaporation losses
- Use of curing compounds as a partial alternative to water, for construction works at project sites to conserve water usage
- Construction of rainwater harvesting structures at projects sites to reduce overall water consumption at sites
- As part of our water business, constructed intake wells, water treatment plants, elevated storage reservoirs, and water distribution pipelines to provide clean potable water to millions of people
- Undertaken awareness campaigns focussing on the importance of water conservation

### Stakeholders impacted

- Employees
- Local Community and NGOs & CSR partner
- Vendors

### Material issues addressed

- Decarbonisation
- Water-Positive Approach
- Circularity

### Key risks addressed

- Execution Challenges

## Social and Relationship Capital



Our corporate philosophy and vision to 'Touch Lives' of all our stakeholders focusses upon their holistic growth and empowerment. We believe that our organisational purpose and business operations must support development and strengthen the society. We are committed to creating maximum positive impact by envisioning a brighter future for communities we operate in and the stakeholders we work with. We regularly engage and partner with our key stakeholders to understand their needs and improve our operations to create sustainable value for all.

Aligned with RPG Group's CSR Vision, our society-centric projects focus upon supporting development and sustainable growth in communities through initiatives that are directed towards Education, Health, Employability, Heritage Conservation and Community Development. We remain focussed on creation of employment opportunities that contribute towards socio-economic development of local communities. Our employees also strive to make a meaningful difference to the society through participation in various volunteering initiatives that are focussed upon achieving societal or community level development.

We encourage our vendors and partners across the globe to strengthen our sustainability value chain by upholding ethical standards and remaining conscious of their business actions. We put emphasis on building strong and collaborative relationships with our vendors to strengthen integrated supply chains and create more value for all stakeholders. Our initiatives have ensured supply chain sustainability and responsible business operations, which has led to formal integration of ESG considerations and United Nations' Sustainable Development Goals (SDGs) into our

supply chain as well as construction practices at project sites.

We create value for our customers through delivery of world-class products and services. We are focussed on building meaningful partnerships with our customers to develop trust and gain valuable insights, which further helps us to modify our strategies to create long-term value for everyone. We remain committed to customer centricity, process re-imagining and operational excellence which gives us an edge in the industry.

| S. No. | CSR Project                                                 | Description                                                                                                                                                                                         | Impact / Value Generated                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1      | <b>Swayam Health</b>                                        | Vocational skills training for entry level job roles in healthcare industry                                                                                                                         | <ul style="list-style-type: none"> <li>Geographical coverage: Nagpur, Jaipur, Jabalpur, Delhi NCR, Vadodara, Mysuru, Aurangabad</li> <li>Outreach: 500 trained and 422 placed (84.40% Placement)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 2      | <b>Swayam Weave &amp; Farm</b>                              | Vocational skills training for entry level job roles in Handloom industry                                                                                                                           | <ul style="list-style-type: none"> <li>31 Women are undergoing Weaving &amp; Dyeing workshop at Nagpur</li> <li>500 farmers undergoing training on Organic Farming in Nagpur</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| 3      | <b>Pehlay Akshar Schooling</b>                              | Functional English classes imparted to children through various offline and online modes (TV-DD Program, A-Story-A-Day Campaign, YouTube, etc.)                                                     | <ul style="list-style-type: none"> <li>Geographical coverage: Mumbai</li> <li>Outreach: 3,257 children</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| 4      | <b>Pehlay Akshar Training</b>                               | Capacity building of government school teachers and helping them create 'Magic Classrooms' – safe learning environment for school children and effective classes                                    | <ul style="list-style-type: none"> <li>Geographical coverage: Mumbai</li> <li>Outreach: 2,562 teachers trained, 1,841 handholding (Sathi) sessions</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 5      | <b>Heritage</b>                                             | Upliftment and revival of sites, which are of historical significance                                                                                                                               | <ul style="list-style-type: none"> <li>Painting &amp; art work in Worli Koliwada to make it more attractive</li> <li>Community development activities have been conducted at Worli Koliwada like livelihood training programme, health camps, sports events, revival of SHGs, engagement with Anganwadis to increase the involvement of community</li> <li>69 Streetlights replaced with Heritage themed lights</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 6      | <b>Other need-based Community Development interventions</b> | Support essential needs of the local community through various interventions to support public health systems, undertaking COVID-19 relief work, provide community water purification systems, etc. | <ul style="list-style-type: none"> <li>67 fever clinics (45 in phase 1, 22 in phase 2) installed to upgrade and support existing public health system in Maharashtra</li> <li>No. of Patients visited - 5,29,064</li> <li>No. of testing done - 2,04,908</li> <li>20,214 people were vaccinated through Fever Clinics</li> <li>Eye Care Interventions - 13,041 people completed eye screening at project sites across India</li> <li>Women Health Care - 8,109 women &amp; adolescents for special health check-up across Jaipur, Jabalpur, Aurangabad &amp; NCR Region</li> <li>Special Initiative for PwD - Special Learning resources &amp; equipments distributed to People with Disability (PwD) across Jaipur, Nagpur &amp; Vadodara</li> <li>1,310 saplings planted across Jaipur, Jabalpur, NCR, Vadodara &amp; Mysuru with Japanese Miyawaki concept</li> <li>500 LPH RO system installed in 3 Schools at Jaipur &amp; Mysuru</li> <li>200 LPH industrial RO installed in 2 schools in Nagpur</li> <li>150 vermicompost beds distributed to farmers in Nagpur</li> </ul> |



## Corporate Social Responsibility

### Target

Reach 2 Lakh CSR beneficiaries by FY26

### Status

CSR beneficiaries for FY23 are 5.7 Lakh (includes COVID-19 response beneficiaries of 2 Lakh)



### The Company's Focus Areas and Initiatives Undertaken towards Building Strategic Relationships Include:

| Focus Areas             | Key actions and initiatives                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customer Centricity     | <ul style="list-style-type: none"> <li>Enhanced VoC (Voice of Customer) programme, to proactively capture, analyse and improve customer's overall experience</li> <li>Conducted various customer engagement initiatives through quality workshop, quality month celebration and process improvement</li> <li>Improved processes by adopting advanced quality tools, certifications and working closely with customers</li> </ul>                                                                       |
| Sustainable Procurement | <ul style="list-style-type: none"> <li>Regular proactive engagement with value chain partners at the highest level, with periodic meetings and visits</li> <li>Enhanced focus on long-term, mutually beneficial partnerships</li> <li>Conscious efforts towards knowledge sharing, particularly on latest technologies and digital processes, ESG awareness module is shared with more than 550 vendors in the FY23</li> <li>Significant thrust on ESG &amp; sustainable business practices</li> </ul> |



## Sustainable Procurement

### Target

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

### Status

- Formulated a Sustainable Procurement Policy and shared with all suppliers
- Formulated Code of Conduct based

on ESG criteria signed by all key vendors.

- 100% of key suppliers assessed under ESG Criteria in FY23



| Stakeholders impacted                                                                                                                                                                                 | Material issues addressed                                                                                                                                                 | Key risks addressed                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Employees</li> <li>Vendors</li> <li>Customers</li> <li>Investors &amp; Analysts</li> <li>Local Community and NGOs &amp; CSR partners</li> <li>Media</li> </ul> | <ul style="list-style-type: none"> <li>Customer-Centricity</li> <li>Local Community Development</li> <li>Sustainable Procurement</li> <li>Corporate Governance</li> </ul> | <ul style="list-style-type: none"> <li>Pandemic risk</li> <li>Geopolitical risk</li> <li>Demand risk</li> <li>Execution challenges</li> </ul> |

# Addressing Global Priorities

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



## Financial Capital

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



## Manufactured Capital

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



## Intellectual Capital

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



## Human Capital

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



## Natural Capital

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



## Social & Relationship Capital

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



# Statutory Reports and Financial Statements

## Statutory Reports

- 80** Board's Report
- 98** Management Discussion and Analysis
- 120** Business Responsibility & Sustainability Report
- 154** Corporate Governance Report

## Financial Statements

- 178** Consolidated Financial Statements
- 278** Standalone Financial Statements

# Board's Report

## To the Members of KEC International Limited

The Directors are pleased to present the Eighteenth Annual Report (Integrated) of the Company together with Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended on March 31, 2023.

### 1. FINANCIAL RESULTS

(₹ in Crore)

| Particulars                      | Consolidated |            | Standalone |            |
|----------------------------------|--------------|------------|------------|------------|
|                                  | FY 2022-23   | FY 2021-22 | FY 2022-23 | FY 2021-22 |
| Revenue from Operations          | 17,281.71    | 13,742.26  | 15,413.23  | 12,573.27  |
| EBITDA                           | 829.73       | 903.50     | 849.88     | 1,129.32   |
| Finance Cost                     | 538.59       | 316.00     | 433.91     | 269.30     |
| Depreciation & Amortisation      | 161.48       | 157.86     | 126.96     | 123.32     |
| Profit Before Tax (PBT)          | 160.98       | 443.07     | 325.72     | 755.70     |
| Exceptional Items - Gain/(Loss)* | -            | (43.64)    | (75.57)    | (142.84)   |
| PBT after Exceptional Items      | 160.98       | 399.43     | 250.15     | 612.86     |
| Tax Expenses                     | (15.05)      | 67.35      | 69.90      | 178.42     |
| Profit After Tax                 | 176.03       | 332.08     | 180.25     | 434.44     |
| Dividend on equity shares        | 77.13        | 102.84     | 77.13      | 102.84     |

\*Exceptional items include an amount of ₹ 75.45 Crore towards provision for impairment of investments in subsidiary company namely KEC Investment Holdings, Mauritius on account of significant losses incurred by the Company's step-down subsidiary in Brazil i.e. SAE Towers Brasil Torres de Transmissão Ltda.

### 2. PERFORMANCE

#### Financial Performance

The Financial year commenced with unprecedented volatility in commodity prices and freight rates due to the Russia-Ukraine conflict and ended with a global outlook of recession, high inflation and high interest rates. Fortunately, in the second half of the year, commodity prices began stabilizing and global logistics costs came down to near pre-pandemic levels. Notwithstanding these challenges, the Company has achieved its highest ever revenues, highest ever order intake and improved in working capital. Besides this, the Company has built a robust order book on account of its geographical and business portfolio diversification which are expected to lead to improved performance in the coming years.

On a consolidated basis, the Company has recorded a robust revenue growth of 26 percent over the previous year with highest ever revenues of ₹ 17,282 Crore in FY 2022-23. EBITDA margins were 4.8 percent and net profit margin was 1 percent in FY 2022-23. The overall margins for the year were affected by unfavourable commodity prices, higher logistic costs and the adverse performance of the Company's subsidiary, SAE in Brazil.

The order intake for the FY 2022-23 was at a record level of ₹ 22,378 Crore, with a robust growth of 30 percent over the previous year. The order intake has been contributed

primarily by T&D, Civil and Railways businesses and also the Cables and Oil & Gas operations.

The traction in order intake has significantly expanded the Company's closing order book to an all-time high of ₹ 30,553 Crore. Additionally, the Company has an L1 position of over ₹ 3,500 Crore, diversified across businesses. With this, the order book plus L1 position stands at over ₹ 34,000 Crore, equally divided between the T&D and Non T&D businesses.

The Company has brought down the net debt including acceptances by ₹ 1,100 Crore from its peak level of June 2022. The debt level including acceptances stands below ₹ 5,000 Crore at ₹ 4,985 Crore as on March 31, 2023, largely at the same level as last year, despite a growth of 26 percent in the revenue over the previous year. The Company has also reduced the net working capital by 30 days to 118 days as on March 31, 2023, from its peak level of 148 days in June 2022. The Company is confident of a further improvement in working capital going forward.

**Power Transmission & Distribution (T&D)** – The T&D business has achieved revenues of ₹ 8,809 Crore for the year, a growth of 27 percent over the previous year. The growth has been delivered on the back of robust project execution both within and outside India. The business has significantly expanded its order book with strong order inflows of over ₹ 10,000 Crore across India, Middle East,

Africa, East Asia Pacific and Americas. In India T&D, the business secured orders of over ₹ 4,000 Crore. The business forayed into emerging areas of Digital GIS substations and HVDC terminal stations. It also expanded its customer base to include power producers and refineries in addition to the existing clientele comprising Power Grid Corporation of India Limited (PGCIL), state utilities and private developers. The recent growth in orders and focus of the Government on green hydrogen and renewables, reaffirm the Company's confidence in the sustained growth of the India T&D business. In International T&D, the business continues to expand its presence with multiple order wins in key markets. The business has also consolidated its leadership position in the Middle East market by re-entering Kuwait and securing large Gulf inter-connection orders. The business is witnessing a significant demand in Tower supply with orders over ₹ 2,000 Crore across the Middle East, North and South Americas. During the year, the business has also reinforced its presence in the international cabling solutions segment with orders from SAARC and the Middle East. Saudi Arabia is a promising market for the Company with new imminent projects in the pipeline.

In SAE, the Company's subsidiary in the Americas, record orders of over ₹ 1,500 Crore were secured across Brazil, Mexico and USA. With this, the order book plus L1 in SAE has increased to ₹ 1,600 Crore, for supply of towers, hardware and poles and engineering and testing of towers. The business is witnessing a very healthy pipeline for lattice structures and poles from the Americas. The robust supply order book, better business outlook and refinancing of local borrowings gives confidence of delivering profitable growth in SAE going forward.

The overall tender pipeline in T&D continues to remain strong both in domestic and international markets given the push for renewables, strengthening of the existing T&D infrastructure and establishment of new transmission lines, substations and underground cabling.

**Railways** – The Railway business has achieved revenues of ₹ 3,701 Crore for the year. The business continued to maintain leadership in the conventional area of Overhead Electrification (OHE) having successfully executed ~24 percent of India's railway electrification in FY 2022-23. The order intake for the business stands at ₹ 2,900 Crore, a growth of 15 percent over the previous year. The orders include conventional OHE/composite projects as well as projects in new areas of speed upgradation and technologically enabled segment of metros. With the increase in the capital allocation on Railways in the Union budget, the Company expects the tender pipeline to improve going forward. The Company continues to focus on international opportunities across the geographies on the back of its global T&D network.

**Civil** – The Civil business continues to deliver good performance with an impressive growth of 75 percent over the previous year with revenues of ₹ 3,319 Crore. The growth has been delivered on the back of robust

execution across all segments. The business has been consistent on the order intake front and has secured record order inflows of over ₹ 6,600 Crore including the single largest order in the history of the Company of ₹ 2,060 Crore in the water segment. During the year, the business strengthened its presence with significant order wins in the water, industrial, residential, public spaces and data centre segments. The business has also expanded its presence in commercial buildings and logistic parks. The uptick in order intake has significantly enhanced the order book plus L1 to over ₹ 10,000 Crore, comprising of turnkey EPC projects across segments from marquee clients. The Company is confident that this business will continue to grow going forward.

**Oil & Gas Pipelines** – The Oil & Gas pipelines business has registered a healthy growth following the acquisition of KEC Spur Infrastructure Private Limited in FY 2021-22. The business has achieved revenues of ₹ 483 Crore, a robust growth of 2.7 times over the previous year. The business has secured an order intake of ₹ 500 Crore with entry into new areas such as composite station works which help in augmenting the pipeline laying capacity.

The business continues to focus on widening its market by focusing on enhancing its pre-qualifications. The business has a strong order book plus L1 of over ₹ 1,000 Crore comprising government and private players. The Company is confident of scaling up this business in the coming years.

**Solar** – In line with the Government's focus on Green Hydrogen and associated renewable energy capacity addition of about 125 GW in the country by 2030, the Company has started refocusing on the Solar business. The business has commenced execution of its largest solar project of 500 MW in Karnataka secured in the second half of the year. This project will utilize tracker-based technology, further enhancing our credentials in the growing renewables market.

**Cables** – The Cables business continues to deliver a good performance with the highest ever revenues, order intake and profitability in FY 2022-23. The business achieved revenues of ₹ 1,615 Crore, a growth of 6 percent over the previous year. The business is also progressing well with the development of new products, most of which have been successfully commercialized. As a part of backward integration, the business has commissioned the PVC compounding plant at Vadodara which will help improve profitability. The Company is confident that this business will continue to grow in terms of revenue as well as margins.

### 3. DIVIDEND

The Board of Directors recommends a dividend of ₹ 3/- per equity share (150 percent of the nominal value of ₹ 2/- per equity share) for the financial year ended March 31, 2023. The said dividend if approved, by the Members at the ensuing Annual General Meeting, would entail a cash outflow of about ₹ 77.13 Crore.

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

#### 4. TRANSFER TO RESERVES

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

#### 5. SHARE CAPITAL

The paid-up Equity Share Capital of the Company as on March 31, 2023 was ₹ 51.42 Crore. There was no change in the share capital during the year under review.

#### 6. DEPOSITS

The Company has not accepted deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013 ("the Act") and the Rules framed thereunder during the year under review. As on March 31, 2023, there were no deposits lying unpaid or unclaimed.

#### 7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

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

The performance highlights of wholly owned operating subsidiaries and their contribution to the overall performance of the Company during the financial year ended March 31, 2023 are as under:

| Subsidiary                                    | Performance during<br>FY 2022-23 (₹ in Crore) |                  | Contribution to overall<br>performance of the Company (%) |                  |
|-----------------------------------------------|-----------------------------------------------|------------------|-----------------------------------------------------------|------------------|
|                                               | Revenue                                       | Profit After Tax | Revenue                                                   | Profit After Tax |
| KEC Spur Infrastructure Private Limited       | 481.06                                        | 44.12            | 2.78                                                      | 25.06            |
| SAE Towers Brasil Torres de Transmissão Ltda. | 827.21                                        | (216.64)         | 4.79                                                      | (123.07)         |
| SAE Towers Mexico, S de RL de CV              | 489.44                                        | 18.89            | 2.83                                                      | 10.73            |
| SAE Towers Ltd.                               | 456.87                                        | 0.54             | 2.64                                                      | 0.31             |
| KEC International (Malaysia) SDN.BHD.         | 101.09                                        | 15.02            | 0.58                                                      | 8.53             |
| KEC Towers LLC                                | 450.46                                        | 29.61            | 2.61                                                      | 16.82            |
| KEC EPC LLC                                   | 426.91                                        | 32.45            | 2.47                                                      | 18.43            |

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of these subsidiaries are uploaded on the website of the Company i.e. [www.kecrpg.com](http://www.kecrpg.com) under 'Investors' tab. Further, in terms of SEBI

#### 8. CONSOLIDATED FINANCIAL STATEMENTS

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

#### 9. SUBSIDIARY AND ASSOCIATE COMPANIES

The Company has eighteen subsidiaries as on March 31, 2023, comprising of eight direct subsidiaries and ten step-down subsidiaries of which nine subsidiaries are operating subsidiaries and three subsidiaries function as special purpose vehicles. The Company has one associate company under Section 8 of the Act for the welfare of employees.

During the year under review, the Board of Directors had approved voluntary liquidation of two of the Company's inoperative overseas Wholly Owned Subsidiaries ('WOS') namely KEC Global FZ LLC and KEC Global Mauritius, domiciled in the United Arab Emirates and the Republic of Mauritius respectively. The liquidation process of KEC Global FZ LLC has been completed and the said entity has been de-registered with effect from March 08, 2023. Liquidation process of KEC Global Mauritius is in process.

#### Performance Highlights

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

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

#### 10. DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the financial year ended on March 31, 2023, the applicable Accounting Standards have been followed and no material departures have been made from the same;
- we have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023, and of the profit of the Company for the year ended on March 31, 2023;
- we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- we have prepared the annual accounts for the financial year ended on March 31, 2023, on a going concern basis;
- we have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

#### 12. DIRECTORS & KEY MANAGERIAL PERSONNEL

##### 12.1 Directors

During the year under review, appointment of Mr. Vinayak Chatterjee, Non-Executive Non-Independent Director of the Company, was approved by the Members of the Company at the Annual General Meeting held on June 30, 2022.

Mr. Vimal Kejriwal was re-appointed as Managing Director & CEO of the Company by the Members on August 04, 2021 effective April 01, 2022 for a period of 2 years. The present term of Mr. Vimal Kejriwal as Managing Director & CEO will end on March 31, 2024. Based on the performance evaluation of Mr. Vimal Kejriwal, the Nomination and Remuneration Committee and the Board of Directors of the Company at their respective meetings held on May 03, 2023 recommended the extension of his tenure as Managing Director & CEO of the Company w.e.f. April 01, 2024 to March 31, 2025, subject to approval of Members at the ensuing Annual General Meeting.

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

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

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

##### 12.2 Key Managerial Personnel (KMP)

Pursuant to the provisions of sub-section (51) of Section 2 and Section 203 of the Act read with the Rules framed thereunder, the following persons are the Key Managerial Personnel of the Company as on March 31, 2023:

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

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

##### 12.3 Declaration by Independent Directors

In terms of the provisions of sub-section (6) of Section 149 of the Act and Regulation 16 of SEBI Listing Regulations including amendments thereof, the Company has received declarations from all the Independent Directors of the Company that they meet the criteria of independence, as prescribed under the provisions of the Act and SEBI Listing Regulations, as amended from time to time. There has been no change in the circumstances affecting their status as an Independent Director during the year. Further, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than

sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board/Committee(s) of the Company.

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

As per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company are exempted from undertaking the online proficiency self-assessment test.

## 12.4 Board Evaluation

The Board has carried out an annual performance evaluation of its own performance, the Directors individually and of its Committees pursuant to the provisions of the Act and the SEBI Listing Regulations.

The Board evaluation was conducted through a structured questionnaire designed, based on the criteria for evaluation laid down by the Nomination and Remuneration Committee. In order to have a fair and unbiased view of all the Directors, the Company engaged the services of an external agency to facilitate the evaluation process.

A meeting of Independent Directors was held on March 21, 2023 chaired by Mr. A. T. Vaswani, Lead Independent Director, to review the performance of the Chairman, Non-Independent Director(s) of the Company and the performance of the Board as a whole as mandated by Schedule IV of the Act and relevant provision of SEBI Listing Regulations. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which is necessary for the Board to effectively and reasonably perform their duties. The feedback of the meeting was shared by Lead Independent Director with the Board of the Company.

The action areas identified out of evaluation process have been discussed and are being implemented.

## 12.5 Familiarisation Programme for Independent Directors

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

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

The Board of Directors has adopted a Nomination and Remuneration Policy in terms of the provisions of

sub-section (3) of Section 178 of the Act and SEBI Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

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

## 12.7 Meetings of the Board of Directors

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

## 12.8 Meetings of the Audit Committee

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

## 13. AUDITORS

### 13.1 Statutory Auditors

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

The Statutory Auditors' Report for FY 2022-23 does not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Auditors under sub-section (12) of Section 143 of the Act.

### 13.2 Cost Auditors

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

The Board of Directors of the Company at its meeting held on May 03, 2023 on the recommendation of the Audit Committee, approved the appointment of M/s. Kirit Mehta and Co., Cost Accountants (Firm Registration No.: 000353) as the Cost Auditors for the FY 2023-24 and recommends their remuneration to the Members for their ratification at the ensuing Annual General Meeting.

The Cost Auditors' Report of FY 2021-22 did not contain any qualifications, reservations, adverse remarks or disclaimers and no frauds were reported by the Cost Auditors to the Company under sub-section (12) of Section 143 of the Act. The said Cost Audit Report was filed with the Ministry of Corporate Affairs on August 24, 2022.

## 13.3 Secretarial Auditors

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s. Parikh Parekh & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the FY 2022-23. The Secretarial Audit Report in Form MR-3 is annexed to this report as Annexure 'B'. The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and no frauds were reported by the Secretarial Auditors to the Company under sub-section (12) of Section 143 of the Act.

## 14. SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY

The Sustainability and Corporate Social Responsibility ("SCSR") Committee of the Board of Directors *inter alia* gives strategic direction to the Corporate Social Responsibility (CSR) initiatives, formulates and reviews annual CSR plans and programmes, monitors the progress on various CSR activities and sustainability. The sustainability areas *inter alia* include to review performance on sustainability goals, targets and strategy, review and recommend to the Board a Sustainability Report. Details of the composition of the SCSR Committee have been disclosed separately as part of the Corporate Governance Report.

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

The Company, in line with sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, carried out impact assessment through an independent agency in the FY 2022-23 for the applicable projects. The impact assessment report is available on the Company's website at <https://www.kecrpg.com/corporate-governance-csr>

During the year under review, the Company continued with its ongoing CSR programmes in terms of the Annual Action Plan of the Company. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time, is annexed to this Report as Annexure 'C'.

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

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

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

## 16. VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

## 17. RISK MANAGEMENT POLICY

The Company is a global infrastructure major engaged in Engineering, Procurement and Construction ("EPC") business and is exposed to various risks in the areas it operates. In a fast changing and dynamic business environment, the risk of geo-political and economic uncertainties, commodity price variation and currency fluctuation, interest rate fluctuation and cyber threats have increased manifold. The Company's Risk Management Policy outlines guidelines in identification, assessment, measurement, monitoring, mitigating, and reporting of key business risks associated with the activities conducted. The risk management mechanism forms an integral part of the business planning and review cycle of the Company.

It is designed to provide reasonable assurance towards achievement of its goals by integrating management control into daily operations, ensuring compliance with legal requirements and safeguarding the integrity of the Company's financial reporting and the related disclosures.

The Company has a mechanism in place to inform the Risk Management Committee and Board members about risk assessment, minimization procedures and periodical review thereof. The Risk Management Committee of the Company *inter alia* reviews Enterprise Risk Management functions of the Company and ensures appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.

The Committee periodically validates, evaluates, and monitors key risks and reviews the measures taken for risk management and mitigation. The key business risks faced by the Company and the various mitigation measures taken by the Company are detailed in the Management Discussion and Analysis section.

## 18. INTERNAL FINANCIAL CONTROL

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

## 19. RELATED PARTY TRANSACTIONS

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

There are no materially significant related party transactions entered into by the Company with its Directors/Key Managerial Personnel or their respective relatives, the Company's Promoter(s), its Subsidiaries/Joint Ventures/ Associates or any other related party, that may have a potential conflict with the interest of the Company at large.

Pursuant to SEBI Listing Regulations, the resolution seeking approval of the Member on material related party transactions with Al Sharif Group & KEC Limited Company, subsidiary of the Company, is being proposed at the ensuing Annual General Meeting. The Board recommends the said resolution for approval by the Members.

The Policy on related party transactions, as formulated by the Board is available on the Company's website i.e. [www.kecrpg.com](http://www.kecrpg.com) under 'Investors' tab.

## 20. ANNUAL RETURN

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

## 21. ENVIRONMENT HEALTH AND SAFETY (EHS)

The Company had undertaken various measures for effective and uniform implementation of EHS management across all the verticals, in line with the commitment to achieve its objective of providing an injury free workplace for all. The Company continues to be certified under the latest international standards of Integrated Management System that encompasses ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 standards.

The Company has successfully implemented digital platform and analytics to enable data driven decisions, improve safety, and ensure strict adherence to safety rules and procedures. It has migrated to a digital Environment, Health and Safety (EHS) reporting system which provides a real time reporting & escalation framework at all levels of the

organization, enabling immediate action. To strengthen the EHS compliances, digital applications like E-work permits and last-minute risk assessment have been implemented across all verticals.

The Company is proactively committed toward ESG priorities which have been integrated into its business operations, to ensure sustainable growth.

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

During the year, the Company has bagged various EHS awards and appreciation from its prestigious customers and independent agencies including National Safety Council of India, British Safety Council, Greentech Foundation and Construction Industry Development Council.

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

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

## 23. PARTICULARS OF EMPLOYEES

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

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

## 24. HUMAN RESOURCE/INDUSTRIAL RELATIONS

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

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

The COVID-19 pandemic has highlighted the importance of digitalization, leading to the implementation of several initiatives to ensure the safety and well-being of employees. This has resulted in a new way of working that relies on data-driven decision-making.

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

The employee relations remained cordial throughout the year. As on March 31, 2023, the Company had 6,429 permanent employees, excluding its subsidiaries. The Board places on record its sincere appreciation for the valuable contribution made by the employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging have always made the Company proud.

## 25. INTEGRATED ANNUAL REPORT

The Company has voluntarily published Integrated Annual Report for the financial year 2022-23, prepared as per IR Framework recommended by the International Integrated Reporting Council (IIRC) and the same is aimed at providing the Company's stakeholders a comprehensive depiction of the Company's financial and non-financial performance. The Report provides insights into the Company's key strategies, operating environment, risks and opportunities, governance framework and its approach towards long-term sustainable value creation across six capitals viz. financial capital, manufactured capital, intellectual capital, human capital, social and relationship capital and natural capital.

**26. OTHER DISCLOSURES**

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

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued shares (including sweat equity shares) to employees under any scheme.
- There was no revision in the financial statements.
- There has been no change in the nature of business of the Company as on the date of this report.
- The Managing Director & CEO of the Company did not 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.
- There have been no material changes or commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.
- There are no proceedings, pending under the Insolvency and Bankruptcy Code, 2016 corporate insolvency resolution for the end of financial year March 31, 2023.
- There was no instance of one-time settlement with any Bank or Financial Institution.

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

**27. ACKNOWLEDGEMENT**

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

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

**28. ANNEXURES**

The following annexures, form part of this Report:

- Nomination and Remuneration Policy – *Annexure 'A'*
- Secretarial Audit Report – *Annexure 'B'*
- Annual Report on Corporate Social Responsibility – *Annexure 'C'*
- Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo – *Annexure 'D'*
- Information under sub-rule (1) of Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – *Annexure 'E'*

For and on behalf of the Board of Directors

**Harsh V. Goenka**

Chairman

(DIN: 00026726)

Place: Mumbai

Date: May 03, 2023

## Annexure 'A' to Board's Report

### NOMINATION AND REMUNERATION POLICY

**1. INTRODUCTION**

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

**2. OBJECTIVE**

The Policy sets out the guiding principles on:

- Appointment and remuneration of the Directors, KMP and SMP;
- Determining qualifications, positive attributes and independence for appointment of a Director (Executive/ Non-Executive/Independent) and recommend to the Board a policy relating to the remuneration for the Directors, KMP and SMP;
- Formulating the criteria for performance evaluation of all Directors, Board and its Committee;
- Board diversity.

**3. CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE**

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

**4. DEFINITIONS**

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

"Board" means Board of Directors of the Company.

"Company" means KEC International Limited.

"Directors" means Directors of the Company.

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

"Key Managerial Personnel" (KMP) means

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

"Senior Management Personnel" (SMP) means officers and personnel of the Company, who are members of its core management team excluding Board of Directors and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or

Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and Chief Financial Officer.

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

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

The following matters shall be dealt by the Committee:

**a) Directors**

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

**b) Evaluation of performance**

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

**c) Familiarization**

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

**d) Remuneration framework and policies**

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

- The remuneration of MD/CEO, KMP and SMP.
- Remuneration of Non-Executive Directors and Chairman.
- Remuneration Policy for all employees including KMP and SMP which requires:
  - Attract and motivate talent to accomplish Company's long term growth.
  - Demonstrate a clear link between executive compensation and performance.

**6. BOARD DIVERSITY**

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

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

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

### A. Appointment criteria and qualifications

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

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

### B. Term/Tenure

#### 1. Managing Director/CEO

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

#### 2. Independent Director

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

### C. Retirement

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

### D. Removal

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

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

### MD/CEO

- The remuneration to be paid to the MD/CEO at the time of his/her appointment shall be recommended by the NRC and approved by the Board of Directors and the shareholders of the Company.
- Annual increment/subsequent variation in remuneration to the MD/CEO shall be approved by the NRC/Board of Directors, within the overall limits approved by the shareholders of the Company.

### NEDs

- NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and sub-Committees of the Board.
- Remuneration (including Commission) as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders of the Company, wherever required, and the same shall be paid in accordance with the applicable laws.
- The NEDs shall be eligible for remuneration of professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services in accordance with applicable laws.

### KMP & SMP:

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

## 9. DIRECTOR AND OFFICER LIABILITY INSURANCE:

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

## 10. GENERAL

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

# Annexure 'B' to Board's Report

## SECRETARIAL AUDIT REPORT

### FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,  
The Members,  
KEC International Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, to the extent the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>The Companies Act, 2013 ("the Act") and the rules made thereunder;</li> <li>The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;</li> <li>The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;</li> <li>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;</li> <li>The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')</li> </ol> | <ol style="list-style-type: none"> <li>Other laws applicable specifically to the Company, namely:               <ol style="list-style-type: none"> <li>The Electricity Act, 2003</li> <li>The Indian Electricity Rules, 1956</li> </ol> </li> </ol> <p>We have also examined compliance with the applicable clauses of the following:</p> <ol style="list-style-type: none"> <li>Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.</li> <li>The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.</li> </ol> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

1. The Company has issued 53,800 units of Commercial Papers aggregating to ₹ 2,690 crores during the year and redeemed 63,300 units of Commercial Papers aggregating to ₹ 3,165 crores. The Commercial Papers are listed on BSE Limited.

**For Parikh Parekh & Associates**  
Company Secretaries

**P. N. Parikh**  
Partner

FCS No: 327 CP No: 1228

Place: Mumbai

UDIN: F000327E000243999

Date: May 03, 2023

PR No.: 723/2020

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

## ‘Annexure A’

To,  
The Members  
KEC International Limited

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh Parekh & Associates**  
Company Secretaries

**P. N. Parikh**  
Partner

FCS No: 327 CP No: 1228

Place: Mumbai

UDIN: F000327E000243999

Date: May 03, 2023

PR No.: 723/2020

## Annexure ‘C’ to Board’s Report

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (‘CSR’) ACTIVITIES FOR THE FY 2022-23

#### 1) Brief outline on CSR Policy of the Company

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

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

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

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

#### 2) Composition of Sustainability and Corporate Social Responsibility Committee (SCSR)

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

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

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

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

##### Executive Summary

In accordance with the provisions of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company carried out the impact assessment of its applicable CSR projects executed in the FY 2020-21 and FY 2021-22 through an external independent agency- Bluesky Sustainable Business LLP. The Impact Assessment Framework of BlueSky for CSR activities is accredited by National Accreditation Board for Certification Bodies (NABCB), Quality Council of India. The Company has received Platinum Rating for its programs in the fields of Education, Employability, Heritage and Community development. A summary of the projects covered under the assessment are mentioned below:

1. **Education:** Under Pehlay Akshar Schooling activities conducted classroom and virtual sessions to improve English proficiency among students. The Pehlay Akshar Teacher Training trained teachers from BMC government schools and equipped them with enhanced teaching skills. Through the Education initiative, the Company impacted 60,000 students and more than 140 teachers through in person and online interventions.
2. **Employability:** Under vocational skills, the activities included mobilisation and selection of youth from lower socio-economic backgrounds, especially women and training them using NSDC frameworks, certifications and placements in Health, Driving, Skills, Digital and Construction. The Company trained 2,247 beneficiaries in vocational skills and achieved a placement rate of 75%.
3. **Heritage:** Under the Heritage program, installation of signages conveying the significance of various heritage sites, development of a walking app and architectural and art interventions were undertaken in collaboration with civic bodies

to uplift the Banganga Tank precinct and the Victorian Gothic and Art Deco Ensembles, a UNESCO World Heritage Site at Mumbai.

4. **Community Development:** During the FY 2021-22, FY 2020-21 and the Company carried out several relief work and disaster management activities that included distribution of food essentials, donation of oxygens concentrators, conversion of facilities to quarantine centres, donation of medical equipment and other community support. The Company also installed and managed 67 Fever Clinics, in a unique partnership with the National Health Mission, during the period of study.

The report recognizes the Company's commitment to multi-year projects focused on sustainability and support towards addressing long-term social development issues while maximizing the implementing organization's potential.

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

- 5) a. Average Net Profit of the Company as per Section 135(5): ₹ 685.39 Crore
- b. Two percent of average net profit of the Company as per Section 135(5): ₹ 13.71 Crore
- c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- d. Amount required to be set-off for the financial year, if any: Nil
- e. Total CSR obligation for the financial year (b+c-d): ₹ 13.71 Crore
- 6) a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 9.29 Crore
- b. Amount spent in Administrative Overheads: ₹ Nil
- c. Amount spent on Impact Assessment: ₹ 0.08 Crore
- d. Total amount spent for the financial year [(a)+(b)+(c)]: ₹ 9.37 Crore
- e. CSR amount spent or unspent for the financial year:

(₹ in Crore)

| Total Amount Spent for the Financial Year | Amount Unspent                                                                        |                  |                                                                                                                     |        |                  |
|-------------------------------------------|---------------------------------------------------------------------------------------|------------------|---------------------------------------------------------------------------------------------------------------------|--------|------------------|
|                                           | Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135 |                  | Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135 |        |                  |
|                                           | Amount                                                                                | Date of transfer | Name of the Fund                                                                                                    | Amount | Date of transfer |
| 9.37                                      | 4.34                                                                                  | April 28, 2023   | Not Applicable                                                                                                      | Nil    | Not Applicable   |

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

| Sl. No. | Particular                                                                                                  | Amount (in ₹ Crore) |
|---------|-------------------------------------------------------------------------------------------------------------|---------------------|
| (i)     | Two percent of average net profit of the company as per sub-section (5) of section 135                      | 13.71               |
| (ii)    | Total amount spent for the Financial Year                                                                   | 9.29                |
| (iii)   | Excess amount spent for the Financial Year [(ii)-(i)]                                                       | Nil                 |
| (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                 |

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

(₹ in Crore)

| 1       | 2                           | 3                                                                              | 4                                                                          | 5                                  | 6                                                                                                                            | 7                                                          | 8                  |
|---------|-----------------------------|--------------------------------------------------------------------------------|----------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|--------------------|
| Sl. No. | Preceding Financial Year(s) | Amount transferred to Unspent CSR Account under sub-section (6) of section 135 | Balance Amount in Unspent CSR Account under sub-section (6) of section 135 | Amount Spent in the Financial Year | Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any | Amount remaining to be spent in succeeding Financial Years | Deficiency, if any |
|         |                             |                                                                                |                                                                            |                                    | Amount                                                                                                                       | Date of Transfer                                           |                    |
| 1       | FY21-22                     | 3.13                                                                           | 3.13                                                                       | 3.13                               | -                                                                                                                            | -                                                          | -                  |
| 2       | FY20-21                     | -                                                                              | -                                                                          | -                                  | -                                                                                                                            | -                                                          | -                  |
| 3       | FY19-20                     | -                                                                              | -                                                                          | -                                  | -                                                                                                                            | -                                                          | -                  |

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

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

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

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

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

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

During the financial year 2022-23, the Company has spent ₹ 9.37 Crore on assessment and various CSR projects and transferred ₹ 4.34 Crore related to ongoing CSR projects to the Unspent CSR account pursuant to the provisions of the Act.

**Vimal Kejriwal**  
Managing Director & CEO  
(DIN:00026981)

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

Place: Mumbai  
Date: May 03, 2023

## Annexure 'D' to Board's Report

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

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

#### (A) CONSERVATION OF ENERGY

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

- Installation of LED Lights in the plants and surrounding area alongwith deployment of light sensing devices for auto switching on-off at various locations resulted in energy conservation.
- With continuous monitoring, maintained power factor and maximum demand average of electricity which resulted in saving of energy.
- Replacement of slip ring cranes motors resulted in energy conservation.
- Replacement of plate induction furnace, installation of new and modification of existing angle induction furnace resulted in energy conservation.
- Replacement of oil-fired furnaces with LPG fired furnace, resulted in saving of energy.
- Blocked major air leakages in the compressors to reduce cumulative average power consumption.

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

- Installation of additional solar rooftop plants at Tower Manufacturing plants at Butibori and Jaipur.
- Collaborated with external service provider to procure energy from hybrid (Solar and Wind) sources to fulfil energy requirement for Cable plants.
- Installation of Solar panels at sites that are powering offices, guest houses and pumps.
- Use of hybrid vehicle at project sites and offices.

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

The Company has made investment of ₹ 1.36 Crore on energy conservation equipment.

#### (B) TECHNOLOGY ABSORPTION

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

- Low-cost automation across various factories as well as redesigning of various processes.
- Digital tools have been developed using Artificial Intelligence (AI), Machine Learning (ML) and Robotic Process Automation (RPA) models for engineering.
- Use of grouted coupler technology to develop precast foundations.

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

- Saving in power cost.
- Cost optimization of foundations for Transmission towers.
- Reduction in Cycle time and improvement in quality of engineering processes.
- Development of precast as a core capability.

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

- Technology imported: Nil
- Year of import: Not applicable
- Whether the technology been fully absorbed: Not applicable
- If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action: Not applicable

##### (iv) Expenditure on R&D

- Capital : Nil
- Recurring : ₹ 32 Crore
- Total : ₹ 32 Crore
- Total R&D expenditure as a percentage of total turnover is 0.21 percent.

#### (C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

(₹ in Crore)

| Particulars             | FY 2022-23 | FY 2021-22 |
|-------------------------|------------|------------|
| Foreign exchange earned | 3,958.96   | 3,315.62   |
| Foreign exchange used   | 2,868.78   | 2,606.35   |

## Annexure 'E' to Board's Report

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

|                                                                                                                                                                                                                                                                                                                                                    | Ratio of the remuneration of each Director to the median remuneration of the employees in FY 2022-23                                                                                                                                                                                                                                                                                                                                                     | Increase/Decrease in remuneration (%) |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Mr. Harsh V. Goenka                                                                                                                                                                                                                                                                                                                                | 28.07                                                                                                                                                                                                                                                                                                                                                                                                                                                    | (60.79)                               |
| Mr. Vimal Kejriwal                                                                                                                                                                                                                                                                                                                                 | 101.02                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 6.27                                  |
| Mr. A. T. Vaswani                                                                                                                                                                                                                                                                                                                                  | 2.70                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (2.32)                                |
| Mr. Dilip G. Piramal                                                                                                                                                                                                                                                                                                                               | 1.98                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (5.56)                                |
| Mr. G. L. Mirchandani                                                                                                                                                                                                                                                                                                                              | 1.98                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                     |
| Mr. M. S. Unnikrishnan                                                                                                                                                                                                                                                                                                                             | 1.98                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (5.56)                                |
| Ms. Nirupama Rao                                                                                                                                                                                                                                                                                                                                   | 2.10                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 4.93                                  |
| Mr. Ramesh D. Chandak                                                                                                                                                                                                                                                                                                                              | 2.79                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (1.03)                                |
| Mr. S. M. Trehan                                                                                                                                                                                                                                                                                                                                   | 2.78                                                                                                                                                                                                                                                                                                                                                                                                                                                     | (1.24)                                |
| Mr. Vikram Gandhi                                                                                                                                                                                                                                                                                                                                  | 1.86                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                     |
| Mr. Vinayak Chatterjee                                                                                                                                                                                                                                                                                                                             | 1.98                                                                                                                                                                                                                                                                                                                                                                                                                                                     | -                                     |
| Mr. Rajeev Aggarwal, Chief Financial Officer                                                                                                                                                                                                                                                                                                       | -                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 7.51                                  |
| Mr. Amit Kumar Gupta, Company Secretary                                                                                                                                                                                                                                                                                                            | -                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 12.01                                 |
| The percentage increase in the median remuneration of employees in the financial year                                                                                                                                                                                                                                                              | 7.54 percent                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |
| The number of permanent employees on the rolls of Company (excluding subsidiaries)                                                                                                                                                                                                                                                                 | 6,429 (as on March 31, 2023)                                                                                                                                                                                                                                                                                                                                                                                                                             |                                       |
| Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration | The average increase in salaries of employees during the year 2022-23 was 9.44 percent as against an increase of 6.27 percent in the salary of the Managing Director & CEO (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employees' potential, experience, performance and contribution to the Company's growth over a period of time and also benchmarked against Industry standard. |                                       |
| Affirmation that the remuneration is as per the remuneration policy of the Company                                                                                                                                                                                                                                                                 | The Company affirms that remuneration to employees of the Company is as per the remuneration policy of the Company.                                                                                                                                                                                                                                                                                                                                      |                                       |

# Management Discussion & Analysis



Cement plant project, Rajasthan

## GLOBAL ECONOMY

The global economy grew by a modest 3.4% during 2022 owing to disruptions caused by lingering pandemic challenges and Russia-Ukraine conflict, which resulted in supply chain disruptions, unprecedented increase in energy & commodity prices, high inflation, and elevated interest rates globally. IMF expects global growth to decelerate further to 2.8% in 2023 but the indicators are pointing towards stabilisation and gradual recovery in many parts of the world.

Most of the economic weakness is concentrated in advanced economies such as in Europe, US and Latin America. In contrast, many developing

economies are picking up, with an increase in year-on-year growth to 4.5% compared to 2.8% in 2022. Asian economies are expected to drive majority of the global growth in 2023 owing to reopening dynamics and relatively less intense inflationary pressures. Overall economic activity, production output and labour markets have remained resilient indicating strong demand in these economies.

Global inflation, which emerged as a big challenge post the geo-political conflict, is expected to fall to 7% in 2023 and 4.9% in 2024 from 8.7% last year, driven by rationalisation of energy and commodity prices, unwinding of supply chain disruptions and normalisation

of global trade. Additionally, China's reopening, in a shift from its zero-COVID policy, will immensely contribute to tackle the sticky inflation problem. This is paving the way for a reduction in the pace and intensity of interest rate hikes by the world's major central banks.

IMF expects the global real GDP to grow to 3.0% in 2024 and be more evenly distributed across regions. Tailwinds in 2024 for modest improvement in the global outlook will largely come from fading shocks related to the pandemic, commodity prices, elevated inflation, and monetary tightening.

It is noteworthy that, amidst the uncertainty and slowdown in the

economy, infrastructure investments remained resilient in 2022. Secular trends such as energy transition, transportation decarbonisation, asset modernisation, and circular economy are driving investments in the infrastructure segment. During the year, the Company has experienced increased tendering activities across both developed as well as developing countries.

## INDIAN ECONOMY

While the global economy is expected to slow down this year, India's growth remains resilient despite some signs of moderation. The country, being the fastest growing major economy in the world, will alone contribute 15% of the global growth this year. As per World Bank forecasts, India is expected to deliver a healthy growth of 6.9% in FY23, driven by strong infrastructure spending by the government, buoyant private consumption, and growth in service exports.

The 2023 Union budget focussed on balancing development needs with fiscal responsibility by providing significant financing for capital investments. The Government has announced 33% higher capital outlay of ₹ 10 Lakh Crore, constituting 3.3% of the overall GDP, to significantly boost the infrastructure development. Similarly, the highest ever capex outlay of ₹ 2.4 Lakh Crore has been planned for Railways. Large investments have been announced across sectors ranging from transportation, urban Infra, green energy, affordable housing, social infrastructure, highways, etc.

Private sector investment is also gradually picking up with initiatives like Production-Linked Incentive (PLI) scheme, PM Gati Shakti, and National Logistics Policy (NLP), which aids in boosting domestic manufacturing and export competitiveness. Further, investments by global multinationals to de-risk and develop alternative supply chains are also expected to boost capital outlay by the private sector. The improvement in the balance sheets of companies as well as of banks bodes well for the private sector capex investments. According to the economic survey, India saw private

investment of ₹ 3.3 Trillion in the first six months of FY23, up 50% from ₹ 2.2 Trillion a year earlier. The recent labour market conditions suggests an increase in labour force participation and sustained job creation.

These developments also project India as an attractive investment destination and enhance the confidence of global investors to invest in India. The country is seeing healthy rise in foreign direct investments from countries such as Japan, UAE, UK, Taiwan, Singapore, etc. Further, recent free trade agreements will also benefit domestic manufacturing through integration with the global supply chain.

For FY24, the World Bank estimates India to grow at 6.3% on the back of easing global commodity prices, supportive fiscal and monetary policy, and increased infrastructure spending by the government. Overall growth of the construction industry is expected to be robust as the government continues to prioritise the development of infrastructure in the country. With an emphasis on rebuilding infrastructure, renewable energy ecosystem, sustainable buildings, and industries, construction companies that embrace the industry's changing landscape will have an edge over others.

Overall, while the economy is well poised to deliver strong growth, the downside risks to the economy arising out of Russia-Ukraine conflict, global financial instability, supply chain disruptions, currency volatility and inflation remain significant.

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**For FY24, the World Bank estimates India to grow at 6.3% on the back of easing global commodity prices, supportive fiscal and monetary policy, and increased infrastructure spending by the government.**



## GLOBAL CONSTRUCTION INDUSTRY

The global construction market output aggregated to USD 10.7 Trillion in 2020 and is expected to reach USD 15.2 Trillion by 2030. It is emerging as the key driver of economic growth with spending levels likely to reach 13.5% of the global GDP. Governments worldwide continue to champion major infrastructure projects to boost their economy's productive potential and drive the post-COVID economic recovery. Emerging economies in Asia are expected to drive the global construction growth owing to rising population, urbanisation, and increased purchasing power leading to demand for urban infrastructure and residential construction. Increase in working population in countries such as India, Indonesia, Canada and Australia is also fuelling demand for workplace construction giving rise to growth in Commercial and Public Spaces infrastructure.

Coming to India, the Infrastructure Industry is expected to grow by 12% to reach ₹ 45,907 Billion in 2023. The growth momentum is expected to continue with forecasted CAGR of 9.9% during 2023-27 to reach ₹ 66,955 Billion by 2027. The National Infrastructure Pipeline (NIP) for FY 2019-25, supported by ~33% increase in the planned capital expenditure by the government, is targeted to provide world-class infrastructure to citizens, improving their quality of lives. Key components of the expanded infrastructure budget 2023-24 include a considerable rise in capital outlays for transportation through railroad infrastructure and multimodal logistics park, urban infrastructure, green energy transition, public utilities, etc. The government is working on the development of logistics which includes 100 critical transport infrastructure projects for first and last-mile connectivity of ports, coal, steel, fertiliser and foodgrains sector. An outlay of ₹ 35,000 Crore has been announced for investments in Energy Transition projects to achieve net zero objectives.



The Green Hydrogen targets by 2030 are likely to bring in over ₹ 8 Lakh Crore investments with significant increase in projects for solar, associated transmission lines & substations as well as gas storage and pipeline projects for green hydrogen / ammonia.



The Green Hydrogen Mission will facilitate transition of the economy to low carbon intensity and reduce dependency on fossil fuel imports. This mission will result in development of green hydrogen production capacity of

at least 5 MMT (Million Metric Tonne) per annum with an associated renewable energy capacity addition of about 125 GW in the country by 2030. The Green Hydrogen targets by 2030 are likely to bring in over ₹ 8 Lakh Crore investments with significant increase in projects for solar, associated transmission lines & substations as well as gas storage and pipeline projects for green hydrogen / ammonia. Further, India continues to be a lucrative market for foreign direct investments due to comparatively low setup costs, improved government support and availability of well-qualified professionals.

To raise additional financing to implement infrastructure development, the government launched the National Monetisation Pipeline (NMP) in August 2021. The plan aims to unlock value in the brownfield projects by engaging the private sector and investing the revenue generated on new infrastructure projects. With a significantly enhanced outlay of ₹ 1.3 Lakh Crore (USD 16 Billion), efforts of the Central

Government are being complemented with continuation of the 50-year interest-free loan to state governments for one more year to spur investment in infrastructure and to incentivise them for complementary policy actions.

Government spending on infrastructure projects has remained strong in 2023, and the trend is projected to further continue in 2024. In January 2023, the Indian government has entered into loan agreement with the Asian Development Bank worth USD 1.2 Billion for funding infrastructure development in India. The agreement would cover projects for improving the power sector and highways in Tripura and Assam, metro rail connectivity in Chennai and improvement of key economic areas in Maharashtra.

Overall, outlook for Infrastructure sector is positive but current geo-political uncertainties, high inflation and interest rates, and tighter monetary policies across large economies do present unfavourable headwinds in the short term.



225 kV Transmission Line, Ivory Coast

## BUSINESS SCENARIO AND INDUSTRY OUTLOOK & OPPORTUNITIES



765 kV Warora-Kurnool TBCB Transmission Line project

### POWER TRANSMISSION & DISTRIBUTION BUSINESS

#### Overview

KEC, a global EPC major in the Power Transmission & Distribution (T&D) industry, offers integrated solutions ranging from design, manufacturing, supply, installation, and commissioning of Transmission Lines, Substations and Underground Cabling in both domestic and international markets. The business is known for delivering complex projects, across challenging geographies, ahead of schedule enabled by world-class engineering and design capabilities, global supply chain and leading construction practices.

The Company's T&D business has footprints in 70+ countries, spread across Asia (South Asia, Middle East, Southeast Asia, Central Asia), Africa, the Americas, Oceania, and Europe. The business is contributing around 50% to both, overall revenue as well as order book and is executing over 160 transmission line, substation and cabling projects across the globe.

The Company is among the largest globally operating tower manufacturing plants in terms of capacities, having six state-of-the-art factories spread across India, Brazil, Mexico, and UAE. It has a capacity to supply over 3.6 Lakh tonnes of lattice towers, poles and transmission line hardware annually. The Company owns and operates four tower testing stations spread across India and the Americas. Our geographically diversified manufacturing footprint helps build a deeper connection with customers and enhance competitiveness across markets.

The global T&D infrastructure market is estimated to witness investments of more than USD 1 Trillion over the next ten years. Most of these investments will be for the construction of new transmission lines to integrate renewable energy generation projects. Significant investments are also being planned for regional grid integration and cross-border interconnections. In developed economies, ageing grid replacement and upgradation will also drive the demand. At the same time, technological innovations are also

providing an impetus to expansion and modernisation of transmission networks. KEC is strategically positioned to address the diverse needs of its clients and carry out technology-enabled projects with best-in-class standards of quality and safety.

During the year, the T&D business has delivered a growth of 27% in revenues with sustained focus on execution excellence, amidst challenges of unprecedented volatility in commodity prices and logistic costs. The business continues to strengthen execution processes and drive automation, mechanisation and digitalisation initiatives resulting in faster / ahead of time completion of projects. During the year, the business has also focussed on building a World-Class Engineering organisation with future-ready processes to deepen design capabilities across business segments, improve quality with first time right designs, institutionalise design to value process to optimise project costs as well as reduce design cycle time by leveraging robotic process automation, artificial intelligence, and advanced analytics techniques.

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

#### I) South Asia business (India and SAARC)



765 kV GIS Pooling Station, North Chennai, Tamil Nadu



In India, the Company has consolidated its position as a leading provider of Engineering, Procurement and Construction services for Tariff Based Competitive Bidding (TBCB) projects, having secured a significant share in four large schemes during the year.

The South Asia Transmission & Distribution business secured orders of ~₹ 4,900 Crore, a staggering growth of over 60% over last year. The growth was primarily driven by an increase in footprint in the substations business, entry into new markets and clients, and foray into technology intensive areas such as HVDC terminal stations.

In India, the Company has consolidated its position as a leading provider of Engineering, Procurement and Construction services for Tariff Based Competitive Bidding (TBCB) projects, having secured a significant share in four large schemes during the year. The Company has secured strategic

projects for transmission lines and substations from PGCIL, for evacuation of power from Khavda renewable energy park in Gujarat. During the year, the Company has achieved numerous breakthroughs in technology intensive projects. Notably, the Company takes pride in being awarded the first 765 kV Digital Substation order in India, as well as securing another order for a 400 kV Digital Substation. The Company has also received an order for +/- 320 kV HVDC Terminal stations in Maharashtra from a private client, making KEC the first non-OEM player in India to execute an HVDC project at such a scale. Additionally, the Company has secured a substation project with a first-time



KEC, with its state-of-the-art EHV cables manufacturing facility and strong EPC capabilities, is well-positioned to capture a significant share of underground EHV cabling market.

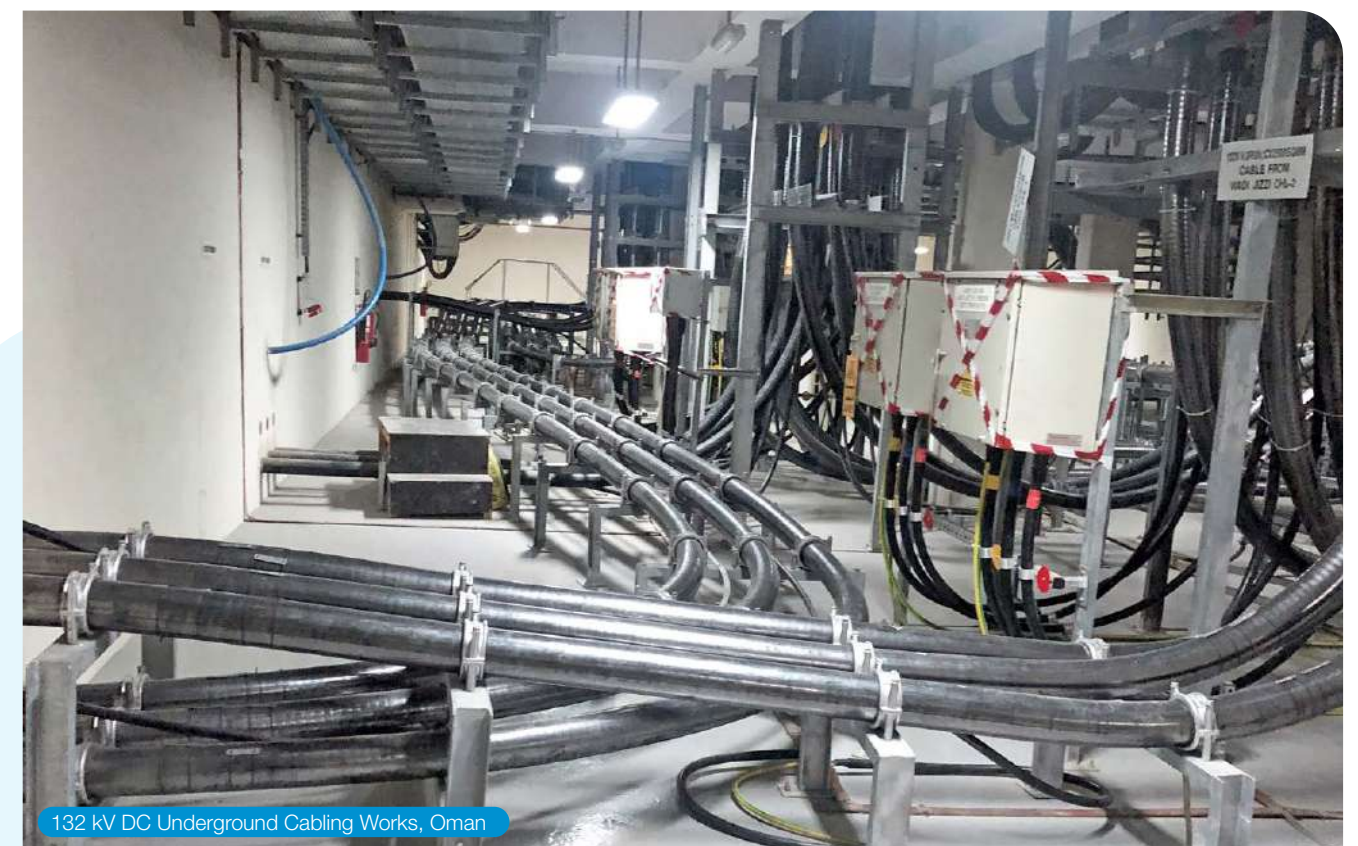
customer in Gujarat, as well as its first order in the refinery sector from a leading Oil and Gas company in Panipat.

The Indian power sector is poised for promising growth, with transmission infrastructure planned for major renewable energy potential zones such as Leh, Ladakh, Rajasthan, Andhra Pradesh, Tamil Nadu, and Gujarat, to support the COP26 target of achieving 500 GW of non-fossil fuel power by 2030. Under the Inter State Transmission System (ISTS), the planned length of transmission

lines and substation capacity for integrating additional wind and solar capacity is as high as 50,890 CKM and 4,33,575 MVA, respectively, by 2030, at an estimated cost of ₹ 2,44,200 Crore. In addition, several HVDC transmission corridors are planned to evacuate bulk power and ensure system stability.

Similarly, the Underground EHV cabling market is witnessing an upsurge with increasing need for power in urban areas, development of smart cities and demand for uninterrupted power supply in cyclone-prone regions. The expansion of refineries, steel industries, development of commercial and residential infrastructure, including urban infrastructures such as metros are further driving the market potential for EHV cabling. KEC, with its state-of-the-art EHV cables manufacturing facility and strong EPC capabilities, is well-positioned to capture a significant share of underground EHV cabling market.

In the solar business segment, the Company is experiencing growth supported by favourable government policies, with a trend towards larger size EPC projects while module risk is being retained by the developers. There is expected increase in tenders issued by central PSUs, thanks to supportive policies from both state and central governments. Furthermore, the projects are increasingly being located in challenging terrains requiring large transmission lines, which highlights the importance of engineering-focussed solutions and reliable execution capabilities. With improving market dynamics and stable policies by the government, KEC is refocussing on the solar business and has established its presence in key solar hubs to enhance competitiveness. The Company has won its largest value solar project till date of ~600 MWp, worth over ₹ 750 Crore, in Karnataka that will utilise tracker-based technology, further enhancing our credentials in the growing renewables market.



132 kV DC Underground Cabling Works, Oman



**With a healthy order book of ~₹ 7,000 Crore and a strong tender pipeline across India and SAARC, the Company is well poised to sustain its leadership position in the South Asian market.**

The policy developments are highly encouraging for achieving the targeted growth in this sector. The relaxation of Approved List of Models and Manufacturers (ALMM) for two years and the introduction of additional PLI schemes in renewables will accelerate the pace of solar projects under execution. Moreover, the policies for the wind power sector, such as repowering policy, wind power purchase obligations, and removal of reverse auctions will boost the sector, creating opportunities for transmission projects. Additionally, India's Hydrogen Mission aims to produce 5 million metric tonnes of green hydrogen by 2030, with an initial budget of ₹ 19,744 Crore, including ₹ 17,490 Crore for the SIGHT programme. Implementation of Green Hydrogen will require significant investments across the value chain starting from renewable energy parks, transmission infrastructure, industrial units for water electrolysis, hydrogen storage and transportation systems, ammonia manufacturing complexes, etc. This presents a significant opportunity for KEC, leveraging its end-to-end EPC expertise in solar, transmission lines, substations, oil & gas, and civil infrastructure.

In the SAARC market, the Company continues to maintain a strong footprint by securing order wins in Nepal and Bangladesh to further strengthen its presence in the region. In addition to Transmission & Distribution projects, the Company has also been targeting underground cabling and renewable energy projects throughout the SAARC region. Notably, the Company has

won its first integrated Cabling and Substation project in Nepal.

The SAARC region continues to offer significant business opportunities and has been a key growth driver for the Company. Countries such as Bangladesh, Bhutan, India, and Nepal are collaborating on a range of investments and initiatives aimed at improving regional cooperation in the areas of energy security, energy efficiency, and sustainable development. The development of cross-border transmission lines, which will facilitate the exchange of power between these countries, will play a crucial role in meeting the increasing energy demands of the region.

Bangladesh is one of the major drivers of the SAARC power market on the back of its expanding economy and fast-paced growth in infrastructure, industrial, and export sectors. The government of Bangladesh has set ambitious goals for the country's Transmission and Distribution sector to meet rising demand for electricity and promote sustainable development. The Bangladesh Power Development Board (BPDB) plans to add approximately 25,000 MW of generation capacity from 2022 to 2027 to provide quality, reliable electricity to all citizens. Additionally, the government plans to implement smart grid technologies, such as advanced metering infrastructure and distribution automation systems, to increase efficiency and reliability within the T&D sector.

Nepal is poised to remain a region of high potential, with a particular focus on building 400 kV corridors across the country to improve the export potential for hydro power. These efforts are supported by a variety of multilateral funding organisations, including the EXIM bank of India. There is a concerted effort to develop more than 3,000 MW of hydroelectric power for export to India. Bhutan continues to build new hydropower capacities and associated transmission infrastructure, with support from Indian financial institutions, to leverage the vast hydro resources of the country. In Sri Lanka, with international

funding support coming through, the rebuilding process will be in focus and new infrastructure is expected to be built to meet the demand of electricity.

With a healthy order book of ~₹ 7,000 Crore and a strong tender pipeline across India and SAARC, the Company is well poised to sustain its leadership position in the South Asian market.

## II) International Business

The Company's International T&D business significantly strengthened its footprint across regions in FY23. The business has delivered a staggering growth of 68% in revenues over last year. The business secured new orders of over ₹ 4,000 Crore, a growth of 35% in order intake on a year-on-year basis. Total 822 kms of transmission line and 38 bays of substations have been completed during the year in 15 projects across regions.

In line with the objective of driving growth through diversification, the business has continued with geographic footprint expansion by securing breakthrough orders in the Middle East. The business' continued focus on strengthening substation business has yielded positive results with significant orders across Middle East, Africa and South-East Asia aggregating close to ₹ 800 Crore. Further, the business has forayed into underground cabling segment through a maiden order in Dubai. The International T&D business has also strengthened tower supplies with new orders of over ₹ 700 Crore, including a strategic tower supply order with one of the largest utilities in USA.

The Company's subsidiaries, KEC Towers LLC and KEC EPC LLC, in UAE have enhanced the competitive advantage of the business in the Middle East, especially with increasing localisation requirements of countries in the region. KEC Tower LLC, a 50,000 MT tower manufacturing facility in Dubai, caters to tower supply orders in MENA, Africa and European markets. Further, the subsidiary is exploring opportunities in allied areas for supply of transmission line hardware



400 kV Dodoma Substation, Tanzania

components. Additionally, the Company is currently executing four EPC orders, including three new orders received in FY23, under its subsidiary KEC EPC LLC in UAE. The subsidiary is now well positioned to execute orders in the MENA region and is targeting to expand its regional presence.

In the Middle East, the countries are focussing on building power transmission infrastructure as is evident from the improved tender pipeline of USD 4.2 Billion in FY23. Tendering activities are expected to gain further momentum as the countries continue to diversify from oil-based economies, build and integrate renewable energy sources into transmission networks, and improve interconnections between the regional grids. Saudi Arabia and United Arab Emirates will continue to be the biggest markets with investments of up to USD 13 Billion envisaged till FY25 for power evacuation, grid expansion and modernisation. Countries such as Kuwait, Oman and Qatar have also planned investment of ~USD 1.5 Billion in the transmission sector. In FY23, the Company has bagged two breakthrough EPC projects of over ₹ 900

Crore from Gulf Cooperation Council Interconnection Authority (GCCIA). With a robust order book and tender pipeline, the business is confident of delivering healthy growth in the region.

Africa continues to be the second largest region for International business. The Company has a presence in both West and East Africa and over the years has strengthened its relationship with the local utilities, communities, and multilateral funding agencies. The key driver for growth in the region for the transmission business is grid expansion for improving the overall access to electricity for the population. Power sector reforms undertaken in most of the countries, under guidance of funding agencies, will further improve tender pipeline and increase opportunities for different models of project financing. Investment of up to USD 3 to 4 Billion per annum is expected in the region till 2040, and it will continue to be an attractive business destination for the Company.

In terms of project execution in Africa, the business has completed its first transmission line project in Burkina



**The Company's International T&D business significantly strengthened its footprint across regions in FY23. The business has delivered a staggering growth of 68% in revenues over last year. The business secured new orders of over ₹ 4,000 Crore, a growth of 35% in order intake on a year-on-year basis.**

Faso and received another EPC order for 132 kV substation in the country. A notable achievement is completion of four substations for the critical electrical interconnection project between the countries – Ivory Coast (Côte d'Ivoire), Liberia, Sierra Leone, and Guinea (CLSG) – to Western-African Power Pool (WAPP). Additionally, one transmission line and one substation project have



400 kV Suwayhat - Duqm - Mahout Transmission Lines, Oman

been successfully energised in Mali and Senegal respectively. Presently, eight transmission line and substation projects are under execution in Mozambique, Uganda, Togo, and Burundi.

In South-East Asia, the Company has successfully energised three substations and one transmission line in Thailand and Malaysia. The business has also received its first 500 kV GIS substation order in Thailand and one 500 kV transmission line project is under execution in the country. In line with its rapid economic development, South-East Asia's energy demands are expected to rise by 60% by 2040. The region imports 40% of its energy, which calls for urgent need towards transitioning to a sustainable energy system, including expansion of renewables and natural gas, and regional interconnection and trade. The ASEAN countries are also working to develop a regional grid that will involve multiple inter-connection projects across countries. With these opportunities, an improved tender pipeline is expected in the region.

The Company is also executing projects in Moldova and Georgia that are progressing as per schedule. Further, the business is expanding its footprint in Central Asia with significant order intake expected from these countries. The energy sector in Central Asia has been impacted by the collapse of regional grid system after the dissolution of the Soviet Union. Tajikistan, Uzbekistan, and Kyrgyzstan have significant needs for setting up generation and transmission capabilities. With the governments recognising the need for increased regional power trade and modernising Soviet-era grids and the willingness of funding agencies to finance projects, better tender pipeline is expected in the region.

The standalone tower supply business has grown significantly in FY23 with an overall order intake, of over ₹ 2,000 Crore. The business has secured multiple breakthrough orders in USA, Oman, and Ivory Coast amongst others. To expand the tower supply business footprint, multiple pre-qualifications and certifications required for participation in USA and European markets have

been completed and others are under progress. With the increase in tendering activities across regions, the business is expected to gain further momentum.

SAE Towers, the Company's wholly owned subsidiary in the Americas, has completed all the EPC projects, including four transmission lines spanning 900 km and three substations totalling to over 1,000 MVA in Brazil. The Company has secured supply orders of over ₹ 1,500 Crore during the year. In a significant achievement, SAE Towers Brazil has secured largest ever order with 32,500 tonnes of tower supplies. In the hardware product category, the business has received the largest-ever order to supply hardware fittings for 1,000 km of 500 kV line with extra-expanded bundle configuration. The business has also increased its hardware portfolio with fittings for OPGW and Cross-rope steel wire. The capacity of the hardware plant has been significantly enhanced to cater to growing demand in the local market and to prepare for the expansion of North America and LATAM market.

The Brazilian government has outlined elaborate plans to upgrade the transmission network and add renewable energy capacities. The 10-Year Energy Expansion Plan 2031 (PDE 2031) announced by the Ministry of Mines and Energy (MME) envisages investments to the tune of BRL 126.4 billion for the 10-year period starting 2022 in the transmission segment. PDE 2031 mentions additional generation capacity of 75GW, 33,600 km of transmission lines, and 117,100 MVA of substations. The Company will be participating in the upcoming ANEEL transmission auctions by the Brazilian Electricity Regulatory Agency for tower and hardware supplies.

North America's comprehensive plans to upgrade the existing infrastructure, integrate new renewable capacities and distributed energy resources, and respond to a rapidly changing energy mix is under execution. In USA, the current administration is accelerating the transmission infrastructure buildout, with the largest investment

ever in upgrading the power grid, to deliver affordable and clean electricity. To facilitate evacuation, the Government is targeting to spend USD 100 Billion towards re-energising the country's power infrastructure and upgrading the nation's electricity transmission system. The Company is delivering towers for well-known projects such as the Ten West Link transmission line from Arizona to California, with potential to unlock up to 3,200 MW of clean energy. Additionally, SAE Towers is increasing its market share in the Pole business with references up to 345 kV and further obtaining pre-qualification certifications from several utilities.

In South America, the transmission infrastructure industry is moving towards opening the sector for private participation, to promote renewable energy integration in power grids, encourage growth in capacities, drive efficiency improvement through adoption of new technologies, and support ESG initiatives. Several South

American countries such as Colombia and Chile are working on these initiatives. Chile is already in progress to implement their first HVDC project. These measures are expected to support transmission grid networks in the region, with countries such as Brazil, Chile, Colombia, Argentina, and Peru likely to garner more than 90% of the total investments.

In Mexico, after a notorious slowdown in the energy sector during 2019-2022, even with an increasing demand, the government has released important investments in renewables that involve long transmission lines. There are plans to add 4.3 GW of generation capacity in the near term and make large-scale investments in energy transmission and distribution. SAE Mexico has successfully secured orders for lattice steel structures, further strengthening its position in the country.

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



500 kV SAPEAÇU – POÇÕES III Transmission Line in Brazil

## RAILWAY BUSINESS

KEC is one of the leading companies with a diverse portfolio of projects in railways across overhead electrification (OHE), laying of new railway lines, doubling and tripling of tracks, gauge conversion, port connectivity, signalling and telecommunication, tunnel ventilation, speed upgradation, and construction of railway stations, platforms, bridges, residential quarters, depots, workshops, and railway sidings. During the year, in line with the diversification agenda, the Company forayed into implementation of India's indigenously developed Train Collision Avoidance System - KAVACH and Automatic Block Signalling. The Company is also present in Urban Infrastructure segment delivering power supply systems, electrification – both overhead and 3rd rail systems, and ballast-less track laying projects for metros.

Railways business generated a revenue of over ₹ 3,700 Crore in FY23 and secured new orders of ~₹ 2,900 Crore, a year-on-year order intake growth of 15% compared to FY22. The business is proud to commission railway lines of 198 route kms and completed electrification work for 1,564 route kms during the year. The business has well-diversified unexecuted order book of over ₹ 4,000 Crore from clients across central public sector undertakings, zonal railways, metro sector, private players,

and government establishments in international markets. The outlook for the business is positive with buoyant investment in domestic and international railway markets.

The National Rail Plan 2030 proposes to develop a future-ready railway infrastructure for the country to meet demand up to 2050. The goal is to build capacity before the demand and increase the freight modal share of railways from the current 27% to 45% by 2030. In FY24 budget, Indian Railways has witnessed significant support with the highest-ever allocation of ₹ 2.4 Lakh Crore. Vision 2024 of the National Rail plan allocated ₹ 1.15 Lakh Crore to prioritise accelerated implementation of 126 critical projects such as 100% electrification, multi-tracking of congested routes, upgradation of speed to 160 mph on Delhi-Howrah and Delhi-Mumbai routes, upgradation of speed to 130 kmph on all other Golden Quadrilateral-Golden Diagonal routes and elimination of all Level Crossings on all Golden Quadrilateral and Golden Diagonal routes to enhance safety and speed. Additionally, Railways is targeting new track laying of 19 kms per day in FY24, an increase from 12 kms of track laying per day in FY23.

Further, the Government is focussing on increasing capacity, speed and safety of Indian Railway network through upgradation of existing OHE network

and implementation of Automatic Block Signalling and Kavach technologies. The Railways is upgrading OHE to 2x25 kV to operate faster trains such as Vande Bharat and heavy haul goods trains. During the year, the Company extended its leadership in 2x25 kV electrification by adding 622 kms of projects. The Company is now executing 11 projects of 2x25 kV OHE totalling 2,400 route kms. Automatic Block Signalling projects are also under implementation across the railway network to increase line capacity through automation and the Company has secured projects in the segment. Automatic Block Signalling is commissioned over 3,447 route kms of the network and the Indian Railways has identified additional 15,000+ route kms for upgrade, presenting significant opportunities for the Company. Further, Indian Railways' indigenously developed Train Collision Avoidance System (KAVACH) will improve safety and speed of the existing railway. The Company is presently implementing KAVACH system on over 750 kms of the railway line in the Chipiyana-Kanpur-Pandit Deen Dayal Upadhyay section of North Central Railway. Indian Railways proposes to implement KAVACH in over 34,000 km of the railway line with an investment of ₹ 34,000 Crore over the next 5 years.

The Company executed Signalling and Telecommunication project from Reasi to Salal and Dugga stations, that



Railway Line project, Dhamra, Odisha



Nagpur - Amla Road Over Bridge in Maharashtra

includes world's highest railway track on the Udhampur-Srinagar-Baramulla rail link on the Chenab river in Jammu and Kashmir. The experience of working in difficult terrains provides competitive advantage to participate in opportunities with Indian Railway's mission to connect 8 capitals of North-East States, with priority on strategic projects in Sikkim, Arunachal Pradesh and Manipur.

In the Urban Railway infrastructure sector, the Company is implementing projects in metro electrification, power supply systems, and track laying for clients in Mumbai, Patna, Kochi, Chennai, Ahmedabad, Kolkata, and New Delhi. In next phase of metro expansion, 1000 kms of new metro is proposed in more than 10 cities that includes Mumbai, Thane, Hyderabad, Nagpur, Lucknow, Varanasi, Gorakhpur, and Noida. Urban Rail based transport continues to receive financial support from the Government of India and multilateral banks providing opportunity visibility in the sector up to 2027 and beyond.

The Company has worked on two projects for Delhi - Meerut Regional Rapid Transit System (RRTS), now

renamed as RapidX, which will provide faster connectivity between Delhi and Meerut with a speed of over 160 Kmph and reduced travel time of 55 minutes. Successful trials have been conducted on the priority section of the line between Duhai depot and Sahibabad station, both of which have been built by us, and is expected to be operational in 2023. The government has proposed to develop 5 additional Rapid Rail lines to provide faster commuter connections to Alwar, and Panipat in the first phase and Palwal, Khurja, Rohtak, Hapur, and Baraut in the second phase.

The Company is committed to improving and strengthening project engineering and execution practices to reduce costs and shorten delivery timescales. The Company developed and deployed technological solutions such as connected IoT for remote monitoring of equipment, track and trace tools for workforce management at sites, and robot to monitor incoming trains for enhancing safety of on-site staff. Additionally, the Company is focussing on precast structures in civil works to reduce construction time and

digital enablement of processes, such as checklists for electrification works to improve quality.

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

The Company is proactively working on expanding the railway business to the international market by leveraging its reach in the Transmission & Distribution business. In view of the buoyant investment outlook in the railways sector, the business with its multidisciplinary expertise is expected to deliver growth over the next few years.

## CIVIL BUSINESS

KEC's Civil business is delivering exponential growth, with a focus on large projects, in segments such as buildings & factories, public spaces, water pipelines and water treatment plants, defence, data centres, logistics, and warehouses. The business has delivered revenues of over ₹ 3,300 Crore, an impressive growth of ~75% compared to last year. Just over half a decade old, the business has established itself as a leading player in the EPC construction and is serving marquee private as well as government clients.

In FY23, the business achieved its highest ever order intake of over ₹ 6,600 Crore. During the year, the business has deepened its footprint across sectors such as water, data centres, buildings & factories, etc. The business has secured a mega water supply scheme project worth over ₹ 2,000 Crore in Madhya Pradesh. This is the largest order by value in the history of the Company. In line with the diversification strategy, the business has received orders in the high growth areas of commercial buildings and logistics sectors. The business has also moved into the hydrocarbons sector by securing multiple orders for process units, buildings, and infrastructure for a leading refinery.

The Indian Infrastructure sector is the backbone of the Indian economy and a key driver to help India achieve its goal to become a USD 5 trillion economy over the next few years. The Union Budget 2023-24 has allocated a capex budget of ₹ 10 Lakh Crore; a 33% year-on-year increase for the third consecutive time since 2020. This capex budget constitutes 3.3% of India's GDP and highlights Government's commitment towards initiating investments and ensuring time-bound completion of infrastructure development as planned under the flagship National Infrastructure Pipeline initiative. Further, the PM Gati Shakti Programme for economic growth and sustainable development has more than 150 critical projects identified across the seven growth engines of Roads, Railways, Airports, Ports, Mass Transport, Waterways, and Logistics Infrastructure.

With the vision to realise the PM GatiShakti Programme, measures are also being taken to enhance financial viability of projects through Public Private Partnerships (PPP), with technical and knowledge assistance from multilateral agencies. These and other investments will create opportunities in the development of industrial clusters near highways & rail freight corridors, building of health infrastructure, real estate, defence, airports, warehouses,

etc. During the year, the Company has secured a large order in logistics infrastructure to develop around 1.2 million sq. ft. of warehousing space for a Singapore-based developer.

Government policies towards "Make in India" through Production Linked Incentive (PLI) schemes coupled with reforms implemented to increase ease of doing business in the country, are expected to re-energise the private sector investment cycle. Driven by the "China Plus One" strategy to de-risk supply chains, multiple global firms are channelising their investments and looking at India to expand their manufacturing capacities. During the year, the Company has forayed into EPC of industrial projects in the metals & mining sectors for a leading Aluminium producer in the country. Currently, the business is executing 15 industrial projects with leading private sector companies across sectors such as paints, chemicals, cement, metals & minerals, etc.

In the Water segment, the business is among the leading national players executing large water pipeline and supply scheme projects contributing to Government of India's Jal Jeevan Mission's flagship 'Har Ghar Jal' programme. During the year, the business has secured orders worth



High-rise residential towers, Bengaluru



Cement mill erection works, Dhule, Maharashtra

over ₹ 3,500 Crore in Odisha and Madhya Pradesh. The business is constructing water pipelines spanning thousands of kilometres, more than 850 Elevated Storage Reservoirs (ESR), water intake wells, water treatment plants, envisioned to provide safe and adequate drinking water through individual household tap connections to over seven Lakh households. As part of the National Infrastructure Pipeline Scheme, more than 200 projects for water supply, water treatment and irrigation have been planned in various states of India, with an outlay of over ₹ 4.97 Lakh Crore. This represents a tremendous opportunity for the

Company to further cement its position as a leading player in the water sector in India.

The Data Centre industry in India is witnessing unprecedented development and is one of the fast-paced growth sectors. It is estimated that there will be an addition of over 800 MW capacity by 2024 with over 9.7 million sq. ft. of real estate space, and an investment of USD 5.5 Billion in setting up Data Centre facilities. To make India a global data centre hub, the Government has already granted infrastructure status to the data centre industry. The Company has expanded its footprint in this space by securing two new orders from leading



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hyperscale Data Centre developers in India. With current operations in major Data Centre cluster zones in the country and ongoing development of ~70 MW Data Centre capacity, the Civil business is confident of growing this business significantly.

The business, with its focus on constructing Government buildings, airports, and public spaces of national importance, is working on marquee Srinagar High Court and Tuticorin Airport projects, with fast-track completion underway. The Company is also working on the prestigious MLA Staff Quarters project in Odisha to be developed on EPC basis. The UDAN Yojana launched by the Government has facilitated the growth of India Aviation Market and further investments are planned to develop fifty more airports. The Company is well-positioned to tap into this wave of rapid development in the aviation sector by providing turnkey execution capabilities for the envisaged projects.

In the real estate sector, the demand for residential and commercial properties has increased significantly in the second half of the year with sustained private sector investments in cities like Bengaluru, Mumbai, and the NCR

region fuelling growth expectations in 2024. The Company is well entrenched in the buildings sector and has emerged as the preferred contractor of carefully selected and financially sound real estate developers. During the year, the Company has expanded its client portfolio and made a breakthrough in the commercial buildings segment with an order from one of the most reputable global asset management companies in the world. The Civil business is currently executing over 35 high-rise towers with a built-up area of more than 5.5 million sq. ft., and developing township spread over 40 acres of land area.

With a view to complete projects ahead of schedule, with highest safety and quality standards, the Company has steadfast focus on enhancing its capabilities in areas such as cutting-edge technology deployment, design & engineering expertise, and execution excellence. The Company undertook a transformation programme, in collaboration with a leading global management consultant, to develop end-to-end execution and project management processes as part of the Civil Execution Excellence initiative. In conjunction with the trend of modular construction in the industry worldwide, the Company has also built precast structure solutions for its ongoing projects. Further, digital initiatives such as Assets tracking and management systems, Concrete Management Systems, Fuel Monitoring System for mobile assets, BIM, and IoT in project lifecycle for project design & monitoring, have been deployed to enhance the business' value proposition to clients.

Since its inception, the business has invested in the latest formwork technology and has successfully completed complex silo constructions using Slipform technology. Aluminium formwork systems are being used for high-rise buildings to reduce floor construction cycle time and achieve superior finishing levels. The Company has steadily built capabilities in installing large electro-mechanical systems such as industrial HVAC, clean rooms, and heavy equipment such as cement mills, wagon tipplers, stacker reclaimer,

rod mills, conveyor systems etc., thus offering end-to-end service offerings to clients for EPC projects.

As a result of its unwavering focus on Safety and Quality, the Company has been recognised on various platforms. The Civil business has won six awards at the 13th CIDC Vishwakarma Awards for excellence in Health, Safety & Environment. Ministry of New and Renewable Energy (MNRE) and The Energy and Resources Institute (TERI) have conferred upon KEC the 'Exemplary Performance Award'. The Company secured runner-up position at the Construction Times Award 2023 in the 'Best Construction Company' category. Civil business has been awarded Gold Trophy for developing and implementing Quality Processes in Kaizen (continuous improvement focus) competition organised by Confederation of Indian Industry (CII).

With a strong diversified order book of over ₹ 10,000 Crore, the business is confident of leveraging the upcoming growth opportunities through its diversified presence across sectors, strong project management and execution capabilities, financial strength, and persistent focus on implementing leading-edge construction technologies at its projects.

## URBAN INFRASTRUCTURE BUSINESS

### Overview

The Company's Urban Infrastructure business focusses on the end-to-end construction, spanning civil works, system works, and finishing works, for Metro rail and Regional Rapid Transit System (RRTS) projects. The business is building elevated viaducts, stations, river over bridges, depots, and workshops. Beyond the civil works, the Company is expanding its presence in technology driven system areas such as power supply systems, electrification – OHE as well as Third Rail and ballast-less track laying works for Metros.

In FY23, the Company secured five systems projects for Overhead Electrification, Ballast-less track laying, and Power Supply Systems for Metro rail

works. The Company has added two new clients, Gujarat Metro Rail Corporation Ltd and Mumbai Metropolitan Region Development Authority, in addition to the existing clients such as Delhi Metro Rail Corporation, Chennai Metro Rail Limited, National Capital Region Transport Corporation, Madhya Pradesh Metro Rail Corporation, Kochi Metro Rail Corporation, and Rail Vikas Nigam Limited. The Company is now executing 21 projects spanning 55 kms of viaduct, 60 stations, 2 depots, 30 kms of track laying, 40 kms of electrification, etc.

During the year, the Company focussed on accelerated delivery of projects despite challenges such as right of way issues, volatility in commodity prices, and labour availability. In a significant achievement, KEC's first metro project, encompassing viaduct, stations and ballast-less track works, for Kochi Metro Rail Corporation Limited has started commercial operations from June 2022. The Company is proud that the project has been delivered as per contractual timelines, quality, and safety norms. Similarly, successful trial runs have been started on India's first RRTS project, connecting Delhi and Meerut, between Sahibabad station to Duhai depot. The work is progressing well on the two Delhi Metro projects, where the Company is constructing complex structures such as a 1.4 km double decker viaduct and a 560m long Balanced Cantilever bridge over River Yamuna. The Company is making fast-paced progress in the two Chennai



**The Company is proud that the Kochi metro project has been delivered as per contractual timelines, quality, and safety norms. Similarly, successful trial runs have been started on India's first RRTS project, connecting Delhi and Meerut, between Sahibabad station to Duhai depot.**



Viaduct at Kochi Metro

Metro projects, which are expected to ease congestion in heavy traffic areas of the city.

During the year, the Company, in collaboration with a global consultant, has undertaken a holistic programme to strengthen engineering and execution capabilities for Metros. The programme focussed on streamlining processes, enhancing project management capabilities, implementing transformational initiatives for cost optimisation and deployment of automation and mechanisation techniques to fast-track on-ground construction activities. The Company is implementing BIM (Building Information Modeling), conducting drone-based surveys, leveraging Ground Penetrating Radar (GPR) for utilities identification, etc. for better planning and monitoring of projects. The Company has also developed significant capabilities in establishing and operating state-of-the-art precast / prefab yards and erection capabilities for installation of various precast elements. Currently, the Company is running six Precast yards with output capacity of

2,500 cubic metres of concrete per day. The Company has received safety awards from National Safety Council of India and Construction Industry Development Council for achieving over one million safe person hours on several projects that resulted in 52 million safe person hours since 2018.

As per World Bank estimates, in India, almost 600 million people constituting 40% of the population, will live in urban areas by 2036. India will need to invest USD 840 Billion over the next 15 years to meet the increased demand on urban services. The country is investing in development of urban transport infrastructure as central and state governments have increasingly taken up new projects with support from multiple global lenders. The country has added over 900 kms of metro and Rapid Rail in last 20 years and additional 1000 kms+ are proposed in next 4-5 years. Historically, metropolitan cities have been leading the introduction of new metro rails. Now, 20+ non-metropolitan cities in Maharashtra, Uttar Pradesh, Tamil Nadu, Gujarat and Madhya Pradesh have metro projects in various stages of

progress. Further, Government is also proposing Metro Neo and MetroLite as an alternative to heavy metro for cities with population over 20 Lakh.

KEC, with its deep expertise and presence across the value chain of urban transportation, is well placed to tap into the wide range of opportunities arising in the sector in the coming years.



**The Company has received safety awards from National Safety Council of India and Construction Industry Development Council for achieving over one million safe person hours on several projects that resulted in 52 million safe person hours since 2018.**



## OIL & GAS PIPELINES BUSINESS

### Overview

KEC's Oil & Gas pipeline business focusses on laying cross-country Oil & Gas i.e. Crude, Natural Gas and Petroleum Product pipelines across the country. During the year, the business has secured new orders of ~₹ 500 Crore from marquee PSU clients such as IOCL, IGGL, GAIL, etc. The business has forayed into construction of station works, which help refineries to augment the pipeline capacity by erecting compressor / pump stations comprising complex mechanical, electrical and instrumentation equipment. Beyond Oil & Gas, the business is also undertaking projects for laying iron ore slurry pipelines as well as water pipelines.

In FY23, the Company has seamlessly completed integration of KEC Spur Infrastructure Limited into KEC's systems, processes and policies. The Company has delivered revenues of over ₹ 480 Crore, a staggering growth of 2.7 times over FY22, supported by enhanced people and asset capabilities. During the year, the business has invested in building specialised capabilities in Horizontal Directional Drilling (HDD) and automatic welding.

With an objective to deliver projects ahead of time as well as improve pre-qualifications, the Company is putting special focus on thorough planning and fast-track execution, by implementing best practices in project management, building an efficient supply chain, and enhancing EHS and quality practices across projects. In a notable achievement, the Company has successfully commissioned the 16" X 126 Kms Tundla - Gawaria Project, which has paved the way to quote for larger diameter pipeline projects. The business continues to focus on building required pre-qualifications to increase the size of addressable market.

The energy sector continues to play a crucial role in fuelling the growth of Indian economy. Government of India is planning large-scale investments of over ₹ 7.5 Lakh Crore on oil and gas infrastructure, which include refineries, pipelines, and new LNG import terminals, amongst other assets. The country is poised to increase oil and gas exploration in the coming years with planned investments from players such as ONGC. Further, the Government is targeting to increase refinery capacity from 248 MMTPA currently to 440

MMTPA. Moreover, India's gas demand is expected to grow over 500% in the foreseeable future as the country has set a target to raise the share of gas in the country's energy mix to 15% by 2030, from about 6% currently. The increase in gas demand is driven by demand from industries such as power generation, city gas distribution, and other industrial requirements. As a part of the nation's gas grid, a total of around 22,000 km of natural gas pipelines are operational and about 13,000 km of gas pipelines are under construction as of 2022. India targets increasing the pipeline coverage to around 35,000 km over the next couple of years. Further, all states are targeted to be connected by a national trunk pipeline network by 2030.

The slurry pipeline market is expected to pick up pace as well. It is anticipated that a crude steel capacity of 300 million tonnes per annum will be required by 2030 based upon demand projections. With growing demand for steel, transportation of iron ore slurry through economical and environmentally sustainable means from mines to steel plants becomes essential. In line with the above, major steel operators are planning additional slurry pipelines over the next few years.

In International markets, owing to the impact of Russia-Ukraine conflict, many countries are re-evaluating their energy strategy and expected to invest in rebuilding their energy supply chains. Additionally, fuelled by increase in oil and gas prices, major operators such as ADNOC and Saudi Aramco are expected to invest significant amounts in enhancing their oil and gas output, thus leading to potential opportunities in building network of oil and gas pipelines and allied works. The Company is leveraging its international Transmission & Distribution presence to foray into the international oil and gas EPC space and is focussing on opportunities in the Middle East and Africa.

The growth prospects of the sector look promising in the coming years on the back of healthy demand and favourable cost economics of projects. These investments and asset expansion plans offer sizeable market opportunities for your Company.



## CABLES BUSINESS

### Overview

The Cables business offers a wide range of cables, overhead conductors and turnkey cabling solutions across 90+ countries around the globe. The business manufactures extra-high and high voltage, medium voltage, low voltage Power cables, Control and Instrumentation cables, Railway cables, Telecom cables, and special cables such as Solar cables, Submersible cables, Green cables, EV charging cables, Mining cables, etc. The Company has relaunched its cables under the "Asian Cables" brand to leverage upon a name that is well respected, across the industry and customers, for its quality and reliability. The Company has two fully integrated manufacturing facilities at Vadodara and Mysuru, both in India.

The Cables market grew during the year owing to resurgence of demand post COVID-19, thrust on government spend on infrastructure development, private and PLI-related investments. The wires & cables industry in India, currently at ₹ 650 - 700 Billion, is expected to grow at a CAGR of 8 - 10% over next 5 years. The industry's expansion will be driven mainly by Government's push on infrastructure development supported by substantial

increase in capex outlays, renewables energy generation, investment in Power Transmission and Distribution infrastructure, demand in real estate sector driven by rising urbanisation, capacity addition in manufacturing sector supported by "Make in India" and trend of diversification & de-risking of supply chain. Additionally, focus on sunrise areas such as digital connectivity, establishment of 5G network and ecosystem, data centres, EV charging infrastructure, defence and reforms to improve the financial health of the DISCOMs will benefit the industry. Increasing investments in Railways by the Government towards enhancing safety through indigenously developed KAVACH system, infrastructure projects in segments such as high-speed rail, signalling and telecommunications and Dedicated Freight Corridors to create a future-ready railway system is also expected to increase the demand for several types of railway cables and conductors. Despite market tailwinds, the cables industry witnessed challenges in the form of volatile prices of raw materials such as Copper, Aluminium, XLPE, PVC and GS wires.

In a significant achievement, the Cables business has delivered highest ever revenue, profitability and order intake

during FY23. The improvement in performance is attributed to growth in market segments such as Metros, Industrials, Telecom, Data Centres, Railways, etc., higher capacity utilisation of manufacturing assets and implementation of cost reduction initiatives across the value chain. The business' focus on deepening its relationships with key clients, securing approvals from domestic as well as international utility companies, and strengthening the dealer network helped to significantly grow the LT and Telecom cable segment. The Company's order intake from exports market grew by ~20% over FY22. The Company exported cables and cabling solutions to 30 countries across the globe in FY23, including three new countries.

The Company continued its focus on new products and developed 10 products catering to domestic as well as international clients and to support varied requirements of KEC's EPC businesses such as Railways, Urban Infrastructure, Substations, Underground Cabling, Oil & Gas, Data Centres, etc. During the year, the business has developed new products such as Submersible cables, LV Hybrid cables, PV Solar cables, Concentric cables, Cathodic Protection cables, Railways Signalling Power

cables, etc. Further, the Company has developed Green Power and Control cables that are RoHS (Restriction of Hazardous Substances) and REACH compliant. Being a strategic enabler for the Company's other businesses is significantly helping the Company to improve the performance of the Cables business, and simultaneously, enhance the competitiveness of respective business segments.

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

Furthermore, underground cabling is gaining momentum among state and central transmission utilities to improve safety and reliability, reduce transmission losses and resolve RoW issues in densely populated areas. Fast-paced urbanisation, growth of Smart cities and the need for reliable power supply, especially in areas with severe weather conditions & cyclones, and areas that are sensitive from security perspective will accelerate the shift towards underground cabling. The Company offers unparalleled expertise to execute large scale Underground Cabling projects and expects a significant boost in opportunities in India and overseas markets.

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

## FINANCIAL PERFORMANCE

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

### Profit and Loss Statement Analysis

Revenue for FY23 stands at ₹ 17,282 Crore with a growth of 26% Y-o-Y, despite a challenging environment. The growth has been delivered by both T&D and non-T&D businesses.

We have achieved an EBITDA of ₹ 830 Crore with EBITDA margin of 4.8% for the year. The margins have been impacted primarily due to cost and time escalations in EPC projects in the Company's subsidiary in Brazil, and significantly higher commodity prices and logistics cost during the year.

Interest costs to sales ratio has increased to 3.1% in FY23 as against 2.3% in FY22 owing to elevated debt levels and higher interest rates.

Net profit for FY23 stands at ₹ 176 Crore. The net profit has been impacted

owing to a lower EBITDA and higher interest cost.

Earnings per Share (EPS) stands at ₹ 6.85 in FY23 against ₹ 12.92 in FY22.

Recommended a Dividend of ₹ 3 per equity share i.e. 150% of the face value of ₹ 2 each for FY23 – Total outflow of ₹ 77 Crore.

### Balance Sheet Analysis

Net Worth increased to ₹ 3,771 Crore from ₹ 3,620 Crore in FY22. The Company has not raised any Equity Capital during the year, keeping the Equity Share Capital unchanged at ₹ 51 Crore. Reserves and Surplus increased to ₹ 3,720 Crore from ₹ 3,569 Crore in FY22.

Book Value per share increased to ₹ 147 from ₹ 141 in FY22.

Gross Borrowings increased to ₹ 3,216 Crore from ₹ 2,875 Crore in FY22.

The Company's Net Working Capital days have reduced to 118 days from 137 days in FY22.

### Key Financial Ratios

| Key Financial Ratios <sup>(1)</sup> | 2022-23 | 2021-22 | Change (%) |
|-------------------------------------|---------|---------|------------|
| Debtors Turnover                    | 2.4     | 2.5     | -3.4%      |
| Inventory Turnover                  | 15.2    | 12.9    | 17.9%      |
| Interest Service Coverage Ratio     | 1.6     | 2.9     | -44.9%     |
| Current Ratio                       | 1.1     | 1.1     | -1.5%      |
| Debt Equity Ratio                   | 0.9     | 0.8     | 7.4%       |
| Operating Profit Margin %           | 4.8%    | 6.6%    | -27.0%     |
| Net Profit Margin %                 | 1.0%    | 2.4%    | -57.8%     |
| Return on Net Worth %               | 4.8%    | 9.5%    | -49.9%     |

- Interest Service Coverage ratio, Operating Profit Margin, Net Profit Margin and Return on Net Worth have decreased owing to a reduction in EBITDA, primarily due to cost and time escalations in EPC projects in the Company's subsidiary in Brazil coupled with significantly higher commodity prices and logistics cost.
- There were no other significant changes (25% or more) in any of the above key financial ratios

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

(Debtors Turnover = Revenue from Operations/Trade Receivables)

(Inventory Turnover = Revenue from Operations/Inventories)

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

(Current Ratio = Current Assets/Current Liabilities)

(Debt Equity Ratio = Total Debt /Total Equity including all reserves)

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

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

(Return on Net Worth % = Net Profit After Tax/Average Net Worth (Total Equity including all reserves))

## INTERNAL CONTROL ADEQUACY

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

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

Throughout FY23, the internal audit findings & implementation status of actions taken with respect to recommendations against audit findings were shared with the Audit Committee through presentations. The Audit Committee expressed satisfaction with the adequacy of the Company's Internal Control system and procedures.

Employees are guided by the 'RPG Code of Corporate Governance & Ethics,' which reflects and reinforces the unique corporate culture and values

prescribed by KEC and the RPG Group. The Internal Control system includes a whistle-blower mechanism, which encourages directors, employees, and third parties to report genuine concerns, misconduct, or fraud without fear of unfair treatment or punishment. In exceptional cases, they have direct access to the Chairman of the Audit Committee.

### ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDITS BY EXTERNAL SPECIALISTS

The Company engages external specialists to conduct reviews of critical initiatives such as Enterprise Risk Management (ERM) and audits of Information Technology (IT), specific manufacturing facilities and project sites. ERM reviews include the identification and assessment of risks across the Company, review of mitigation plans, and the presentation of the risk profile to the Risk Management Committee and the Board of Directors.

### ENTERPRISE RISK MANAGEMENT

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

KEC's robust risk management framework helps manage risks at various levels across the Company and ensures that the systems are reviewed periodically to align them with current internal and external environment.

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

#### 1. Geopolitical Risks:

Unexpected political unrest or changes in some of the developed/developing countries, ongoing Russia-Ukraine war, trade barriers, increasing conflict in the



**KEC's robust risk management framework helps manage risks at various levels across the Company and ensures that the systems are reviewed periodically to align them with current internal and external environment.**



Middle East are some of the risks which can disrupt supply chain & impact the execution/progress of its projects.

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

#### 2. Commodity Price Variations and Currency Fluctuations:

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

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

**3. Cyber Security:**

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

**Mitigation:** The Company's IT systems are protected with anti-virus and its network security through firewall to avert any cyber-attacks. New generation Security Operations Centre Services have been deployed which not only records but automatically disables any network intrusion. Audit recommendations and suggestions provided by an external IT specialist are implemented to further strengthen the IT security.

**4. Interest Rate Fluctuation Risk:**

Volatility in interest rates impacts the profitability of the Company.

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

**5. Execution Challenges:**

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

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

**6. Demand Risk:**

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

**Mitigation:** The Company's robust global presence helps it minimise the impact on business during a slowdown in investment in a country or

region. It has a significant presence in several underdeveloped and emerging economies, where infrastructure investment remains a key priority for sustainable growth. Further, the Company has a diversified business portfolio which includes Substations, Railways, Civil, Solar, Urban Infrastructure, Oil & Gas Pipelines, Smart Infrastructure, and Cables, all of which provide ample growth opportunities in the future.

**7. Pandemic Risk:**

The Company is primarily involved in construction and manufacturing activities. Due to the onset of the COVID-19 pandemic since FY20 and other infectious diseases, there is an inherent risk to health and safety of the employees and workers, and risk of disruption in production due to lockdown.

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

**8. Succession Planning Risk:**

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

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

**HUMAN RESOURCES**

Attracting, motivating, and retaining talent are crucial for KEC's ongoing success, and the Company accomplishes this by implementing forward-thinking policies, consistently investing in enhancing employees' skills, and enabling them to fulfil their maximum potential. The Company has demonstrated significant advancements in enhancing its People Practices over the past few years, by creating a modern, inclusive, and secure workplace.

At the core of the Company's people agenda lies a focus on Happiness, which is an intrinsic value shared by both the RPG Group and KEC. This led to the launch of the Group's new brand tagline - Hello Happiness - a few years ago. With Happiness as the central theme, supported by the RPG Group's Vision, Values, and Capability tenets, KEC is fostering a performance-driven environment that encourages learning, transformation, and growth throughout the organisation. To gain insight into the opinions of our employees, KEC conducted the "Happiness Survey" and achieved 81% Happiness quotient in FY23, which implies that employees value the work environment, opportunities for growth, transparency, and mutual respect within the Company.

The organisation has taken various initiatives to promote employee happiness and wellness. One such initiative is the establishment of a Happiness Council, which is chaired by senior leaders who design and implement new people initiatives.

Additionally, the organisation conducts action planning workshops across all departments to increase the overall Happiness Quotient of employees. To recognise and appreciate individuals and teams who contribute to employee happiness, the organisation has introduced the Happiness Champions Awards. To promote employee wellness, the organisation collaborates with reputed agencies and medical professionals to conduct regular wellness sessions for employees. The organisation also offers a hybrid way of working to its employees, which allows them to work both remotely and, in the office, providing flexibility and improving work-life balance.

KEC focusses on continuously increasing the Happiness Quotient by implementing sustained, employee-focussed initiatives that address areas such as growth, culture, recognition, and work-life balance.

Continuous learning is now an essential element for both individuals and organisations to thrive in today's fast-paced and ever-changing business landscape. At KEC, we understand the significance of ongoing professional development and endeavour to foster a culture of learning. To equip our employees with the requisite skills and knowledge to adapt to new challenges and stay competitive in their respective fields, we offer diverse training programmes, workshops, and mentorship opportunities. KEC has also launched a Project Management Excellence Certification Programme in partnership with NICMAR faculty to establish an internal pool of Project Managers, and a Procurement Academy. Our investment in our employees' growth and development not only benefits them but also enhances the overall performance and success of our Company. To promote a culture of self-improvement, KEC successfully conducted the Digital Learning Championship, which uses gamification to encourage e-learning and improve the employee experience. We have also introduced novel virtual learning initiatives, such as Knowledge Café and Learning-On-The-Go, and DEAL (Drop Everything and Learn) sessions,

which include interactive sessions conducted by senior leadership at KEC and external speakers on various business-related topics.

KEC has recognised the significance of utilising technology to improve our HR operations and provide our employees with an exceptional experience. We have achieved notable progress in digitising our HR procedures, from recruitment and onboarding to performance management and employee engagement. Our adoption of HR digitisation has equipped us to attract, retain, and develop top talent, facilitating our Company's growth and success. Moving forward, we are committed to continuing our investment in technology to improve our HR capabilities and offer an effortless employee experience. Additionally, we have made significant advancements in our AI-based chatbot, Electra, which provides 24/7 assistance to employees with their queries.

The organisation continues to maintain its status as the most preferred employer among top engineering and business school campuses in India. This year, the organisation's flagship Engineering Leadership Programme has taken on board more than 300 engineering graduates and postgraduates from prestigious institutions such as IITs, NITs, and NICMARs across India. Additionally, the organisation has enhanced its Group Management Resource programme, which recruits talented individuals from leading business schools, and the Future Leaders Board programme, aimed at identifying and nurturing exceptional talent to become future leaders of RPG Group Companies, in alignment with the Group's Vision of Unleashing Talent. The organisation intends to expand these talent acquisition initiatives to hire international candidates for its overseas locations.

In line with our commitment to creating a workplace that fosters diversity and inclusivity, we recognise the significant role of a diverse workforce in achieving our organisational goals. To this end, we have implemented several initiatives aimed at promoting diversity, with a particular focus on gender. One of these initiatives is Womenocity, a programme



**KEC focusses on continuously increasing the Happiness Quotient by implementing sustained, employee-focussed initiatives that address areas such as growth, culture, recognition, and work-life balance.**



designed to gain insights into the experiences of our female employees and identify ways to improve their working conditions within the EPC industry. Additionally, we launched LIT, a self-help group that offers support, guidance, and engaging activities on themes such as mental health awareness, parenting and family, and veteran support.

We also recognise the importance of hiring diverse candidates, including women returning to work after a career break, persons with disabilities, and individuals from the transgender community. We have prioritised the recruitment of such candidates to further advance our diversity and inclusivity objectives in line with our ESG Goals.

Employee Count as on March 31, 2023: KEC has 7,779 employees (including subsidiaries).

**CAUTIONARY STATEMENT**

Statements in this report describing the Company's objectives, expectations, predictions, and assumptions may be 'forward-looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, natural calamities, change in Government's regulations, tax regimes, other statutes, and factors such as litigation and industrial relations.

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the Listed Entity

|                                                                                                                                                                                                                                                                       |                                                                                                                                   |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| 1. Corporate Identity Number (CIN) of the Listed Entity                                                                                                                                                                                                               | L45200MH2005PLC152061                                                                                                             |
| 2. Name of the Listed Entity                                                                                                                                                                                                                                          | KEC International Limited                                                                                                         |
| 3. Year of incorporation                                                                                                                                                                                                                                              | 2005                                                                                                                              |
| 4. Registered office address                                                                                                                                                                                                                                          | RPG House 463, Dr. Annie Besant Road, Worli, Mumbai - 400030, India                                                               |
| 5. Corporate address                                                                                                                                                                                                                                                  | RPG House 463, Dr. Annie Besant Road, Worli, Mumbai - 400030, India                                                               |
| 6. E-mail                                                                                                                                                                                                                                                             | investorpoint@kecrpg.com                                                                                                          |
| 7. Telephone                                                                                                                                                                                                                                                          | +91 22 66670200                                                                                                                   |
| 8. Website                                                                                                                                                                                                                                                            | www.kecrpg.com                                                                                                                    |
| 9. Financial year for which reporting is being done                                                                                                                                                                                                                   | April 1, 2022- March 31, 2023                                                                                                     |
| 10. Name of the Stock Exchange(s) where shares are listed                                                                                                                                                                                                             | BSE Limited and National Stock Exchange of India Limited                                                                          |
| 11. Paid-up Capital                                                                                                                                                                                                                                                   | ₹ 51.42 Crore                                                                                                                     |
| 12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report                                                                                                                                  | Mr. Anand Kulkarni<br>Executive Director - Business Operations<br>Telephone number: +91 22 66670200<br>E-mail id: brsr@kecrpg.com |
| 13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together) | This report is prepared on a standalone basis.                                                                                    |

### II. Products/services

#### 14. Details of business activities (accounting for 90% of the turnover):

| S. No. | Description of Main Activity | Description of Business Activity                   | % of Turnover of the Entity |
|--------|------------------------------|----------------------------------------------------|-----------------------------|
| 1      | Construction                 | Utility projects, Railways                         | 66.99%                      |
| 2      | Construction                 | Building, Industrial facilities and Civil projects | 21.39%                      |
| 3      | Manufacturing                | Electrical equipment                               | 7.35%                       |

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

| S. No. | Product/Service                                                       | NIC Code | % of total Turnover contributed |
|--------|-----------------------------------------------------------------------|----------|---------------------------------|
| 1      | Construction/erection and maintenance of power and transmission lines | 42202    | 43.71%                          |
| 2      | Construction of railways                                              | 42102    | 23.28%                          |
| 3      | Construction of industrial facilities                                 | 42901    | 4.48%                           |
| 4      | Construction of buildings carried out on fee or contract basis        | 41001    | 2.68%                           |
| 5      | Other Civil engineering projects                                      | 42909    | 14.23%                          |
| 6      | Manufacturing of electric wires and cables                            | 27320    | 7.35%                           |

### III. Operations

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

| Location      | Number of plants | Number of offices | Total |
|---------------|------------------|-------------------|-------|
| National      | 5                | 209               | 214   |
| International | -                | 26                | 26    |

#### 17. Markets served by the entity:

##### a. Number of locations:

| Locations                        | Number       |
|----------------------------------|--------------|
| National (No. of States)         | 26 States    |
| International (No. of Countries) | 29 Countries |

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

31.48%

##### c. A brief on types of customers:

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

### IV. Employees

#### 18. Details as at the end of Financial Year:

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

| S. No.    | Particulars              | Total (A) | Male    |         | Female  |         |
|-----------|--------------------------|-----------|---------|---------|---------|---------|
|           |                          |           | No. (B) | % (B/A) | No. (C) | % (C/A) |
| Employees |                          |           |         |         |         |         |
| 1.        | Permanent (D)            | 5,849     | 5,579   | 95%     | 270     | 5%      |
| 2.        | Other than Permanent (E) | 254       | 203     | 80%     | 51      | 20%     |
| 3.        | Total Employees (D + E)  | 6,103     | 5,782   | 95%     | 321     | 5%      |
| Workers   |                          |           |         |         |         |         |
| 4.        | Permanent (F)            | 580       | 580     | 100%    | -       | -       |
| 5.        | Other than Permanent (G) | 40,248    | 39,772  | 99%     | 476     | 1%      |
| 6.        | Total Workers (F + G)    | 40,828    | 40,352  | 99%     | 476     | 1%      |

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

| S. No                       | Particulars                                      | Total (A) | Male      |             | Female   |           |
|-----------------------------|--------------------------------------------------|-----------|-----------|-------------|----------|-----------|
|                             |                                                  |           | No. (B)   | % (B/A)     | No. (C)  | % (C/A)   |
| Differently abled Employees |                                                  |           |           |             |          |           |
| 1.                          | Permanent (D)                                    | 27        | 26        | 96%         | 1        | 4%        |
| 2.                          | Other than Permanent (E)                         | -         | -         | -           | -        | -         |
| 3.                          | <b>Total Differently abled Employees (D + E)</b> | <b>27</b> | <b>26</b> | <b>96%</b>  | <b>1</b> | <b>4%</b> |
| Differently abled Workers   |                                                  |           |           |             |          |           |
| 4.                          | Permanent (F)                                    | 3         | 3         | 100%        | -        | -         |
| 5.                          | Other than permanent (G)                         | -         | -         | -           | -        | -         |
| 6.                          | <b>Total Differently abled Workers (F + G)</b>   | <b>3</b>  | <b>3</b>  | <b>100%</b> | <b>-</b> | <b>-</b>  |

**19. Participation/Inclusion/Representation of women:**

|                          | Total (A) | No. and percentage of Females |         |
|--------------------------|-----------|-------------------------------|---------|
|                          |           | No. (B)                       | % (B/A) |
| Board of Directors       | 11*       | 1                             | 9%      |
| Key Management Personnel | 3*        | -                             | -       |

\*Includes MD &amp; CEO

**20. Turnover rate for permanent employees and workers:**

|                     | FY 2022-23 |        |       | FY 2021-22 |        |       | FY 2020-21 |        |       |
|---------------------|------------|--------|-------|------------|--------|-------|------------|--------|-------|
|                     | Male       | Female | Total | Male       | Female | Total | Male       | Female | Total |
| Permanent Employees | 18%        | 1%     | 19%   | 12%        | 1%     | 13%   | 10%        | 0%     | 10%   |
| Permanent Workers   | 12%        | -      | 12%   | 18%        | -      | 18%   | 8%         | -      | 8%    |

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****21. (a) Names of holding/subsidiary/associate companies/joint ventures:**

| S. No. | Name of the holding/subsidiary/associate companies/joint ventures (A) | Indicate whether holding/Subsidiary/Associate/Joint Venture | % of shares held by listed entity | Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No) |
|--------|-----------------------------------------------------------------------|-------------------------------------------------------------|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 1      | Al Sharif Group & KEC Ltd. Co.                                        | Subsidiary                                                  | 51.10%                            | Yes                                                                                                                          |
| 2      | KEC Spur Infrastructure Private Limited                               | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 3      | KEC Towers LLC                                                        | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 4      | KEC EPC LLC                                                           | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 5      | KEC International (Malaysia) SDN. BHD.                                | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 6      | KEC Investment Holdings                                               | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 7      | KEC Global Mauritius                                                  | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 8      | KEC Power India Private Limited                                       | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 9      | RPG Transmission Nigeria Limited                                      | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 10     | SAE Towers Holdings LLC                                               | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 11     | SAE Towers Ltd.                                                       | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 12     | SAE Towers Brasil Torres de Transmissão Ltda.                         | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 13     | SAE Towers Mexico S de RL de CV.                                      | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 14     | SAE Towers Brazil Subsidiary Company LLC                              | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 15     | SAE Towers Mexico Subsidiary Holding Company LLC                      | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 16     | SAE Prestadora de Servicios Mexico, S de RL de CV.                    | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 17     | SAE Towers Construção Ltda                                            | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 18     | KEC Engineering & Construction Services, S. De R.L. De C.V.           | Subsidiary                                                  | 100%                              | No                                                                                                                           |
| 19     | RP Goenka Group of Companies Employees Welfare Association            | Associate                                                   | 49%                               | No                                                                                                                           |

**VI. CSR Details**

|                                                                                    |                  |
|------------------------------------------------------------------------------------|------------------|
| <b>22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013</b> | Yes              |
| <b>(ii) Turnover (in ₹)</b>                                                        | 15,413. 23 Crore |
| <b>(iii) Net worth (in ₹)</b>                                                      | 3,808.08 Crore   |

**VII. Transparency and Disclosures Compliances****23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

| Stakeholder group from whom complaint is received | Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy) | FY 2022-23                                 |                                                              |                                                                                                          | FY 2021-22                                 |                                                              |         |
|---------------------------------------------------|--------------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------|--------------------------------------------------------------|---------|
|                                                   |                                                                                                              | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks                                                                                                  | Number of complaints filed during the year | Number of complaints pending resolution at close of the year | Remarks |
| Communities                                       | The respective policies                                                                                      | 34                                         | Nil                                                          | -                                                                                                        | 10                                         | Nil                                                          | -       |
| Investors (other than shareholders)               | substantiating the principles of BRSR                                                                        | Nil                                        | Nil                                                          | -                                                                                                        | -                                          | Nil                                                          | -       |
| Shareholders                                      | include grievance redressal mechanism.                                                                       | 18                                         | Nil                                                          | -                                                                                                        | 15                                         | Nil                                                          | -       |
| Employees and workers                             | The policies are available at <a href="https://www.kecrpg.com/policies">https://www.kecrpg.com/policies</a>  | 24                                         | Nil                                                          | -                                                                                                        | 3*                                         | Nil                                                          | -       |
| Customers                                         |                                                                                                              | 37                                         | 3                                                            | -                                                                                                        | 51                                         | Nil                                                          | -       |
| Value Chain Partners                              |                                                                                                              | Nil                                        | Nil                                                          | -                                                                                                        | Nil                                        | Nil                                                          | -       |
| Other (Anonymous e-mails, letters)                |                                                                                                              | 8                                          | 7                                                            | The Company is in the process of evaluating the pending complaints and appropriate action is being taken | 4                                          | Nil                                                          | -       |

\*Data is partially reported, as the Company has strengthened its tracking system in FY 2022-23.

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

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

KEC is committed to delivering excellence and outperformance with unwavering focus on embedding sustainable practices towards improving the Environment, Society, Safety and Governance. The Company engaged an external agency to take the inputs based on the questionnaire from Stakeholders (internal and external both) to find out the list of 20 issues that are material to the business. These topics were mapped with industry trends and benchmarked with several national and international peers. Further, various renowned reporting frameworks were taken into consideration to finalize the list of 13 significant material issues. Based on the ESG ratings assessed by reputed agencies, sustainability targets with respect to 9 focus areas were defined.

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

| S. No. | Material issue identified    | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity                                                                                                                                                                                                                                                                                                                 | In case of risk, approach to adapt or mitigate                                                                                                                              | Financial implications of the risk or opportunity (Indicate positive or negative implications)                               |
|--------|------------------------------|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| 2      | Diversity & Inclusion        | Opportunity                                | We recognize the significant role of a diverse workforce in achieving our organizational goals. Towards achieving its target of diverse workforce, the Company has taken steps like hiring transgenders, representation of female colleagues, international workforce. Diversity committees and separate cell has been established to work on D&I initiatives. | NA                                                                                                                                                                          | <b>Positive</b><br>Diversity and inclusion help bring varied perspectives, thus improving decision making.                   |
| 3      | Occupational Health & Safety | Risk                                       | It is necessary to ensure a safe workplace and continuity of operations across all the verticals. It is a priority for the Company to continuously focus on implementing advanced and customized safety practices to eliminate incidents.                                                                                                                      | The Company has EHS Policy and ISO 45001:2018 has been implemented for all business verticals.<br><br>For details, refer to Human Capital section in the Integrated Report. | <b>Negative</b><br>Safety incidents may lead to reduced employee productivity and affect business deliverables.              |
| 4      | Quality & Service Delivery   | Risk                                       | Minimising any risk associated with reputation, assurance and timely delivery is of utmost importance to the Company. The Company strives to develop long-lasting relationship with its customers.                                                                                                                                                             | The Company has Implemented ISO 9001:2015 across all verticals.<br><br>For details, refer to Manufactured Capital section in the Integrated Report.                         | <b>Negative</b><br>Losing customers' confidence may impact on the flow of new orders leading to lower financial performance. |
| 5      | Customer Centricity          | Risk                                       | As a philosophy the Company does not compromise the deliverables of quality and timing. The Company values and prioritizes customer's expectations and has developed a customer centric mechanism to ensure Customer's confidence.                                                                                                                             | For details, refer to chapter on Social and Relationship Capital section in the Integrated Report.                                                                          | <b>Negative</b><br>Losing customers' confidence may hamper the business growth.                                              |

| S. No. | Material issue identified   | Indicate whether risk or opportunity (R/O) | Rationale for identifying the risk/opportunity                                                                                                                                                                                                                                                                    | In case of risk, approach to adapt or mitigate                                         | Financial implications of the risk or opportunity (Indicate positive or negative implications)                                                                                            |
|--------|-----------------------------|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6      | Local Community Development | Opportunity                                | Creating opportunities for enhancing and upliftment of the local community in the vicinity of the Company's operation through various community development initiatives in the field of education, employability, livelihood and health.                                                                          | NA                                                                                     | <b>Positive</b><br>Community development help in creation of conducive business environment for operations and growth.                                                                    |
| 7      | Financial Performance       | Opportunity                                | The Company considers its fiduciary duty to deliver on the expectations of shareholders through operational excellence and continued strengthening of its financial performance.                                                                                                                                  | NA                                                                                     | <b>Positive</b><br>Operational excellence will lead to improvement in financial performance.                                                                                              |
| 8      | Digitalization & Innovation | Opportunity                                | With the rapid advancement of technology, the ability to adapt and implement digital solutions can significantly improve efficiency, reduce costs, and enhance the overall quality of services.                                                                                                                   | NA                                                                                     | <b>Positive</b><br>The Digitalization & Innovation initiatives drive construction productivity, expedite project execution, optimize costs which leads to improved financial performance. |
| 9      | Circularity                 | Opportunity                                | With the objectives of reduction of environmental degradation, Principle of 3 R (Reduce, Reuse and Recycle) is promoted for optimum use of resource. The Company focuses to achieve this by deployment of new technologies to bring down natural resource consumption and improve reuse and recycle of resources. | NA                                                                                     | <b>Positive</b><br>Responsible and optimum usage of natural resources result in cost optimization and improve financial performance.                                                      |
| 10     | Water-Positive Approach     | Opportunity                                | The Company's operations require a considerable amount of water. Thus, it is even more critical for the Company to strive to reduce water usage and increase reuse in its operations.                                                                                                                             | NA                                                                                     | <b>Positive</b><br>Water conservation through efficient usage, treatment of wastewater, reuse/recycle of water result in cost savings.                                                    |
| 11     | Decarbonization             | Opportunity                                | With a target to reduce carbon emission, the Company focuses on optimum usage of energy through energy efficient equipment and promotes green energy sources.                                                                                                                                                     | NA                                                                                     | <b>Positive</b><br>Helps to reduce the carbon footprint by way of optimum use of energy/fuel and enhance monetary savings.                                                                |
| 12     | Sustainable Procurement     | Risk                                       | The Company recognizes the need to prevent disruptions that could be brought by social, natural or legal issues and to ensure ongoing raw material availability.                                                                                                                                                  | For details, refer to Social and Relationship Capital section in the Integrated Report | <b>Negative</b><br>The disruption to the supply chain may cause discontinuity or availability of the raw material which may affect the business operations.                               |

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

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

| Disclosure Questions                                                                                                                                                                                                                                             | P 1                                                                                                                                                                                                                                                                                                                              | P 2 | P 3 | P 4 | P 5 | P 6 | P 7 | P 8 | P 9 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|
| <b>Policy and management processes</b>                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                  |     |     |     |     |     |     |     |     |
| <b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>                                                                                                                                            | Y                                                                                                                                                                                                                                                                                                                                | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| <b>b. Has the policy been approved by the Board? (Yes/No)</b>                                                                                                                                                                                                    | Y                                                                                                                                                                                                                                                                                                                                | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| <b>c. Web Link of the Policies, if available</b>                                                                                                                                                                                                                 | <a href="https://www.kecrpg.com/policies">https://www.kecrpg.com/policies</a>                                                                                                                                                                                                                                                    |     |     |     |     |     |     |     |     |
| <b>2. Whether the entity has translated the policy into procedures. (Yes/No)</b>                                                                                                                                                                                 | Y                                                                                                                                                                                                                                                                                                                                | Y   | Y   | Y   | Y   | Y   | Y   | Y   | Y   |
| <b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>                                                                                                                                                                                 | Supplier Code of Conduct, Sustainable Procurement Policy and Whistle Blower Policy have been extended to value chain partners.                                                                                                                                                                                                   |     |     |     |     |     |     |     |     |
| <b>4. Name of the national and international codes/certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b> | KEC International Limited has its policies in line with international standard and practices such as ISO 9001, ISO 45001, ISO 14001, EN 1090, ISO 3834, ISO 17025, DAST022, ISO 27001, ISO 20001.                                                                                                                                |     |     |     |     |     |     |     |     |
| <b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>                                                                                                                                                              | Please refer to the section of Sustainability Roadmap 2026 - Performance on Page no. 55 of Integrated Annual Report FY 2022-23.                                                                                                                                                                                                  |     |     |     |     |     |     |     |     |
| <b>6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.</b>                                                                                                                         | <p>The performance on Sustainability goals, targets and Strategy is reviewed periodically by Sustainability and CSR Committee which also provides guidance to achieve the same.</p> <p>Please refer to the section of Sustainability Roadmap 2026 for the Performance on Page no. 55 of Integrated Annual Report FY 2022-23.</p> |     |     |     |     |     |     |     |     |

## Governance, leadership and oversight

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

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

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

The Company's aim, even as it grows, is to have a sustainable development, reduce the adverse impact to environment through improved efficiency in the use of energy & water, towards reducing water and carbon footprint as well as resource conservation and waste minimisation. The Company's ESG and sustainability policies and structure are driven under the supervision of the Sustainability and Corporate Social Responsibility Committee. We firmly believe that to build sustainable businesses, we need to create a sustainable ecosystem of environment, society and governance.

Taking our commitment to the next level, we have set measurable targets after extensive consultations with all our stakeholder groups. A detailed materiality assessment and benchmarking exercise was conducted before narrowing down to our sustainability focus areas. We have made significant progress across most of our targets as enumerated on Page 55 of our integrated report.

Our initiatives for the three major priority areas of decarbonization, water-positive approach and circularity are the foundation of our goals to improve the environment. The core of this strategy includes initiatives to reduce energy consumption and minimize carbon footprint, conserve and recycle water, bring down material consumption and reduce and recycle waste, amongst others, in addition to deploying new technologies and enabling a sustainable supply chain.

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

At KEC, giving back to society and helping to make it stronger, especially during challenging times, is an important facet of our business operations. As we continue our endeavor to 'Touch Lives' of our stakeholders, driving their holistic empowerment remains at the core of our corporate philosophy. We are committed to creating maximum positive impact by envisioning a better tomorrow for the communities we operate in and the stakeholders we work with. We are at the forefront of bringing about social change in underdeveloped economies in Africa and SAARC. Reaching out to 2 lakh beneficiaries is the target to be achieved by FY 25-26.

At the core of the Company's people agenda lies the focus on Happiness, which is intrinsic at the RPG Group and at KEC, leading to the launch of the Group's new brand tagline – Hello Happiness. The target is to achieve the Happiness Quotient to 85% by FY25-26.

The Company encourages a diverse and inclusive workplace that embraces diversity across the spectrum – race, nationality, religion, marital status, gender, age, ethnic origin, physical ability, etc. In addition to strengthening our focus on hiring women employees and persons with disability, we have also started recruiting transgenders.

We plan to partner with our suppliers to initiate our journey towards decarbonization so that jointly we are able to minimize the GHG footprint and support in the Global transition towards Low Carbon economy.

In terms of Governance, the Company carries out its business with highest standard of business ethics and transparency. It does not encourage any business activity which is illegal, unethical or results in unfair trade practices. The first Business Responsibility and Sustainability Report is being published and the Company will constantly endeavour to strengthen its Sustainability initiatives on a continuing basis.

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

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

| Subject for Review                                                                                                                                                   | Indicate whether review was undertaken by Director/Committee of the Board/Any other Committee                                                                      | Frequency (Annually/Half yearly/Quarterly/Any other – please specify)   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
|                                                                                                                                                                      |                                                                                                                                                                    | P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9 |
| Performance against above policies and follow up action                                                                                                              | The performance of various policies are being reviewed on quarterly/annual basis by Sustainability and CSR Committee and Executive Committee of Senior Management. |                                                                         |
| Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances                                                     | The Company complies with the statutory requirements as are applicable from time to time.                                                                          |                                                                         |
| 11. Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency. |                                                                                                                                                                    | P 1 P 2 P 3 P 4 P 5 P 6 P 7 P 8 P 9<br>No No No No No No No No No No    |

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

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

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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

## Essential Indicators

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

| Segment                           | Total number of training and awareness programmes held | Topics/principles covered under the training and its impact                                                                                                                                                                                                                                                                                    | % of persons in respective category covered by the awareness programmes |
|-----------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|
| Board of Directors                | 2                                                      | ESG matters, which provided insights on the                                                                                                                                                                                                                                                                                                    | 100%                                                                    |
| Key Managerial Personnel          | 2                                                      | NGBRC Principles.                                                                                                                                                                                                                                                                                                                              | 100%                                                                    |
| Employees other than BoD and KMPs | 6,134 sessions<br>199,933 Manhours                     | Code of Corporate Governance & Ethics ('COCG'), Anti bribery and Anti corruption, Prevention of Sexual Harassment ('POSH'), Ethics, RPG Values, RPG Way, Environment Health and Safety ('EHS'), Cyber Security, job specific and behavior based training.<br><br>Sessions are conducted through classroom and digital portal based e-learning. | 100%                                                                    |
| Workers*                          | 898,973 Manhours                                       | COCG, POSH, RPG Values, RPG Way etc.<br><br>EHS induction training, Behavior Based Safety Training, specific safety training on work                                                                                                                                                                                                           | 100%                                                                    |

\*Workers include both permanent and other than permanent/contractual

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

There were no monetary and non-monetary fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the Company or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year FY 2022-23 based on materiality thresholds.

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

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

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

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

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

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

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

|           | FY 2022-23 | FY 2021-22 |
|-----------|------------|------------|
| Directors | Nil        | Nil        |
| KMPs      | Nil        | Nil        |
| Employees | Nil        | Nil        |
| Workers   | Nil        | Nil        |

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

|                                                                                              | FY 2022-23 |         | FY 2021-22 |         |
|----------------------------------------------------------------------------------------------|------------|---------|------------|---------|
|                                                                                              | Number     | Remarks | Number     | Remarks |
| Number of complaints received in relation to issues of Conflict of Interest of the Directors | Nil        | NA      | Nil        | NA      |
| Number of complaints received in relation to issues of Conflict of Interest of the KMPs      | Nil        | NA      | Nil        | NA      |

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

Not Applicable

## Leadership Indicators

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

| Total number of awareness programmes held                               | Topics/principles covered under the training                                           | %age of value chain partners covered (by value of business done with such partners) under the awareness programmes |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|
| 1,800 Manhours of value chain partners covered through awareness module | Awareness module on ESG, Company Initiatives and expectation from Value chain partners | 90% value chain partner covered through awareness module                                                           |

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

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

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

## Essential Indicators

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

|       | FY 2022-23 | FY 2021-22 | Details of Improvements in environmental and social Impacts                                                                                                                                                                                                                                                                 |
|-------|------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| R&D   | 9.4%       | 8.1%       | The R&D efforts have resulted in reducing specific power and fuel consumption and thus reducing the carbon emissions.                                                                                                                                                                                                       |
| Capex | 4.0%       | 12.0%      | The usage of Green energy and installation of induction furnaces has resulted in reduction in consumption of fossil fuel. This has resulted in reducing carbon emissions. Green cable is another product which has been developed & manufactured using special compounds that can be recycled & ensure low carbon emission. |

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

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

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

Vendors have been asked to sign the COC based on sustainable procurement policy, 67% of the material is being sourced from the vendors that have been assessed for the ESG compliance.

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

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

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

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

## Leadership Indicators

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

The Company has not conducted LCA.

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

Not Applicable

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

| Indicate input material                                            | Recycled or re-used input material to total material |                                  |
|--------------------------------------------------------------------|------------------------------------------------------|----------------------------------|
|                                                                    | FY 2022-23                                           | FY 2021-22                       |
| 1. Steel, concrete, wood, paper, various metals in site operations | Steel – 7.9%<br>Wood – 4.3%                          | Steel – 6.2%<br>Wood – 7.1%      |
| 2. Copper in cable plants                                          | Concrete – 2.2%<br>Copper – 1.7%                     | Concrete – 6.1%<br>Copper – 2.7% |

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

The empty cement bags Paint and oil cans, wood boxes used in packing are reused. About 5.8% of the packaging Drums used in Cable Manufacturing are brought back and reused.

|                                | FY 2022-23 |          |                 | FY 2021-22 |          |                 |
|--------------------------------|------------|----------|-----------------|------------|----------|-----------------|
|                                | Re-Used    | Recycled | Safely Disposed | Re-Used    | Recycled | Safely Disposed |
| Plastics (including packaging) | 5.51       | -        | 19.79           | 8.21       | -        | 50.58           |
| E-waste                        | -          | -        | -               | -          | -        | -               |
| Hazardous waste                | 50.09      | -        | 0.03            | 105.25     | -        | 0.01            |
| Other waste                    | 260.15     | -        | 175.87          | 264.56     | -        | 133.56          |

## 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

| Indicate Product category                  | Reclaimed products and their packaging materials as % of total products sold in respective category |
|--------------------------------------------|-----------------------------------------------------------------------------------------------------|
| Reclamation of Cable drums in Cable plants | 5.8%                                                                                                |

Note: The Company does not sell any consumer products, and there is no product that is being reclaimed at the end of its life. The packaging drums used in Cable Manufacturing are brought back and reused.

## PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

## Essential Indicators

## 1. a. Details of measures for the well-being of employees

| Category                       | % of Employees covered by |                  |       |                    |       |                    |       |                    |       |                     |       |
|--------------------------------|---------------------------|------------------|-------|--------------------|-------|--------------------|-------|--------------------|-------|---------------------|-------|
|                                | Total<br>(A)              | Health insurance |       | Accident insurance |       | Maternity benefits |       | Paternity Benefits |       | Day Care facilities |       |
|                                |                           | Number           | %     | Number             | %     | Number             | %     | Number             | %     | Number              | %     |
|                                |                           | (B)              | (B/A) | (C)                | (C/A) | (D)                | (D/A) | (E)                | (E/A) | (F)                 | (F/A) |
| Permanent employees            |                           |                  |       |                    |       |                    |       |                    |       |                     |       |
| - Male                         | 5,579                     | 5,579            | 100%  | 5,579              | 100%  | -                  | -     | 5,579              | 100%  | -                   | -     |
| - Female                       | 270                       | 270              | 100%  | 270                | 100%  | 270                | 100%  | -                  | -     | 270                 | 100%  |
| Total                          | 5,849                     | 5,849            | 100%  | 5,849              | 100%  | 270                | 5%    | 5,579              | 95%   | 270                 | 5%    |
| Other than Permanent employees |                           |                  |       |                    |       |                    |       |                    |       |                     |       |
| - Male                         | 143                       | 143              | 100%  | 143                | 100%  | -                  | -     | -                  | -     | -                   | -     |
| - Female                       | 44                        | 44               | 100%  | 44                 | 100%  | -                  | -     | -                  | -     | -                   | -     |
| Total                          | 187                       | 187              | 100%  | 187                | 100%  | -                  | -     | -                  | -     | -                   | -     |

## b. Details of measures for the well-being of workers:

| Category                            | Total<br>(A)  | % of Workers covered by |             |                    |             |                    |            |                    |             |                     |            |
|-------------------------------------|---------------|-------------------------|-------------|--------------------|-------------|--------------------|------------|--------------------|-------------|---------------------|------------|
|                                     |               | Health insurance        |             | Accident insurance |             | Maternity benefits |            | Paternity Benefits |             | Day Care facilities |            |
|                                     |               | Number<br>(B)           | %<br>(B/A)  | Number<br>(C)      | %<br>(C/A)  | Number<br>(D)      | %<br>(D/A) | Number<br>(E)      | %<br>(E/A)  | Number<br>(F)       | %<br>(F/A) |
| <b>Permanent workers</b>            |               |                         |             |                    |             |                    |            |                    |             |                     |            |
| - Male                              | 580           | 580                     | 100%        | 580                | 100%        | -                  | -          | 580                | 100%        | -                   | -          |
| - Female                            | -             | -                       | -           | -                  | -           | -                  | -          | -                  | -           | -                   | -          |
| <b>Total</b>                        | <b>580</b>    | <b>580</b>              | <b>100%</b> | <b>580</b>         | <b>100%</b> | <b>-</b>           | <b>-</b>   | <b>580</b>         | <b>100%</b> | <b>-</b>            | <b>-</b>   |
| <b>Other than Permanent workers</b> |               |                         |             |                    |             |                    |            |                    |             |                     |            |
| - Male                              | 39,772        | 940                     | 2%          | 39,772             | 100%        | -                  | -          | -                  | -           | -                   | -          |
| - Female                            | 476           | 33                      | 7%          | 476                | 100%        | -                  | -          | -                  | -           | -                   | -          |
| <b>Total</b>                        | <b>40,248</b> | <b>973</b>              | <b>2%</b>   | <b>40,248</b>      | <b>100%</b> | <b>-</b>           | <b>-</b>   | <b>-</b>           | <b>-</b>    | <b>-</b>            | <b>-</b>   |

## 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

| Benefits                | FY2022-23                                          |                                                |                                                      | FY2021-22                                          |                                                |                                                      |
|-------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|----------------------------------------------------|------------------------------------------------|------------------------------------------------------|
|                         | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) | No. of employees covered as a % of total employees | No. of workers covered as a % of total workers | Deducted and deposited with the authority (Y/N/N.A.) |
| PF                      | 100%                                               | 100%                                           | Y                                                    | 100%                                               | 100%                                           | Y                                                    |
| Gratuity                | 100%                                               | 100%                                           | Y                                                    | 100%                                               | 100%                                           | Y                                                    |
| ESI*                    | 100%                                               | 100%                                           | Y                                                    | 100%                                               | 100%                                           | Y                                                    |
| Others – Please specify | -                                                  | -                                              | -                                                    | -                                                  | -                                              | -                                                    |

\*100% of eligible employees under ESI Regulation are covered

## 3. Accessibility of workplaces

Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company's permanent office buildings and manufacturing locations are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. Apart from this, following additional initiatives are carried out at our manufacturing locations:

- Awareness and sensitization on disability from time to time
- Sign language training to staff at all levels including external stakeholders.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company has Equal Opportunity Policy as per the Rights of Persons with Disabilities Act, 2016. We are committed to providing equal opportunities in employment and creating an inclusive workplace and work culture in which all employees are treated with respect and dignity. Workforce diversity is a business imperative and we will strive to ensure that our workforce is representative of all sections of the society.

The policy is available on the website at <https://www.kecrpg.com/policies>

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

| Gender       | Permanent Employees |                | Permanent Workers   |                |
|--------------|---------------------|----------------|---------------------|----------------|
|              | Return to work rate | Retention Rate | Return to work rate | Retention Rate |
| Male         | 100%                | 100%           | 100%                | 100%           |
| Female       | 100%                | 100%           | 100%                | 100%           |
| <b>Total</b> | <b>100%</b>         | <b>100%</b>    | <b>100%</b>         | <b>100%</b>    |

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

|                                       | Yes/No (If Yes, then give details of the mechanism in brief)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Permanent Workers</b>              | Yes, Grievance redressal mechanism is available at Corporate as well as Factory and project sites. R-Shield is recently introduced to raise complaints (non-POSH) using toll free no. Also, grievances can be raised through People Red Book and emails. Grievances raised in any form are directed to the respective function owner and resolved through the respective Industrial relation and Admin function.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Other than Permanent Workers</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Permanent Employees</b>            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Other than Permanent Employees</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|                                       | <p><b>R-Shield:</b> Our people have been our greatest strength at RPG. Creating Physical and Psychological safe spaces for them and keeping our workplaces free from any form of harassment is the highest priority at RPG. While each RPG company is totally compliant with the ask of the Sexual Harassment of Women at Work Place (Prevention, Prohibition, and Redressal) Act, 2013, we are now taking our commitment a step further by launching R shield, our 24x7 single number helpline that enables employees to raise their voice against harassment of any form.</p> <p><b>People Red Book:</b> To strengthen the "Grievance Redressal Policy" at our plants, a Register named PEOPLE RED BOOK has been kept at different places in the plant, in which employees write their small issues/concerns/suggestions etc. A Grievance Redressal Committee then works to resolve them within 30 days and is weekly reviewed by Plant Head.</p> |

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

| Category                         | FY 2022-23                                         |                                                                                              |         | FY 2021-22                                         |                                                                                              |         |
|----------------------------------|----------------------------------------------------|----------------------------------------------------------------------------------------------|---------|----------------------------------------------------|----------------------------------------------------------------------------------------------|---------|
|                                  | Total Employees/workers in respective category (A) | No. of employees/workers in respective category who are part of association (s) or Union (B) | % (B/A) | Total Employees/workers in respective category (C) | No. of employees/workers in respective category who are part of association (s) or Union (D) | % (D/C) |
| <b>Total Permanent Employees</b> |                                                    |                                                                                              |         |                                                    |                                                                                              |         |
| - Male                           | 5,579                                              | 11                                                                                           | 0.20%   | 5,164                                              | 12                                                                                           | 0.00%   |
| - Female                         | 270                                                | 2                                                                                            | 0.74%   | 246                                                | 3                                                                                            | 1.00%   |
| <b>Total Permanent Workers</b>   |                                                    |                                                                                              |         |                                                    |                                                                                              |         |
| - Male                           | 580                                                | 270                                                                                          | 47.00%  | 545                                                | 334                                                                                          | 61.00%  |
| - Female                         | -                                                  | -                                                                                            | -       | -                                                  | -                                                                                            | -       |

## 8. Details of training given to employees and workers:

| Category         | FY 2022-23    |                                |            |                      |            | FY 2021-22    |                                |            |                      |            |
|------------------|---------------|--------------------------------|------------|----------------------|------------|---------------|--------------------------------|------------|----------------------|------------|
|                  | Total<br>(A)  | On Health and safety measures* |            | On Skill Upgradation |            | Total<br>(D)  | On Health and safety measures* |            | On Skill Upgradation |            |
|                  |               | No. (B)                        | % (B/A)    | No. (C)              | % (C/A)    |               | No. (E)                        | % (E/D)    | No. (F)              | % (F/D)    |
| <b>Employees</b> |               |                                |            |                      |            |               |                                |            |                      |            |
| - Male           | 5,782         | 4,799                          | 83%        | 4,582                | 79%        | 5,264         | 3,474                          | 66%        | 3,555                | 68%        |
| - Female         | 321           | 170                            | 53%        | 235                  | 73%        | 280           | 123                            | 44%        | 182                  | 65%        |
| <b>Total</b>     | <b>6,103</b>  | <b>4,969</b>                   | <b>81%</b> | <b>4,817</b>         | <b>79%</b> | <b>5,544</b>  | <b>3,597</b>                   | <b>65%</b> | <b>3,737</b>         | <b>67%</b> |
| <b>Workers</b>   |               |                                |            |                      |            |               |                                |            |                      |            |
| - Male           | 40,352        | 26,632                         | 66%        | 14,527               | 36%        | 22,120        | 14,156                         | 64%        | 8,184                | 37%        |
| - Female         | 476           | 286                            | 60%        | 214                  | 45%        | 192           | 127                            | 66%        | 61                   | 32%        |
| <b>Total</b>     | <b>40,828</b> | <b>26,918</b>                  | <b>66%</b> | <b>14,741</b>        | <b>36%</b> | <b>22,312</b> | <b>14,283</b>                  | <b>64%</b> | <b>8,245</b>         | <b>37%</b> |

\*Excludes mandatory safety training which is given during induction to all employees / workers (including contractual personnel).

**9. Details of performance and career development reviews of employees and worker:**

| Category         | FY 2022-23   |              |             | FY 2021-22   |              |             |
|------------------|--------------|--------------|-------------|--------------|--------------|-------------|
|                  | Total (A)    | No. (B)      | % (B/A)     | Total (C)    | No. (D)      | % (D/C)     |
| <b>Employees</b> |              |              |             |              |              |             |
| - Male           | 5,579        | 5,579        | 100%        | 5,164        | 5,164        | 100%        |
| - Female         | 270          | 270          | 100%        | 246          | 246          | 100%        |
| <b>Total</b>     | <b>5,849</b> | <b>5,849</b> | <b>100%</b> | <b>5,410</b> | <b>5,410</b> | <b>100%</b> |
| <b>Workers</b>   |              |              |             |              |              |             |
| - Male           | 580          | 580          | 100%        | 628          | 628          | 100%        |
| - Female         | -            | -            | -           | -            | -            | -           |
| <b>Total</b>     | <b>580</b>   | <b>580</b>   | <b>100%</b> | <b>628</b>   | <b>628</b>   | <b>100%</b> |

**10. Health and safety management system:****a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes, the Company has implemented the occupational health safety management system for the all-project sites, manufacturing units and offices. The Company is certified with ISO 45001: 2018 by TUV Nord (DAkkS accreditation body) with scope of Design, Development, Engineering, Procurement and Construction of Electrical Transmission and substation, Oil & Gas, Engineering, Procurement construction of under ground Cable, Railways, Solar, Civil Infrastructure, Water projects and Smart Infra.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

The Company has the processes to identify the hazards and associated risks for the work activities at all projects sites, manufacturing units and offices.

The Company has applied the following steps:

- Preparation of method statement for all activities.
- Preparation of hazard identification and risk assessment for all activities.
- Permit to work system is implemented with Hazard Identification and Risk Assessment and method statement for all non- routine activities.
- In addition to above the Company has also implemented the last-minute risk assessment for work activities through the Company's inhouse developed Safety digital platform.
- Identified risks and control measures are being communicated to all the concerned stakeholders involved in the activity.
- Framed and implemented a comprehensive Fatality Prevention Plan across all businesses to stringently monitor safety measures and deployed safety systems at high-risk operations to achieve the goal of zero accidents.
- Annual Health check-ups for the employees at the Company tie-up hospitals
- Identification of the 10 Hazards That Kill (HTK) and giving awareness for all the employees and workers at site operations during EHS inductions. The 10HTK are mentioned below:
  - Asphyxiation
  - Explosion
  - Vehicle and Road
  - Fall of person and material
  - Excavation
  - Lifting operation
  - Biological hazards

- Electrical Hazards
- Tool and Plants
- Toxic

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)**

Yes, the Company has the process to report the work related hazards and mitigate the identified risks.

Digitalization of EHS Processes, real time reporting of incidents, near misses across all levels of the organization as well as monitoring of audit action points closure through in house developed digital platform "RAKSHA" has been a focus area.

New features like e-Permit to Work and Last-minute Risk Assessment modules have been added. The platform provides end-to-end EHS management and helps the Company to achieve zero incident way of working.

**d. Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

Yes, the Company covers all its employees under health insurance and personal accident policy. It also ensures adherence to the regulatory guidelines for non-occupational medical and healthcare services for the workers and Employees State Insurance Corporation (ESIC) provisions.

**Annual Health Check-up** – The Company has partnered with myHealthmeter to create an effective wellness program. This program is a holistic approach to assess the combined impact of lifestyle and environment and to facilitate the medical diagnosis of key health parameters

**Juno Clinic:** The Company has also partnered with Juno Clinic to provide counseling and treatment for any kind of psychological or psychiatric issue of our employees. Juno Clinic provides a team of psychologists and psychiatrists, each of whom has significant experience and specialization in tackling issues such as depression, anxiety, relationship conflicts, child behavioral or development issues, addiction etc.

**11. Details of safety related incidents, in the following format:**

| Safety Incident/Number                                                    | Category  | FY 2022-23 | FY 2021-22 |
|---------------------------------------------------------------------------|-----------|------------|------------|
| Lost Time Injury Frequency Rate (LTIFR)                                   | Employees | -          | -          |
| (per one million-person hours worked)                                     | Workers   | 0.25       | 0.26       |
| Total recordable work-related injuries                                    | Employees | -          | -          |
|                                                                           | Workers   | 132        | 83         |
| No. of fatalities                                                         | Employees | -          | -          |
|                                                                           | Workers   | 7          | 7          |
| High consequence work-related injury or ill-health (excluding fatalities) | Employees | -          | -          |
|                                                                           | Workers   | -          | -          |

**12. Describe the measures taken by the entity to ensure a safe and healthy work place.**

The Company has implemented ISO 45001 at all the Projects and Plant facilities and all the activities are carried out in accordance with the said standard. The Company is always working towards establishing a positive Health and Safety culture. Some of the measures taken are given as below:

**Digitalization of EHS Processes**

- Have developed an in-house Safety APP "RAKSHA" access of which is given to all engineers/supervisors and contractor supervisors. Reporting of all Safety observations, Audit points & their closure, incident reports, training modules, senior management review points are done through APP.
- Permit to Work (e-permit) & Last-Minute Risk Assessment (LMRA) is digitalized.
- Safety training to employees/contractor workers are being imparted through Virtual Reality modules which are specific to Company's operations.
- On a regular basis, the Company's EHS Management system will get reviewed and revised based on its operations, past incidents and near misses reported. EHS Minimum Mandatory Requirements for each Business Units is revised and are implemented at all project sites as well as Manufacturing plants locations.

- The EHS code of conduct is framed and is signed by the contractor during tender finalization stage.
- Contractor EHS evaluation and monitoring is done on a monthly basis.
- Premedical health checkup, EHS induction and adherence to the Personal Protective Equipment ('PPE') as per the site requirement for all workers before deployment at site.
- Preparation of Method Statement and Risk assessment is done for all activities.
- PPE standardization as per International Standards/European Standards requirement is done and implemented.
- Learnings of past accidents and near misses is shared and Corrective & Preventive actions are implemented at all locations.
- Rest sheds are provided for workers at work site locations.
- Labour welfare at labour camps are given a special emphasis like:
  - First aid and Fire protection facilities are provided.
  - Toilet facilities are provided with fortnightly inspection.
  - Drinking water facilities are provided.
  - Adequate illumination and ventilation facilities.

**13. Number of Complaints on the following made by employees and workers:**

|                    | FY 2022-23            |                                       |         | FY 2021-22            |                                       |         |
|--------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                    | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Working Conditions | -                     | -                                     | -       | -                     | -                                     | -       |
| Health & Safety    | 1                     | -                                     | -       | -                     | -                                     | -       |

**14. Assessments for the year:**

|                             | % of your plants and offices that were assessed (by entity or statutory authorities or third parties) |
|-----------------------------|-------------------------------------------------------------------------------------------------------|
| Health and safety practices | 100%                                                                                                  |
| Working Conditions          | 100%                                                                                                  |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.**

- The guidelines and SOPs are developed and modified based on the prior case studies and learnings. This data is utilised for predictive analysis and incident assessment as well as to determine unsafe behavior. This allows for the identification of significant risks, which encourages projects to proactively manage and focus resources to avoid accidents or mishaps.
- Awareness program on "Near miss reporting & its importance" is being done at all levels.
- The Company encourages usage of EHS digital platform RAKSHA app by giving access to all employees and encourages reporting and closure of action points in a time bound manner.
- No blame culture for reporting incidents is followed.
- All near misses are shared to workmen in Toolbox Talks for raising awareness. Safety alert on Incident/Near misses is shared, preventive action plan implementation is tracked.
- Representation of contractors in site safety committee meetings is done. Awareness sessions are conducted for more clarity on Lost Time Injury ('LTI'), Restricted Work Case ('RWC') & Medical Treatment Case ('MTC'). Corrective & Preventive actions for each LTI is made for horizontal deployment across all SBUs.
- Specific modules of Virtual Reality developed on Safety to impart trainings in effective manner.
- We ensure Implementation of engineering solutions/process corrections and incorporate of interlock/sensor guard/photo curtains/pull cords as per job specification requirements.
- Horizontal deployment and monitoring are CAPA (Corrective and Preventive Actions) across all the business units.

**Leadership Indicators**

**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

(A) Employees - Yes

(B) Workers - Yes

**2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**

The Company ensures deduction and deposit of statutory dues by obtaining compliance documents from the value chain partners on monthly basis along with their bills. We have a compliance checklist and accordingly ensure to obtain Statutory payments challan, payment proof and contribution history from value chain partners and same is duly verified by third party agency and our compliance team.

**3. Provide the number of employees/workers having suffered high consequence work- related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| Benefits  | Total no. of affected employees/workers |            | No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment* |            |
|-----------|-----------------------------------------|------------|----------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|           | FY 2022-23                              | FY 2021-22 | FY 2022-23                                                                                                                                         | FY 2021-22 |
| Employees | -                                       | -          | -                                                                                                                                                  | -          |
| Workers   | 7                                       | 7          | -                                                                                                                                                  | -          |

\*For the fatalities and injuries, the compensation as per the statutory requirements have been given.

**4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

The Company periodically provides skill-upgradation training programs to all its employees during their employment. The training programs cater to the specific requirements of the cadre and relevant function areas which further enable the employees to pursue employment post retirement or termination, based on the acquired skillset.

**5. Details on assessment of value chain partners:**

|                             | % of value chain partners (by value of business done with such partners) that were assessed                                                          |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Health and safety practices | Vendors covering 65% of value (covering 100% of key value chain partners) have been assessed based on physical audit/documentation based assessment. |
| Working Conditions          |                                                                                                                                                      |

**6. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

First Assessment of the key vendors is completed in FY 2022-23 and all the observations and non-conformances are properly recorded and being shared with vendors to take corrective and preventive actions to address risks. No significant reportable risk observed.

**PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

The Stakeholder groups are identified based on the nature of their engagement with the Company. The Company has identified its core stakeholder groups such as Employees, Vendors/Sub-contractors, Government and Regulatory Authorities, Customers, Investors/Analysts, Media, Local Community and NGOs & CSR partners.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

| Stakeholder Group                       | Whether identified as Vulnerable/Marginalized Group (Yes/No) | Channels of Communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website) Other | Frequency of Engagement (Annually/Half-Yearly/Quarterly/others- please specify) | Purpose of engagement including key topics and concerns raised during such engagement                                                                                                                                                                                                          |
|-----------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employees                               | No                                                           | Grievance redressal cells, emails, meetings, townhalls meetings.                                                             | Regularly                                                                       | <ul style="list-style-type: none"> <li>Understand their career ambitions, job satisfaction parameters, support career growth, employee well-being, training, and development.</li> <li>Share the Company's vision, short-term and long-term goals, workplace needs and expectations</li> </ul> |
| Vendors/ Sub-contractors                | No                                                           | Meetings, Emails.                                                                                                            | Periodically                                                                    | <ul style="list-style-type: none"> <li>Share mutual expectations and needs about quality, cost and timely delivery, growth plans.</li> <li>Share best practices.</li> </ul>                                                                                                                    |
| Customers                               | No                                                           | Emails, Complaint Registers, Satisfaction surveys and/or feedback.                                                           | Regularly                                                                       | <ul style="list-style-type: none"> <li>Develop a sustained relationship</li> <li>Anticipate short and long-term expectations.</li> </ul>                                                                                                                                                       |
| Investors/ Analysts                     | No                                                           | Emails, Investor and shareholder meetings, Investor calls, press releases, website.                                          | Quarterly/Annually/Regularly                                                    | <ul style="list-style-type: none"> <li>Understand concerns and expectations, create higher shared value.</li> </ul>                                                                                                                                                                            |
| Local Community and NGOs & CSR partners | Yes                                                          | Grievance redressal cells, emails, Complaint Register, Focused group discussions with the community.                         | Periodically                                                                    | <ul style="list-style-type: none"> <li>Develop and support local communities and economies.</li> </ul>                                                                                                                                                                                         |
| Media                                   | No                                                           | Press releases, Media interviews, Phone calls.                                                                               | Quarterly/Periodically                                                          | <ul style="list-style-type: none"> <li>Communicate the Company's vision, brand and developments to all stakeholders for further transparency.</li> </ul>                                                                                                                                       |
| Government and Regulatory Authorities   | No                                                           | Emails, Meetings, regular liaisoning, representation through Industry associations.                                          | Periodically                                                                    | <ul style="list-style-type: none"> <li>Regulatory compliances and corporate governance mechanisms, Tax revenues and policy advocacy</li> </ul>                                                                                                                                                 |

**Leadership Indicators****1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

Internal and Board sub-committees have been constituted to evaluate ESG performance, and economic governance.

- Board level committee: ensures alignment of the Company's vision and strategy with ESG agenda.  
The Sustainability and CSR Committee, reviews the performance on sustainability goals, targets and Strategy and provides guidance to achieve the same.
- Corporate level executive committee and Centre of Excellence on ESG: It oversees the progress of sustainability agenda, provides guidance and ensures implementation and adherence to the sustainability roadmap.
- Business level steering committee: It drives and implements the sustainability roadmap and initiatives.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes, Stakeholder engagement exercise and materiality assessment results are used to determine the most crucial sustainability-related concerns for the business. On the basis of these results additional strategy development, policy creation, as well as the creation and execution of monitoring mechanisms, are carried out.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

| Category              | Vulnerable group                                                                                                                            | Concerns                                                  | Actions Taken                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Education             | Children from under-privileged groups                                                                                                       | Limited access to quality education                       | <ul style="list-style-type: none"> <li>Pehlay Akshar Schooling: Functional English classes imparted to children through various offline and online modes (A-Story-A-Day Campaign, YouTube, etc.).</li> <li>Pehlay Akshar Training: Capacity building of government school teachers and helping them create 'Magic Classrooms' – safe learning environment for school children and effective classes. Initiated self-help groups "Saathi sessions" to provide teachers a peer network for continuous learning.</li> </ul>                                                                                                                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li>1,841 Saathi sessions conducted.</li> <li>2,562 teachers attended the training.</li> <li>3,257 students reached.</li> <li>Pehlay Akshar App total users- 6,375</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Community Development | Population Located around the Offices, Plant Locations and rural population who have limited access to public health and other local needs. | Unaffordable and unavailable infrastructure and services. | <ul style="list-style-type: none"> <li>We have adapted our interventions to suit the communities' evolving needs and work with local government bodies and other stakeholders to create a holistic impact. Some of the interventions in community development include: <ul style="list-style-type: none"> <li>- Setting up of Fever Clinics,</li> <li>- In association with National Health Mission (Maharashtra), the Company has jointly set up and operated Fever Clinics in rural Maharashtra to provide quality, affordable and accessible rural healthcare for all.</li> <li>Clean and safe drinking water facility by installing RO system.</li> <li>Support to PwD by providing equipment.</li> <li>Eye and general health camps for better health of local population.</li> <li>Tree plantation and vermicompost bed distribution for environmental sustainability.</li> </ul> </li> </ul> | <p><b>Fever Clinic:</b></p> <ul style="list-style-type: none"> <li>Phase 1: 45 clinics (out of 100) are funded by the Company and are fully operational.</li> <li>Phase 2: 22 out of 50 clinics, are funded by the Company &amp; are operational.</li> <li>Total No. of Fever Clinics: 67</li> <li>Total Number of Beneficiaries: 5,29,064 Covid testing for 2,04,908 persons Vaccination for 20,214.</li> <li>13,041 persons screened in eye camps at various project sites.</li> <li>8,109 women and adolescents checked in health camps in Jabalapur, Jaipur, Aurangabad and NCR.</li> <li>1,310 trees planted across Jaipur, Jabalpur, NCR, Vadodara and Mysuru with Japanese Miyawaki concept.</li> <li>Special learning equipment distributed to 639 PwDs 500 LPH RO systems installed in 3 schools in Mysuru and Jaipur 200 LHP industrial RO systems with coolers installed in 2 schools in Nagpur.</li> <li>Vermicompost bed distributed to 150 farmers in Nagpur.</li> </ul> |

| Category      | Vulnerable group                                      | Concerns                                                                              | Actions Taken                                                                                                                                                                                                                                                                                                                       | Impact                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------|-------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employability | Helping women & youth from rural and peri-urban areas | Less privileged sections to get employment by skill training in specialized programs. | This year the Swayam program has covered job roles in the healthcare and skills in weaving and farm sectors. These initiatives are aimed at providing them an opportunity to become financially independent, self-reliant, and lead respectful lives.                                                                               | <b>Swayam Health:</b><br>Candidates Trained: 500, No. of Batches completed training: 17 Candidates placed: 422 (84%)<br><br><b>Swayam Weave:</b><br>Drafting and loom setup training is with a batch of 31 women in Nagpur, and Product development with 3 weavers in Suredranagar.<br><br><b>Swayam Farm:</b><br>500 farmers mobilized and 500 farmers trained on a package of organic practices Volunteering/ Employee Volunteer: 648; Unique Employee: 492; Hours Contributed: 440. |
| Heritage      | NA                                                    | Revival and transformation at Heritage sites.                                         | <ul style="list-style-type: none"> <li>Upliftment of community areas through art and experiences for revival in the Banganga region.</li> <li>Transforming Worli Koliwada through Art, Architecture, biodiversity conservation, community development and creating visitor experiences for revival of the heritage site.</li> </ul> | <ul style="list-style-type: none"> <li>6,000+ people reached through various community development activities such as GDA training, sports events, enterprise development, revival of SHGs, engagement with Anganwadis, cleanliness drives, etc.</li> <li>69 streetlights installed.</li> <li>2 art walls created.</li> <li>Steps being refurbished near a playground.</li> </ul>                                                                                                      |

## PRINCIPLE 5 Businesses should respect and promote human rights

### Essential Indicators

#### 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

| Category               | FY 2022-23    |                                      |            | FY 2021-22    |                                      |            |
|------------------------|---------------|--------------------------------------|------------|---------------|--------------------------------------|------------|
|                        | Total (A)     | No. of employees/workers covered (B) | % (B/A)    | Total (C)     | No. of employees/workers covered (D) | % (D/C)    |
| <b>Employees</b>       |               |                                      |            |               |                                      |            |
| - Permanent            | 5,849         | 3,242                                | 55%        | 5,410         | 2,158                                | 40%        |
| - Other than permanent | 254           | 15                                   | 6%         | 134           | 118                                  | 88%        |
| <b>Total Employees</b> | <b>6,103</b>  | <b>3,257</b>                         | <b>53%</b> | <b>5,544</b>  | <b>2,276</b>                         | <b>41%</b> |
| <b>Workers</b>         |               |                                      |            |               |                                      |            |
| - Permanent            | 580           | -                                    | -          | 628           | -                                    | -          |
| - Other than permanent | 40,248        | -                                    | -          | 21,686        | -                                    | -          |
| <b>Total Workers</b>   | <b>40,828</b> | <b>-</b>                             | <b>-</b>   | <b>22,314</b> | <b>-</b>                             | <b>-</b>   |

Note: Training on various issues related to human rights are covered under new employee induction, EHS training, POSH, code of conduct etc.

#### 2. Details of minimum wages paid to employees and workers, in the following format:

| Category                    | FY 2022-23   |                          |            |                           |            | FY 2021-22   |                          |            |                           |            |
|-----------------------------|--------------|--------------------------|------------|---------------------------|------------|--------------|--------------------------|------------|---------------------------|------------|
|                             | Total<br>(A) | Equal to<br>Minimum Wage |            | More than<br>Minimum Wage |            | Total<br>(D) | Equal to<br>Minimum Wage |            | More than<br>Minimum Wage |            |
|                             |              | No.<br>(B)               | %<br>(B/A) | No.<br>(C)                | %<br>(C/A) |              | No.<br>(E)               | %<br>(E/D) | No.<br>(F)                | %<br>(F/D) |
| <b>Employees</b>            |              |                          |            |                           |            |              |                          |            |                           |            |
| <b>Permanent</b>            |              |                          |            |                           |            |              |                          |            |                           |            |
| - Male                      | 5,689        | -                        | -          | 5,689                     | 100%       | 5,162        | -                        | -          | 5,162                     | 100%       |
| - Female                    | 270          | -                        | -          | 270                       | 100%       | 246          | -                        | -          | 246                       | 100%       |
| <b>Other than Permanent</b> |              |                          |            |                           |            |              |                          |            |                           |            |
| - Male                      | 143          | -                        | -          | 143                       | 100%       | 100          | -                        | -          | 100                       | 100%       |
| - Female                    | 44           | -                        | -          | 44                        | 100%       | 34           | -                        | -          | 34                        | 100%       |
| <b>Workers</b>              |              |                          |            |                           |            |              |                          |            |                           |            |
| <b>Permanent</b>            |              |                          |            |                           |            |              |                          |            |                           |            |
| - Male                      | 580          | -                        | -          | 580                       | 100%       | 628          | -                        | -          | 628                       | 100%       |
| - Female                    | -            | -                        | -          | -                         | -          | -            | -                        | -          | -                         | -          |
| <b>Other than Permanent</b> |              |                          |            |                           |            |              |                          |            |                           |            |
| - Male                      | 39,772       | -                        | -          | 39,772                    | 100%       | 21,492       | -                        | -          | 21,492                    | 100%       |
| - Female                    | 476          | -                        | -          | 476                       | 100%       | 192          | -                        | -          | 192                       | 100%       |

#### 3. Details of remuneration/salary/wages, in the following format:

|                                  | Male   |                                                                     | Female |                                                                     |
|----------------------------------|--------|---------------------------------------------------------------------|--------|---------------------------------------------------------------------|
|                                  | Number | Median remuneration/salary/wages of respective category (In Rupees) | Number | Median remuneration/salary/wages of respective category (In Rupees) |
| Board of Directors* (BoD)        | 10     | 2,010,000                                                           | 1      | 1,810,000                                                           |
| Key Managerial Personnel         | 2      | 24,766,770                                                          | NA     | NA                                                                  |
| Employees other than BoD and KMP | 5,576  | 877,114                                                             | 204    | 800,000                                                             |
| Workers                          | 484    | 475,772                                                             | NA     | NA                                                                  |

\*Includes Commission and sitting fees

#### 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Head of Human Resource department of the Company is responsible for addressing human rights impact or issues. As part of the Human Rights Policy, the Company expects all its relevant stakeholders to respect and comply with the policy principles and applicable laws, regulations in all territories of its operation.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company's 'Ask HR' platform, email and other informal channels of communication form part of the internal mechanism for grievance redressal of human rights issues. The Company's Human Rights Policy outlines the grievance redressal mechanism through email/verbal form of communication, in accordance to the principles of International Labor Organization (ILO) and United Nations Global Compact (UNGC).

#### 6. Number of Complaints on the following made by employees and workers:

|                                   | FY 2022-23            |                                       |         | FY 2021-22            |                                       |         |
|-----------------------------------|-----------------------|---------------------------------------|---------|-----------------------|---------------------------------------|---------|
|                                   | Filed during the year | Pending resolution at the end of year | Remarks | Filed during the year | Pending resolution at the end of year | Remarks |
| Sexual Harassment                 | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |
| Discrimination at workplace       | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |
| Child Labour                      | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |
| Forced Labour/Involuntary Labour  | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |
| Wages                             | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |
| Other human rights related issues | Nil                   | Nil                                   | -       | Nil                   | Nil                                   | -       |

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

As per the COCG and POSH Policy, the Company ensures protection of the complainant. The investigation of the complaints is done strictly in a confidential manner ensuring the protection of the complainant against any retaliation.

The Company provides necessary safeguards to complainant for making Protected Disclosures in good faith, in all the areas mentioned in the POSH and Code of Conduct such as business with integrity, responsible corporate citizenship, illegal and unfair labor practices, trade practices and other laws.

For the cases pertaining to sexual harassment, the Company's policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ensures strict confidentiality of the investigation procedure and protection of the identity of the complainant.

**8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes, appropriate clauses in recognition of Human Rights are incorporated as required to be complied in the Company's business agreements and contracts as and where relevant.

Besides, the Company has a Supplier Code of Conduct which requires the contracting party to ensure to respect all internationally proclaimed human rights by avoiding causation of and complicity in any human rights violations, respect of human rights of specifically vulnerable rights holders or groups of rights holders such as women, children, or migrant workers, or of (indigenous) communities

**9. Assessments for the year (i.e. FY 2022-23):**

|                             | % of your plants and offices that were assessed<br>(by entity or statutory authorities or third parties) |
|-----------------------------|----------------------------------------------------------------------------------------------------------|
| Child labour                |                                                                                                          |
| Forced/involuntary labour   |                                                                                                          |
| Sexual harassment           | The Company undertook internal assessment of 100% of its plants and offices                              |
| Discrimination at workplace |                                                                                                          |
| Wages                       |                                                                                                          |
| Others – please specify     |                                                                                                          |

**10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.**

Nil

**Leadership Indicators****1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

No complaint received for human rights violation.

R-Shield has been introduced to raise complaints (non-POSH) using toll free no. Also, grievances can be raised through People Red Book and emails. Grievances raised in any form are directed to the respective function owner and resolved through the respective Industrial Relation and Admin function.

**2. Details of the scope and coverage of any Human rights due-diligence conducted.**

Regular audit, Internal Audit on Human Rights is carried out. The Company in the reporting period did not undertake any Human Rights due diligence. As part of the guiding principles of the human rights policy the Company will continually improve human rights systems by sharing good practices and learnings.

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

Most of the permanent facilities and office buildings are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

**4. Details on assessment of value chain partners:**

|                                  | % of value chain partners (by value of business done with such partners) that were assessed                                                          |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sexual Harassment                | Vendors covering 65% of value (covering 100% of key value chain partners) have been assessed based on physical audit/documentation based assessment. |
| Discrimination at workplace      |                                                                                                                                                      |
| Child Labour                     |                                                                                                                                                      |
| Forced Labour/Involuntary Labour | The remaining suppliers have signed a Code of conduct covering these aspects and expected to comply with its requirements.                           |
| Wages                            |                                                                                                                                                      |
| Others – please specify          |                                                                                                                                                      |

**5. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 4 above.**

First Assessment of the key vendors is completed in FY 2022-23 and all the observations and non-conformances are properly recorded.

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

| Parameter                                                                                        | FY 2022-23        | FY 2021-22        |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Total electricity consumption (A) (in GJ)                                                        | 316,869.18        | 283,055.51        |
| Total fuel consumption (B) (in GJ)                                                               | 624,389.57        | 537,780.99        |
| Energy consumption through other source (C)                                                      | -                 | -                 |
| <b>Total energy consumption (A+B+C) (in GJ)</b>                                                  | <b>941,258.75</b> | <b>820,836.50</b> |
| Energy intensity per rupee of turnover (Total energy consumption in GJ/turnover in rupees crore) | 61.07             | 65.28             |
| Energy intensity (optional) – (Total energy consumption in GJ/Total manpower)                    | 20.06             | 29.47             |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:** No

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

The Company does not have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

**3. Provide details of the following disclosures related to water, in the following format:**

| Parameter                                                                                                       | FY 2022-23          | FY 2021-22          |
|-----------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Water withdrawal by source (in kilolitres)                                                                      |                     |                     |
| (i) Surface water                                                                                               | 11,214.25           | 78,771.50           |
| (ii) Groundwater                                                                                                | 494,767.28          | 273,829.00          |
| (iii) Third party water                                                                                         | 1,241,626.23        | 1,092,161.01        |
| (iv) Seawater/desalinated water                                                                                 | 5,150.00            | 385.00              |
| (v) Others                                                                                                      | -                   | -                   |
| <b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>                                 | <b>1,752,757.76</b> | <b>1,445,146.51</b> |
| <b>Total volume of water consumption (in kilolitres)</b>                                                        | <b>1,538,487.26</b> | <b>1,228,374.53</b> |
| Water intensity per rupee of turnover (Water consumed KL/turnover in Rupees Crore)                              | 99.82               | 97.70               |
| Water intensity (optional) – the relevant metric may be selected by the entity Water consumed KL/Total manpower | 32.78               | 44.10               |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:** No

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

The Water stewardship initiatives are undertaken in line with the Company's Water-Positive Approach. The Company has implemented Zero liquid discharge in all manufacturing plants. At the Butibori plant, external agency has done water audit and certified it as Water Positive Plant with an index of 1.6.

No water is discharged outside the plant. The wastewater is treated in the Effluent Treatment Plant ('ETP')/Sewage Treatment Plant ('STP') and recycled.

In Project site locations also, initiatives are being taken for Zero Liquid Discharge.

Some of the examples are given as below:

- In Chennai Metro Project (Civil) site and Tata Steel Kalinganagar civil Project, Sewage treatment plants, are installed for treating the wastewater and recycled for dust suppression and cleaning activities.
- In Delhi Metro Rail Corporation (Civil) site water collection ponds and water recycling system for curing precast structures have been established
- Installation at Biodigester at Civil Project site namely L&T Seawood, Mumbai for conversion human waste and domestic waste into Fertilizer.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

| Parameter                           | Unit              | FY 2022-23               | FY 2021-22               |
|-------------------------------------|-------------------|--------------------------|--------------------------|
| NOx                                 | µg/m <sup>3</sup> | 17.0                     | 15.0                     |
| SOx                                 | µg/m <sup>3</sup> | 8.1                      | 7.2                      |
| Particulate matter (PM)             | µg/m <sup>3</sup> | PM <sub>10</sub> = 73.6  | PM <sub>10</sub> = 58.1  |
|                                     | µg/m <sup>3</sup> | PM <sub>2.5</sub> = 44.1 | PM <sub>2.5</sub> = 34.6 |
| Persistent organic pollutants (POP) | -                 | -                        | -                        |
| Volatile organic compounds (VOC)    | -                 | -                        | -                        |
| Hazardous air pollutants (HAP)      | µg/m <sup>3</sup> | Benzene: <1.0            | Benzene: <1.0            |
|                                     | ng/m <sup>3</sup> | Arsenic: <1.0            | Arsenic: <1.0            |
|                                     | µg/m <sup>3</sup> | Lead: 0.35               | Lead: 0.19               |
|                                     | ng/m <sup>3</sup> | Benzo Pyrene: <1.0       | Benzo Pyrene: <1.0       |
|                                     | ng/m <sup>3</sup> | Nickel: 1.23             | Nickel: 0.43             |
| Others – please specify             | -                 | -                        | -                        |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

Environmental monitoring is done by the agencies authorized by the CPCB/SPCB like ECO services India Pvt Ltd., Arihant Analytical Laboratory Pvt Ltd., INSTA Pollution Tech Labs etc., at various plants and project site locations. The agencies are authorized by respective State Pollution Control Boards/respective clients.

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

| Parameter                                                                                                                                                                    | Unit                                        | FY 2022-23 | FY 2021-22 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------|------------|------------|
| <b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 44,738.93  | 38,651.24  |
| <b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available) | Metric tonnes of CO <sub>2</sub> equivalent | 27,941.71  | 27,374.90  |
| <b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>                                                                                                             | Metric tons CO <sub>2</sub> /₹ crores       | 4.72       | 5.25       |
| <b>Total Scope 1 and Scope 2 emission intensity</b> (optional)<br>– the relevant metric may be selected by the entity                                                        | Metric tons of CO <sub>2</sub> /manpower    | 1.55       | 2.37       |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

Yes, the data has been evaluated by external agency M/s EKI Energy Services Limited.

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

The Company is constantly striving to reduce the environmental impact of all its business activities. The Company undertakes projects to reduce greenhouse gas emissions. All Manufacturing locations have set a target to reduce GHG emissions by 20% by 2026. Overall the Company has taken a target to become net zero by 2040.

Some of the projects undertaken for reducing Greenhouse gas emissions are:

- Installation of solar rooftop plants at Tower Manufacturing plants at Butibori and Jaipur.
- Procurement of energy from renewable sources to fulfil energy requirement for Cables plants in Mysuru and Vadodara.
- Use of induction furnace based on electricity instead of fossil fuel, for lower carbon emissions.
- Deployment of energy-efficient LED lighting solutions and elimination of exhaust fans by replacing them with natural ventilators.
- Installation of Solar panels at sites that are powering offices, guest houses and pumps.
- Use of hybrid vehicle at project sites.
- Use of Electric Vehicles at Mumbai and Gurugram office.
- Entry into renewable EPC business.
- Green product manufacturing – Green cables.

**8. Provide details related to waste management by the entity, in the following format:**

| Parameter                                                                                                                                      | FY 2022-23       | FY 2021-22       |
|------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>Total Waste generated (in metric tonnes)</b>                                                                                                |                  |                  |
| Plastic waste (A)                                                                                                                              | 84.66            | 98.95            |
| E-waste (B)                                                                                                                                    | 3.10             | 0.54             |
| Bio-medical waste (C)                                                                                                                          | 3.60             | 1.20             |
| Construction and demolition waste (D)                                                                                                          | 38,195.63        | 22,264.97        |
| Battery waste (E)                                                                                                                              | 8.80             | 0.20             |
| Radioactive waste (F)                                                                                                                          | -                | -                |
| Other Hazardous waste. Please specify, if any. (G)                                                                                             | 6,237.68         | 5,859.70         |
| Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)            | 17,651.09        | 5,450.36         |
| <b>Total (A+B + C + D + E + F + G + H)</b>                                                                                                     | <b>62,184.60</b> | <b>33,675.92</b> |
| <b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b> |                  |                  |
| <b>Category of waste</b>                                                                                                                       |                  |                  |
| (i) Recycled                                                                                                                                   | 8,794.40         | 1,531.00         |
| (ii) Re-used                                                                                                                                   | 2,948.71         | 1,546.20         |
| (iii) Other recovery operations                                                                                                                | -                | -                |
| <b>Total</b>                                                                                                                                   | <b>11,743.11</b> | <b>3,077.20</b>  |
| <b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>                              |                  |                  |
| <b>Category of waste</b>                                                                                                                       |                  |                  |
| (i) Incineration                                                                                                                               | 0.01             | 3.27             |
| (ii) Landfilling                                                                                                                               | 1,353.66         | 1,699.21         |
| (iii) Other disposal operations                                                                                                                | 544.00           | 467.91           |
| <b>Total</b>                                                                                                                                   | <b>1,897.67</b>  | <b>2,170.39</b>  |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.**

The assurance has not been carried out by any external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company follows.

- 3 R principle (Reduce, Recycle and Reuse) for waste management practices.
- The waste is identified, segregated at source and collected in different colour coded bins. These are disposed off as per the statutory requirements.
- The Company strives to carry out improvement in the processes so as to reduce the generation of hazardous and toxic chemicals.
- Landfill has been reduced by 26% in manufacturing facilities with respect to FY 21-22.
- A target has been taken under circularity focus area for manufacturing plants to achieve zero waste to landfill by FY26.
- Use of the plastic above 40 microns thickness.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:

| S. No. | Location of operations/offices                                                                                                                                                                                                                                                                        | Type of operations | Whether the conditions of environmental approval/clearance are being complied with? (Y/N)<br>If no, the reasons thereof and corrective action taken, if any. |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| -      | -                                                                                                                                                                                                                                                                                                     | -                  | -                                                                                                                                                            |
| •      | None of our manufacturing plants are operating in any of the ecologically sensitive areas.                                                                                                                                                                                                            |                    |                                                                                                                                                              |
| •      | For the project sites which are in ecologically sensitive area, respective clients take the necessary environmental clearance/ approvals and only after that the work is undertaken by the Company. The Company ensures that the necessary approvals are available before start of construction work. |                    |                                                                                                                                                              |

- 11 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

| Name and brief details of project | EIA Notification No. | Date | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|------|-----------------------------------------------------------|------------------------------------------------|-------------------|
| -                                 | -                    | -    | -                                                         | -                                              | -                 |

The Company has not taken any EIA of any projects. It is working for various clients as EPC partner/construction partner and the respective clients undertake EIA studies and necessary approvals. It is ensured that necessary approval is taken before construction work starts.

12. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

| S. No. | Specify the law/regulation/ guidelines which was not complied with | Provide details of the non-compliance | Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts | Corrective action taken, if any |
|--------|--------------------------------------------------------------------|---------------------------------------|-------------------------------------------------------------------------------------------------------|---------------------------------|
| -      | -                                                                  | -                                     | -                                                                                                     | -                               |

Yes, the Company is compliant with all applicable law/regulations/guidelines. Zero non-compliance is reported.

#### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

| Parameter                                                                 | FY 2022-23        | FY 2021-22        |
|---------------------------------------------------------------------------|-------------------|-------------------|
| <b>From renewable sources</b>                                             |                   |                   |
| Total electricity consumption (A) (in GJ)                                 | 26,426.45         | 19,687.44         |
| Total fuel consumption (B) (in GJ)                                        | 442.30            | 384.00            |
| Energy consumption through other sources (C) (in GJ)                      | -                 | -                 |
| <b>Total energy consumed from renewable sources (A+B+C) – (in GJ)</b>     | <b>26,868.75</b>  | <b>20,071.44</b>  |
| <b>From non-renewable sources</b>                                         |                   |                   |
| Total Electricity consumption – D (in GJ)                                 | 290,442.73        | 263,468.07        |
| Total fuel consumption – E (in GJ)                                        | 623,947.27        | 53,7296.99        |
| Energy consumption through other sources (F)                              | -                 | -                 |
| <b>Total energy consumed from non-renewable sources (D+E+F) – (in GJ)</b> | <b>914,389.99</b> | <b>800,765.06</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Provide the following details related to water discharged:

| Parameter                                                                    | FY 2022-23       | FY 2021-22       |
|------------------------------------------------------------------------------|------------------|------------------|
| <b>Water discharge by destination and level of treatment (in kilolitres)</b> |                  |                  |
| (i) To Surface water                                                         |                  |                  |
| - No treatment                                                               | -                | -                |
| - With treatment – please specify level of treatment                         | -                | -                |
| (ii) To Groundwater                                                          |                  |                  |
| - No treatment                                                               | 2.60             | 2.60             |
| - With treatment – please specify level of treatment                         | -                | -                |
| (iii) To Seawater                                                            |                  |                  |
| - No treatment                                                               | -                | -                |
| - With treatment – please specify level of treatment                         | -                | -                |
| (iv) Sent to third-parties                                                   |                  |                  |
| - No treatment                                                               | 29,392.40        | 21,352.50        |
| - With treatment – please specify level of treatment                         | -                | -                |
| (v) Others                                                                   |                  |                  |
| - No treatment                                                               | -                | -                |
| - With treatment – please specify level of treatment                         | -                | -                |
| <b>Total water discharged (in kilolitres)</b>                                | <b>29,395.00</b> | <b>21,355.10</b> |

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

For all manufacturing plants, no water is discharged outside the plant. Complete Domestic & Trade Effluent waste water is treated in the ETP/STP and reused or recycled.

The assessment is not verified by any external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- Name of the area: (1) Kingdom of Saudi Arabia (2) RRTS Project Site , Sahibabad, UP India (NCR Region) (3) Oman (4) Jaipur (TL Plant)
- Nature of operations: (1) Transmission Line construction (2) Rapid Rail Transport System construction Project, Railways (3) Jaipur Plant (Fabrication of Tower and Railway parts)

(iii) Water withdrawal, consumption and discharge in the following format:

| Parameter                                                                             | FY 2022-23        | FY 2021-22        |
|---------------------------------------------------------------------------------------|-------------------|-------------------|
| <b>Water withdrawal by source (in kilolitres)</b>                                     |                   |                   |
| (i) Surface water                                                                     | -                 | -                 |
| (ii) Groundwater                                                                      | 43,170.00         | 48,390.00         |
| (iii) Third party water                                                               | 66,455.00         | 57,336.00         |
| (iv) Seawater/desalinated water                                                       | -                 | -                 |
| (v) Others                                                                            | -                 | -                 |
| <b>Total volume of water withdrawal (in kilolitres)</b>                               | <b>109,625.00</b> | <b>105,726.00</b> |
| <b>Total volume of water consumption (in kilolitres)</b>                              | <b>99,167.00</b>  | <b>97,565.20</b>  |
| <b>Water intensity per rupee of turnover</b> (Water consumed KL/turnover rupee crore) | <b>6.43</b>       | <b>7.76</b>       |
| <b>Water intensity</b> (optional) – the relevant metric may be selected by the entity | 2.11              | 3.50              |
| Water consumed KL/Total manpower                                                      |                   |                   |
| <b>Water discharge by destination and level of treatment (in kiloliters)</b>          |                   |                   |
| (i) Into Surface water                                                                |                   |                   |
| - No treatment                                                                        | -                 | -                 |
| - With treatment – please specify level of treatment                                  | -                 | -                 |
| (ii) Into Groundwater                                                                 |                   |                   |
| - No treatment                                                                        | 2.60              | 2.60              |
| - With treatment – please specify level of treatment                                  | -                 | -                 |
| (iii) Into Seawater                                                                   |                   |                   |
| - No treatment                                                                        | 0.00              | 0.00              |
| - With treatment – please specify level of treatment                                  | -                 | -                 |
| (iv) Sent to third-parties                                                            |                   |                   |
| - No treatment                                                                        | 7,205.20          | 5,763.60          |
| - With treatment – please specify level of treatment                                  | -                 | -                 |
| (v) Others                                                                            |                   |                   |
| - No treatment                                                                        | -                 | -                 |
| - With treatment – please specify level of treatment                                  | -                 | -                 |
| <b>Total water discharged (in kilolitres)</b>                                         | <b>7,207.80</b>   | <b>5,766.20</b>   |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

No independent assessment has been done by an external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

| Parameter                                                                                                                                   | Unit | FY 2022-23 | FY 2021-22 |
|---------------------------------------------------------------------------------------------------------------------------------------------|------|------------|------------|
| <b>Total Scope 3 emissions</b>                                                                                                              |      | -          | -          |
| (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> if available) |      |            |            |
| <b>Total Scope 3 emissions per rupee of turnover</b>                                                                                        |      | -          | -          |
| <b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity                                      |      | -          | -          |

**Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:**

The Company has recently started data management for scope 3 emissions and hence it is not reported.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

No, plant facility is in Ecological sensitive areas. Environment Impact Assessment and clearance from appropriate authorities for the projects which fall under these areas are done by respective clients. The Company ensures the approval before start of construction work and follows the consent conditions as specified in environmental clearance as per the directions of client.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

- The Company had identified key sustainability focus areas with measurable targets as part of its strategic sustainability roadmap for the next three to five years. It is progressing well on this front and has undertaken several measures towards transforming it's operations in a sustainable manner.
- The Company's EHS policy is embedded with the objectives of reduction in environmental degradations and promotion of 3 R - (Reduce, Reuse and Recycle) to help combat the perils of climate change. The Company ensures the use of technology for protection of environment through focus on carbon emission, water, air pollution, waste management, use of renewable and clean energy.

| Sr. No | Initiative undertaken                                                                                                                                                                                              | Details of the initiative (Web-link, if any, may be provided along-with summary)                              | Outcome of the initiative                                                                             |
|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------|
| 1      | Use of LPG instead of fossil fuel on bending furnaces                                                                                                                                                              | Conversion of 2 furnaces in Jaipur.                                                                           | Reduction in 1,850 Ltr. Fossil fuel per month.                                                        |
| 2      | Use of electricity instead of fossil fuel -Induction Furnace for lower carbon emissions                                                                                                                            | Installed total 3 Angle Induction furnaces in FY 2022-23 (1 each at Jaipur, Butibori & Jabalpur).             | Reduction in 140 MT GHG Emission.<br><br>Approx. ₹ 6.50 lakh saving per month for all plants.         |
| 3      | Installation of solar energy capacity at Jaipur & Butibori facility to increase renewable energy usage and reduce specific GHG emissions.                                                                          | Total 1.604 MWp additional solar plants started in Jaipur & Butibori. Total 1.904 MWp solar captive capacity. | Reduction in GHG gas emission by 1,194 MT in FY 22- 23.                                               |
| 4      | Low-cost KAIZENs deployment as Fuel control valve automation and Flue gas optimization by maintaining % O <sub>2</sub> below 3% and Recuperator for using flue gas for preheating to improve combustion efficiency | Kaizen & Effective monitoring done by Flue Gas Analyzer.                                                      | Reduction in Fuel consumption by 2.5%.<br><br>Approx. savings of ₹ 67.0 Lakh in FY 2022-23.           |
| 5      | Divert Acid Neutralization Sludge Waste to cement plants for incineration and proactive working for reduction in Acid consumption, thereby reducing the amount of hazardous waste reaching the landfills           | Improve Acid life to reduce the sludge generation by using Kleingarn Theory.                                  | Reduction in Sludge Generation by 15% w.r.t FY 21-22.<br><br>21% sludge diverted other than landfill. |

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

Yes, the Company has a disaster management plan and business continuity plan.

- All our project sites and manufacturing locations have a disaster management plan specific to plant locations and project sites. The plan enumerates various scenarios on which disaster can take place and in those conditions how to deal with the same. It provides responsibility of various people in case of emergency situations and also the line of communication. The plan also gives details on resources available in the Company as well as in nearby industry so that as part of mutual aid, the same can be utilized.
- The Company has got a business continuity plan which provides guidance to deal with disasters for continuing the business and relates to with asset, people and security including IT security aspects.

**8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

No adverse impact has been reported by any value chain partners. A separate code of conduct has been signed by all value chain partners which covers the need to comply with EHS regulations, labour practices, minimum wages, prohibition of child and forced labour etc. All vendors have signed the same and the audit is conducted to assess the same.

**9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

None. However, all supply chain participants are required to sign the form that outlines the need for compliance with laws and regulations, including environmental ones. The Company plans to evaluate the environmental implications of supply chain partners in coming years.

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

**1. a. Number of affiliations with trade and industry chambers/associations.**

The Company is a member of 8 trade and industry chambers/associations.

**b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

| S. No. | Name of the trade and industry chambers/associations                  | Reach of trade and industry chambers/associations (State/National) |
|--------|-----------------------------------------------------------------------|--------------------------------------------------------------------|
| 1      | Confederation of Indian Industry ('CII')                              | National                                                           |
| 2      | Federation of Indian Chambers of Commerce and Industry                | National                                                           |
| 3      | Builders Association of India                                         | National                                                           |
| 4      | National Safety Council                                               | National                                                           |
| 5      | Central Board of Irrigation and Power                                 | National                                                           |
| 6      | Bombay Chamber of Commerce & Industry                                 | State                                                              |
| 7      | Indian Electrical and Electronics Manufacturers Association ('IEEMA') | National                                                           |
| 8      | Project Exports Promotion Council of India                            | National                                                           |

**2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.**

| Name of the authority | Brief of the case | Corrective action taken |
|-----------------------|-------------------|-------------------------|
|                       | Nil               |                         |

There were no such cases during the year.

**Leadership Indicators**

**1. Details of public policy positions advocated by the entity:**

The Company engages with trade bodies and regulators for advocating public policy matters concerning Taxation, Governance & Administration, Economic Reforms and Energy Security affecting the industry as a whole. As and when the government has requested feedback from the industry, the Company has provided inputs through the industry association. The Company has been invited by stakeholders in public policy development as part of committees and task forces to share and utilize their domain expertise for the common welfare.

**PRINCIPLE 8 Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

**1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year**

| Name and brief details of project | SIA Notification No. | Date of notification | Whether conducted by independent external agency (Yes/No) | Results communicated in public domain (Yes/No) | Relevant Web link |
|-----------------------------------|----------------------|----------------------|-----------------------------------------------------------|------------------------------------------------|-------------------|
| -                                 | -                    | -                    | -                                                         | -                                              | -                 |

Social Impact Assessment is not carried out by the Company as required in compliance with laws such as the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

The same is carried out by respective clients. The Company ensures the implementation of social impact assessment management plan as advised by the client.

**2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

| S. No | Name of Project for which R&R is ongoing | State | District | No. of Project Affected Families (PAFs) | % of PAFs covered by R&R | Amount paid to PAFs in the FY (in INR) |
|-------|------------------------------------------|-------|----------|-----------------------------------------|--------------------------|----------------------------------------|
|       | NA                                       | NA    | NA       | NA                                      | NA                       | NA                                     |

**3. Describe the mechanisms to receive and redress grievances of the community.**

The Company is committed to support the communities in and around its operations to lead purposeful, happy & dignified lives, thereby driving "holistic empowerment" and overall well-being of the community. The Company's representatives regularly engage with communities living around it's manufacturing facilities and project sites to understand their concerns, grievances, if any which are duly recorded, and acted upon.

**4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

|                                                                      | FY 2022-23 | FY 2021-22 |
|----------------------------------------------------------------------|------------|------------|
| Directly sourced from MSMEs/small producers                          | 9%         | 5%         |
| Sourced directly from within the district and neighbouring districts | 33%*       | 30%*       |

\*The neighbouring districts are assumed as all districts in same states and buying and supplying both in India is considered for all plants and sites.

**Leadership Indicators**

**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

| Details of negative social impact identified | Corrective action taken |
|----------------------------------------------|-------------------------|
| NA                                           | NA                      |

Social Impact Assessment is not carried out by the Company. The same is carried out by respective clients. The Company ensures the implementation of social impact assessment management plan.

**2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

| S. No | State       | Aspirational District | Amount spent (in ₹) |
|-------|-------------|-----------------------|---------------------|
| 1     | Maharashtra | Hingoli               | 594,512             |
| 2     | Maharashtra | Beed                  | 297,256             |

**3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups? (Yes/No)**

Sustainable procurement policy includes intent to give preference to purchase from suppliers comprising marginalized/vulnerable groups subject to meeting other criteria as specified in procurement policy.

(b) From which marginalized/vulnerable groups do you procure?

None

(c) What percentage of total procurement (by value) does it constitute?

Nil

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge**

For conducting the business of the Company, the Company does not use any intellectual property which is based on traditional knowledge.

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Since the Company does not own or use any intellectual property based on traditional knowledge there are not adverse orders or disputes relating to usage of traditional knowledge.

**6. Details of beneficiaries of CSR Projects:**

| S. No | CSR Project           | No. of persons benefitted from CSR Projects | % of beneficiaries from vulnerable and marginalized groups |
|-------|-----------------------|---------------------------------------------|------------------------------------------------------------|
| 1     | Education             | 5,819                                       | 100%                                                       |
| 2     | Employability         | 1,034                                       | 100%                                                       |
| 3     | Heritage              | 6,000+                                      | 100%                                                       |
| 4     | Community Development | 553,503                                     | 100%                                                       |

**PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Complaints which are received through letter or an email from customer are recorded in complaint register. The receiver arranges meeting with all concerned stakeholders to decide further qualification of complaint followed by correction. A root cause analysis is conducted and defined Corrective Action and Preventive Action ('CAPA') done to avoid future recurrences. Further CAPA implementation monitoring is done till closure of complaint.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

| As a percentage of total turnover                           |                                                                                         |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Environmental and Social parameters relevant to the Product | Not applicable as the Company does not have specific consumer product or product range. |
| Safe and responsible usage                                  |                                                                                         |
| Recycling and/or safe disposal                              |                                                                                         |

**3. Number of consumer complaints in respect of the following:**

|                                | FY 2022-23               |                                   |         | FY 2021-22               |                                   |         |
|--------------------------------|--------------------------|-----------------------------------|---------|--------------------------|-----------------------------------|---------|
|                                | Received during the year | Pending resolution at end of year | Remarks | Received during the year | Pending resolution at end of year | Remarks |
| Data privacy                   | -                        | -                                 | -       | -                        | -                                 | -       |
| Advertising                    | -                        | -                                 | -       | -                        | -                                 | -       |
| Cyber-security                 | -                        | -                                 | -       | -                        | -                                 | -       |
| Delivery of essential services | -                        | -                                 | -       | -                        | -                                 | -       |
| Restrictive Trade Practices    | -                        | -                                 | -       | -                        | -                                 | -       |
| Unfair Trade Practices         | -                        | -                                 | -       | -                        | -                                 | -       |
| Other Consumers Complaint      | 37                       | 3                                 | -       | 51                       | -                                 | -       |

**4. Details of instances of product recalls on account of safety issues:**

|                   | Number | Reasons for recall |
|-------------------|--------|--------------------|
| Voluntary recalls | NIL    | NA                 |
| Forced recalls    | NIL    | NA                 |

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, our Company has a Cyber Security policy which is available on intranet and accessible to employees.

The Company follows the ISO/IEC 27001:2022 (Information security management systems-ISMS) framework and has developed policies including cyber security based on ISMS framework.

The ISO/IEC 27001 standard provides guidance to companies of any size and from all sectors of activity with guidance for establishing, implementing, maintaining, and continually improving an information security management system.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

Not Applicable

**Leadership Indicators**

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

The details of the Company's business can be found on its website i.e. <https://www.kecprg.com/>

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

The Company does not operate in B2C model. The Company gives training, conducts awareness sessions for its clients for the work done.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

The Company, is not involved directly in providing essential services however it executes projects, supplies products and services to its clients such as Power utilities, Railways etc., which in turn inform consumers of any risk of disruption/discontinuation of their services.

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

No, the Company does not display product information over and above what is mandated as per the law.

The Company carries out customer satisfaction survey through Customer feedback form from customer through physical or digital means. Customers evaluate the performance and provide rating on parameters based on the following.

- P – Productivity
- Q - Quality
- C - Cost
- D - Delivery
- S - Safety
- M - Morale

Customer Satisfaction for FY 2022-23 - **91%**

**5. Provide the following information relating to data breaches:**

**a. Number of instances of data breaches along-with impact :** There are no data breaches in FY 2022-23

**b. Percentage of data breaches involving personally identifiable information of customers :**

As our business is B2B, we do not store any personally identifiable information data of customers/business.

# Corporate Governance Report

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended, but also several inherent core values at a superior level of business ethics, transparency, effective supervision and enhancement of shareholders' value. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially-sensitive Corporate entity and believes in sustainable growth for its shareholders and other stakeholders and the Communities it operates in.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company has in place an IT enabled compliance management system which helps stakeholders to keep track of the various compliances to be complied from time to time with regards to laws and regulations applicable to the Company. It strives to ensure compliance of law in true letter and spirit at all times.

The Company has adhered to the requirements stipulated under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations as applicable including relaxations granted by the Securities and Exchange Board of India ('SEBI') in the wake of COVID-19 pandemic, with regards to Corporate Governance.

## II. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate superintendence, control and responsibility of the affairs of the Company.

### Composition of the Board of Directors

The Company has an optimum combination of Executive, Non-Executive and Independent Directors including an Independent Woman Director in line with the relevant provisions of the Companies Act, 2013 ("the Act") and the SEBI Listing Regulations. The Board of Directors comprises of highly experienced persons of repute and eminence having adequate qualifications, knowledge and diversified expertise relevant to the diversified business operations of the Company.

The Board provides overall direction and independence to the management to achieve value creation through long term sustainable growth. The Company's Managing Director and Chief Executive Officer (CEO) is the only Executive Director on the Board.

As on March 31, 2023, the Board of the Company comprised of eleven Directors, with eight Independent Directors including Woman Director, two Non-Executive Directors and one Managing Director & CEO. The Chairman is a Non-Executive Director. The composition of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements. The Company also has a succession plan in place for the Board, Key Managerial Personnel and Senior Management of the Company. The Directors are appointed or re-appointed with the approval of the shareholders and remain in office in accordance with the provisions of the law. The Independent Directors are appointed for a fixed term not exceeding five years in accordance with the provisions of the law.

All the Independent Directors of the Company have confirmed that they meet with the criteria of independence laid down under Section 149 of the Act and Regulation 16(1)(b) of SEBI Listing Regulations. Further, in terms of the Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. All such confirmations of Independent Directors are placed before the Board. Based on such confirmations, in the opinion of the Board, all Independent Directors of the Company fulfill the conditions specified under the Act and the SEBI Listing Regulations and are independent of the management of the Company. The Independent Directors on the Board are senior, highly competent individuals having vast experience in their respective fields. This brings an ideal blend of professionalism, knowledge and experience to the table.

Pursuant to Section 164(1) and (2) of the Act read with Rule 14(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, all the Directors have also provided annual declarations that they have not been disqualified to act as Directors. The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Act and SEBI Listing Regulations as amended from time to time.

M/s. Parikh Parekh & Associates, Practicing Company Secretaries has issued a certificate as required under the SEBI Listing Regulations, confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI/Ministry of

Corporate Affairs or any such statutory authority. The same was placed before the Board at its meeting held on May 03, 2023 and also forms part of this Annual Report. None of the Directors have any *inter-se* relationship among themselves in terms of the definition of 'relative' given under the Act and the SEBI Listing Regulations.

### Board Meetings

The Board meets at least four times in a year in accordance with the applicable laws. Additional meetings are held as and when required. The Company plans and schedules the meetings of the Board and its Committee(s) well in advance. Agenda and detailed notes on agenda along with supporting documents are circulated to the Directors a week prior to the date of the meeting, except for meeting(s) held at shorter notice to transact urgent business, if any, all material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Prior consent of the Board is obtained in the beginning of the financial year for circulating the documents at shorter notice for matters that form part of the agenda and are in the nature of Unpublished Price Sensitive Information ("UPSI"). In special and exceptional circumstances, additional item(s) on the agenda is/are taken up with due permission of the Chair.

As a green initiative and part of the Digital Initiatives of the Company, the agenda of the Board and Committee meetings are circulated to the Directors through a secured cloud-based software which is accessible by all Directors through their individual login credentials on IPads, Laptop, etc. The members of the Board have access to all the information of the Company and are free to recommend inclusion of any matter in the agenda for discussion. It is ensured that the relevant information prescribed to be provided under the SEBI Listing Regulations along with such other information, as may be deemed necessary for effective decision making, is presented to the Board.

The Board met five times during the financial year 2022-23 on May 03, 2022, August 03, 2022, November 07, 2022, January 31, 2023 and March 27, 2023 through video conferencing, as permitted under the law and in accordance with the provisions of the Secretarial Standards as prescribed by the Institute of Company Secretaries of India. As stipulated, the gap between two consecutive Board meetings did not exceed one hundred and twenty days. The Board has also approved proposal(s) through circulation in case of exigencies.

Details of Directors along with the attendance of each Director at the Board meetings/Annual General Meeting ("AGM"), their Directorship(s) and their Committee(s) Membership(s)/Chairmanship(s) including the Company as on March 31, 2023 are given below:

| Particulars of Directors                                    | Attendance at |                                | Directorship(s) and Membership(s)/Chairmanship(s) in Committee(s) |                                        |                                          |
|-------------------------------------------------------------|---------------|--------------------------------|-------------------------------------------------------------------|----------------------------------------|------------------------------------------|
|                                                             | Board Meeting | Last AGM held on June 30, 2022 | Directorship(s) <sup>(1)</sup>                                    | Committee Membership(s) <sup>(2)</sup> | Committee Chairmanship(s) <sup>(2)</sup> |
| <b>Promoter Director</b>                                    |               |                                |                                                                   |                                        |                                          |
| Mr. Harsh V. Goenka, Chairman (DIN: 00026726)               | 5             | Yes                            | 7                                                                 | -                                      | -                                        |
| <b>Executive Director</b>                                   |               |                                |                                                                   |                                        |                                          |
| Mr. Vimal Kejriwal, Managing Director & CEO (DIN: 00026981) | 5             | Yes                            | 2                                                                 | 1                                      | -                                        |
| <b>Non – Executive Director</b>                             |               |                                |                                                                   |                                        |                                          |
| Mr. Vinayak Chatterjee (DIN: 00008933)                      | 5             | No                             | 5                                                                 | 2                                      | 1                                        |
| <b>Independent Directors</b>                                |               |                                |                                                                   |                                        |                                          |
| Mr. A. T. Vaswani (DIN: 00057953)                           | 5             | Yes                            | 3                                                                 | 4                                      | 4                                        |
| Mr. Dilip G. Piramal (DIN: 00032012)                        | 5             | Yes                            | 8                                                                 | 1                                      | -                                        |
| Mr. G. L. Mirchandani (DIN: 00026664)                       | 5             | Yes                            | 4                                                                 | 1                                      | -                                        |
| Mr. M. S. Unnikrishnan (DIN: 01460245)                      | 5             | Yes                            | 2                                                                 | 1                                      | -                                        |
| Ms. Nirupama Rao (DIN: 06954879)                            | 5             | No                             | 4                                                                 | 2                                      | -                                        |
| Mr. Ramesh Chandak (DIN: 00026581)                          | 5             | Yes                            | 5                                                                 | 6                                      | 3                                        |
| Mr. S. M. Trehan (DIN: 00060106)                            | 5             | Yes                            | 1                                                                 | 2                                      | -                                        |
| Mr. Vikram Gandhi (DIN: 05168309)                           | 4             | No                             | 1                                                                 | -                                      | -                                        |

### Note(s):

- (1) Excluding Directorships in private companies, foreign companies and companies under Section 8 of the Act.
- (2) Membership/Chairmanship in Audit Committee and Stakeholders' Relationship Committee only has been considered. Number of Committee Membership includes Committee Chairmanship. Committee position in High Value Debt Listed entities is excluded.

Details of Directorships held by Directors of the Company in other listed entities as on March 31, 2023, are given below:

| Name of Director       | Directorship in other listed entities         | Category of Directorship          |
|------------------------|-----------------------------------------------|-----------------------------------|
| Mr. Harsh V. Goenka    | CEAT Limited                                  | Chairman, Non-Executive Director  |
|                        | Zensar Technologies Limited                   |                                   |
|                        | RPG Life Sciences Limited                     |                                   |
|                        | Bajaj Electricals Limited                     |                                   |
| Mr. Vimal Kejriwal     | Nil                                           | NA                                |
| Mr. A. T. Vaswani      | Zensar Technologies Limited                   | Independent Director              |
| Mr. Dilip G. Piramal   | V I P Industries Limited                      | Chairman, Non-Executive Director  |
|                        | Alkyl Amines Chemicals Limited                |                                   |
|                        | Kemp & Company Limited                        |                                   |
| Mr. G. L. Mirchandani  | MIRC Electronics Limited                      | Chairman and Managing Director    |
| Mr. M. S. Unnikrishnan | Kirloskar Brothers Limited                    | Independent Director              |
| Ms. Nirupama Rao       | ITC Limited                                   | Independent Director              |
|                        | JSW Steel Limited                             |                                   |
|                        | Adani Ports and Special Economic Zone Limited |                                   |
|                        | Summit Securities Limited                     |                                   |
| Mr. Ramesh Chandak     | Ram Ratna Wires Limited                       | Chairman and Independent Director |
|                        | Prince Pipes and Fittings Limited             |                                   |
|                        | Anand Rathi Wealth Limited                    |                                   |
|                        | Summit Securities Limited                     |                                   |
| Mr. S. M. Trehan       | Nil                                           | NA                                |
| Mr. Vikram Gandhi      | Nil                                           | NA                                |
| Mr. Vinayak Chatterjee | LTIMindtree Limited                           | Independent Director              |
|                        | Apollo Hospitals Enterprise Limited           |                                   |
|                        | Indraprastha Medical Corporation Limited      |                                   |

#### Skills/expertise/competence of the Board

The Board comprises of eminent industrialists/ professionals, having required skills, competence and expertise which elevates the quality of the Board's decision-making and allows them to make effective contribution to the Board and its Committees thereby enhancing stakeholders' value. Directors are inducted on the Board basis the possession of the skills identified by the Board and their special skills with regards to the industries/ fields they come from.

The Board has identified the skills/expertise/competencies fundamental for the effective functioning of the Company, which are currently available with the Board members stated hereinafter:

**Global Business** – Understanding of global business dynamics across various geographies, industry verticals and regulatory jurisdictions.

**Strategy and Planning** – Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.

**Governance** – Experience in developing governance framework, serving the best interests of all stakeholders, driving board and management accountability, building long-term effective stakeholder engagements and sustaining corporate ethics and values.

The skills/expertise/competencies have been further elaborated as under:

| Name of the Director                                    | Skills/expertise/competence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Mr. Harsh V. Goenka</b><br>Chairman                  |                                     |
| <b>Mr. Vimal Kejriwal</b><br>Managing Director & CEO    |                                     |
| <b>Mr. A.T. Vaswani</b><br>Independent Director         |                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Mr. Dilip G. Piramal</b><br>Independent Director     |                                                                                                                        |
| <b>Mr. G. L. Mirchandani</b><br>Independent Director    |                                     |
| <b>Mr. M.S. Unnikrishnan</b><br>Independent Director    |                         |
| <b>Ms. Nirupama Rao</b><br>Independent Director         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Mr. Ramesh Chandak</b><br>Independent Director       |             |
| <b>Mr. S. M. Trehan</b><br>Independent Director         |             |
| <b>Mr. Vikram Gandhi</b><br>Independent Director        |                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Mr. Vinayak Chatterjee</b><br>Non-Executive Director |             |



Global Business



EPC &amp; Infrastructure



Business Development



General Management



Strategy, M&amp;A



Thought Leadership

Senior Management  
Experience

Risk Management



Corporate Governance

Accounting, Finance,  
Legal

Human Resources



Public Policy

### Board's Responsibilities

The Board of Directors plays a primary role in ensuring good governance, in the creation and enhancement of Stakeholders' value and in smooth functioning of the Company. As the Board's primary role is fiduciary in nature, it is responsible for ensuring that the Company runs on sound ethical business practices and there is optimum use of resources. The Board's mandate is to oversee the Company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the long term interest of the stakeholders. The Board has complete access to any information within the Company and discharges all its responsibilities, functions, duties and obligations in timely and effective manner in accordance with applicable laws, keeping close watch on the business operations of the Company. The day-to-day affairs are managed by the Managing Director & CEO of the Company under the overall supervision of the Board and who ensures implementation of the decisions of the Board and its various Committees.

### Role of Independent Directors

The Independent Directors play an essential role in ensuring transparency in the working mechanism of the Company and enrich decision making. They play a significant role in governance processes of the Board which results in ethical business practices, functional operational matters, address various business challenges and monitor implementation of decisions taken. Along with independent judgment, they also bring to the Company their expertise in the fields of business, commerce, finance, management, law and public policy which enriches the decision making process at the Board.

A formal Letter of Appointment, which *inter alia* covers their role, responsibilities, duties and remunerations, was issued to each Independent Director at the time of their appointment in the manner provided under the Act and the SEBI Listing Regulations. The terms and conditions of appointment of Independent Directors has been disclosed on the website of the Company i.e. [www.kecrg.com](http://www.kecrg.com).

### Criteria for performance evaluation of Independent Directors

Performance evaluation of Independent Directors is done by the entire Board, excluding the Independent Director being evaluated. The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors of the Company, which *inter alia* includes active and consistent participation in the Board Meetings, bringing an independent judgement to bear on the Board's deliberations, sharing of knowledge and experience which has bearing on the performance of the Company, positive and constructive discussion, ethical practices etc.

### Separate Meeting of Independent Directors

Schedule IV of the Act and Regulation 25(3) of the SEBI Listing Regulations, mandates the Independent Directors of

the Company to hold at least one meeting in a financial year without the attendance of Non-Independent Directors and members of the management. The Independent Directors have held their meeting on March 21, 2023, which was chaired by Mr. A. T. Vaswani, Lead Independent Director wherein the Independent Directors *inter alia* discussed the following:

- Evaluation of the performance of Non-Independent Director and the Board as a whole;
- Evaluation of the performance of Chairperson of the Company, considering the views of Executive and Non-Executive Directors; and
- Assessment of the quality, quantity, and timeliness of flow of information between the Company management and the Board that is necessary for the Board to perform its duties effectively and reasonably.

The suggestions received from the Independent Directors were discussed at the meeting of the Board held on March 27, 2023 and the action areas identified on the basis of the feedback from the evaluation process have been discussed and are being implemented.

### Familiarization Programme for Independent Directors

Newly appointed Directors are provided with an appointment letter along with an induction kit setting out their roles, function, duties and responsibilities and copies of the Code of Business Conduct, Insider Trading Code and other policies as may be applicable to them. Presentations are made by Senior Management Personnel of the Company to the Independent Directors covering nature of industry, business model, business performance and operations, challenges and opportunities available, etc. Certain programmes are merged with the Board/Committee meetings for the convenience of the Directors. Separate programmes are also conducted for them as per their requirement. In order to familiarize the Independent Directors with the business of the Company, presentations are being made by the Strategic Business Unit ("SBU") Heads at various Board Meeting in respect of the business under their SBUs.

On an on-going basis, periodic presentations are made at the Board and Committee meetings by either Senior Management Personnel or external experts on matters *inter alia* covering performance updates of the Company, industry scenario, business strategy, operational review of major operating subsidiaries, forex and commodity exposure, updates on capital expenditure, internal control and enterprise risks associated and its mitigation plan, major litigations, major achievements, policy and procedures, Sustainability and Environmental, Social & Governance ('ESG') etc.

Further, as a part of Familiarization Programme, regular updates on relevant statutory and regulatory changes encompassing important laws are presented to the

Directors. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. As a part of deeper engagement, the Board Members also interact with the senior management team on various critical issues having impact on the Company's operations and performance.

The Board has adopted a Policy on Familiarization Programme for the Independent Directors which aims to provide significant insight into the business of the Company. The details of familiarization programmes imparted to Independent Directors during the financial year 2022-23 are available at the Company's website and can be accessed at <https://www.kecrg.com/KEC%20data/Investor%20relations/Familiarization%20Programme%20for%20Independent%20Directors.pdf>

### Information placed before the Board

All the information that is required to be made available to the Directors in terms of provisions of the SEBI Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board. The quarterly compliance report on Corporate Governance filed with Stock Exchanges and the Compliance certificate in respect of applicable laws are placed before the Board in terms of the SEBI Listing Regulations.

Key decisions taken by the Board and its Committees are promptly communicated to the concerned functions or divisions. Action taken/status reports on decisions of the previous meeting(s) are placed at the next meeting(s) for information and further recommended actions, if any.

### Details of Director(s)

In compliance with Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings, the brief resume, expertise in specific functional areas, disclosure of relationships between directors *inter-se*, details of Directorships and Membership in Committees of other companies (excluding foreign companies) and shareholding in the Company, of the Director(s) proposed to be re-appointed are given in the Notice convening the ensuing Annual General Meeting.

### Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company, which requires them to observe the highest standards of ethical conduct along with integrity and to work to the best of their ability and judgment for ethical conduct of the business and compliance of the applicable laws. The Code also incorporates the duties of Independent Directors as laid down in the Act.

The said Code is available at the Company's website [www.kecrg.com](http://www.kecrg.com) under 'Investors' tab. Further, Senior Management Personnel are also required to disclose to

the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large. All Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct on an annual basis. A declaration to this effect duly signed by the Managing Director & CEO forms part of this Annual Report.

### Prevention of Insider Trading

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, and amendments thereof, the Board has formulated and adopted the Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("the Code"). The Code lays down guidelines and procedures to be followed, and disclosures to be made while dealing with shares of the Company. The Code aims at preserving and preventing misuse of Unpublished Price Sensitive Information ("UPSI"). All Directors and other Designated Persons and their immediate relatives as well as connected persons of the Company are covered under the Code, which provides *inter alia* for disclosures and obtaining pre-clearances for trading in securities of the Company by the Directors and other Designated Persons of the Company. The Code provides for the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, other Designated Persons & their immediate relatives and connected persons, while in possession of UPSI in relation to the Company and during the period when the trading window is closed. The Code has been communicated to all concerned. Trading window closures i.e. when the concerned persons are not permitted to trade in the securities of the Company, are intimated in advance, on a timely basis and the same is also intimated to the Stock Exchanges on a periodic basis. The Company has taken awareness initiatives for all employees covered under the Code on the various aspects of the Code through e-module and periodic communication.

The Company utilizes a PAN based online tracking mechanism for monitoring of the trade in its securities by the Designated Person(s) and their immediate relatives to ensure detection of trade on weekly basis and take appropriate action, in case of any violation/non-compliance of the Company's Insider Trading Code.

Designated Persons covered under the Code provide initial disclosure as well disclosure on annual basis disclosing various information required under the Insider Trading Regulations through a user friendly digital platform. Further, they also declare that they are aware of the provisions of the Code and there was no non-compliance under the Code in the previous financial year.

## Board Committees

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on diverse matters. The Board has established various Committees such as Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Sustainability and Corporate Social Responsibility Committee, Risk Management Committee and Finance Committee.

Each Committee is guided by its Charter or Terms of Reference, which provides for its scope, powers and duties and responsibilities. The terms of reference of these Board Committees are reviewed and determined by the Board, from time to time. The Committees spend considerable time and provide focused attention to various issues placed before them and their recommendations provide value and support in the quality of the decision-making process of the Board.

The recommendations of the Committee(s) are submitted to the Board for its approval. The Chairman of respective Committee updates the Board regarding the summary of the discussions held/decisions taken at the Committee Meeting. During the year, all recommendations of the Committee(s) were duly considered and approved by the Board of Directors and none of the recommendations made by any of the Committees has been rejected by the Board. The minutes of the meetings of all Committees are circulated to the Board for discussion/noting.

### (A) Audit Committee

#### Composition

The Audit Committee comprises of 3 Independent Directors as its members, with requisite financial, legal and management expertise. The Committee composition as on March 31, 2023, is as under:

| Name of the Member | Position | Category             |
|--------------------|----------|----------------------|
| Mr. A. T. Vaswani  | Chairman | Independent Director |
| Mr. Ramesh Chandak | Member   | Independent Director |
| Mr. S. M. Trehan   | Member   | Independent Director |

All members of Audit Committee are financially literate and the Chairman of the Audit Committee has accounting and related financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Act and the Regulation 18(1) of the SEBI Listing Regulations.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites the Managing Director & CEO, Chief Financial Officer, Internal Auditors and Cost Auditors as and when their presence at the meeting of the Committee is considered appropriate. On some occasions, it also meets without the presence of any Executives of the Company.

The Company Secretary of the Company acts as the Secretary to the Committee.

## Meetings

During the year under review, eight meetings of the Audit Committee were held on May 02, 2022, June 16, 2022, August 03, 2022, September 13, 2022, November 07, 2022, January 06, 2023, January 31, 2023, and March 24, 2023. These meetings of Audit Committee were attended by all the members of the Committee. The Chairman of the Audit Committee was present at the Seventeenth Annual General Meeting to answer shareholders' queries.

### Terms of reference

The role and terms of reference of the Audit Committee, specified by the Board, are in conformity with the requirements of Section 177 of the Act and Schedule II Part C of the SEBI Listing Regulations. The Committee acts as a link between the Statutory Auditors, Internal Auditors and the Board.

The Audit Committee assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of Statutory Auditors, Branch Auditors, Cost Auditors, reviewing systems of internal financial controls, governance and reviewing the Company's statutory and internal audit activities. The Audit Committee reviews independence of Statutory Auditors and adequacy of the Internal Audit at regular intervals. The representatives of the Statutory Auditors have attended all the Audit Committee meetings held during the year.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of related party transactions as submitted by the management, and other information as mentioned in Part C of Schedule II of SEBI Listing Regulations.

The Audit Committee is authorized to:

- investigate any activity within its terms of reference;
- seek information from any employee of the Company or its subsidiaries;
- obtain outside legal or other professional advice; and
- secure attendance of outsiders with relevant expertise, if it considers necessary.

### Role of Audit Committee

The role of Audit Committee includes the following:

- Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, re-appointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.

- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Review with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub-section 5 of Section 134 of the Act;
  - changes, if any, in accounting policies and practices, and 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; and
  - modified opinions in the draft audit report.
- Review with the management, the quarterly financial statements before submission to the Board for approval.
- Review of management discussion and analysis of financial condition and results of operations.
- Review with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, qualified institutional placement etc.), and making appropriate recommendations to the Board to take up steps in this matter.
- Review the quarterly statement of deviation(s) including report of monitoring agency, if applicable, in terms of Regulation 32(1) of the SEBI Listing Regulations, being submitted to the Stock Exchange(s).
- Review the annual statement of funds utilized for purpose other than those stated in the offer document/prospectus in terms of Regulation 32(7) of the SEBI Listing Regulations.
- Review and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification, ratification of related party transactions.
- Scrutiny of inter-corporate loans and investments.
- Review financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Review the utilization of loans and/or advances from/investment made by the Company in its subsidiary

exceeding ₹ 100 Crore or 10% of the total gross assets of the subsidiary, whichever is lower including existing loans/advances/investment or such other limit as may be prescribed from time to time.

- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- Review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Review internal audit reports relating to internal control weaknesses and discussion with internal auditors regarding any significant findings and follow up thereon.
- Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Review management letters/letters of internal control weaknesses issued by the statutory auditors.
- 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.
- 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.
- Review the functioning of vigil mechanism/whistle blower mechanism and provide mechanism for adequate safeguards against victimization.
- Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
- Review the appointment, removal and terms of remuneration of the chief internal auditor.
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

28. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.
29. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of laws, as amended from time to time.

## (B) Nomination and Remuneration Committee

### Composition

The Nomination and Remuneration Committee comprises of 4 Independent Directors as its members. The Committee composition as on March 31, 2023, is as under:

| Name of the Member | Position | Category             |
|--------------------|----------|----------------------|
| Mr. S. M. Trehan   | Chairman | Independent Director |
| Mr. A. T. Vaswani  | Member   | Independent Director |
| Mr. Ramesh Chandak | Member   | Independent Director |
| Ms. Nirupama Rao   | Member   | Independent Director |

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Act and Regulation 19(1) of the SEBI Listing Regulations.

### Meetings

During the year under review, the Committee met three times during the year on May 02, 2022, June 16, 2022, and November 07, 2022 and all the members of the Committee were present at the meetings.

The Chairman of the Nomination and Remuneration Committee was present at the Seventeenth Annual General Meeting of the Company, to answer the shareholders' queries.

### Terms of Reference:

1. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees.
2. Identify persons who are qualified to become Directors and recommend their appointment to the Board.
3. For every appointment of an independent director, evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment

as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

- a. use the services of external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
4. Recommend to the Board, appointment and removal of KMPs or SMPs in accordance with the criteria laid down.
  5. Recommend to the Board, remuneration payable to Directors, KMPs and SMPs in accordance with the Nomination and Remuneration Policy.
  6. Formulate the criteria for effective evaluation of performance of Board of Directors, its Committees, Chairperson and individual Directors, to be carried out either by the Board or by NRC or through an independent external agency and review its implementation and compliance.
  7. Determine whether to extend or continue the term of appointment of the Independent Director, based on the report of performance evaluation of Independent Directors.
  8. Devise a policy on diversity of Board of Directors.
  9. Opine whether the Director possess the requisite qualification, as required under Section 197(4)(b).
  10. Carry out functions as may be entrusted (i) by the Board of Directors from time to time; and (ii) by the virtue of applicable provisions of the Companies Act, 2013 (iii) the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of laws, as may be amended from time to time.

### Remuneration Policy and other terms of appointment of Directors

#### Executive Director

The remuneration payable to the Managing Director & CEO is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company. The remuneration structure of Managing Director & CEO comprises of salary, perquisites, allowances, performance bonus, and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director & CEO is governed by the agreement executed between him and the Company. The agreement may be terminated by either party, by giving a notice in writing of not less than four months or by paying the basic salary in lieu thereof.

### Details of remuneration paid to the Managing Director & CEO during financial year 2022-23

| Name               | Salary and Allowance | Performance Bonus <sup>(1)</sup> | Perquisites <sup>(2)</sup> | Contribution to Provident and other Funds | (₹ in Crore)         |
|--------------------|----------------------|----------------------------------|----------------------------|-------------------------------------------|----------------------|
|                    |                      |                                  |                            |                                           | Total <sup>(3)</sup> |
| Mr. Vimal Kejriwal | 6.55                 | 1.72                             | 0.34                       | 0.08                                      | 8.69                 |

#### Note(s):

- (1) Based on performance of financial year 2021-22.
- (2) Value of perquisites u/s 17(2) of the Income Tax Act, 1961.
- (3) Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

### Non-Executive Directors

The Non-Executive Directors ("NEDs") including Independent Directors are paid remuneration by way of commission. They are also paid sitting fees on a uniform basis for attending various meetings of the Board and the Committees thereof.

### Commission paid to the NEDs

The NEDs of the Company are having diversified & rich knowledge and experience and have contributed in a very significant way in the growth process of the Company. They add substantial value to the Company through their contribution to the Management of the Company and thereby they safeguard the interests of the investors at large by playing an appropriate control role. In view of valuable contributions being made by the NEDs (including Independent Directors) in running the business affairs of the Company, the Board of Directors at its meeting held on May 03, 2023, has approved the payment of commission to NEDs, within the limits of 5% of net profits of the Company as approved by the Members at its Meeting held on July 23, 2019. The commission is generally paid on a uniform basis, to reinforce the principles of collective responsibility of the Board. The Nomination and Remuneration Committee has recommended a higher commission for the Chairman of the Board of Directors, taking into consideration his overall contribution, vision and thought leadership in achieving short term growth, long term sustainability, high standards of corporate governance, innovation, brand visibility and in diversifying the Company's business. In determining the commission payable, the Committee also takes into consideration overall performance and achievements of the Company and onerous responsibilities required to be shouldered by the Directors. The policy framed by the Nomination and Remuneration Committee of the Board of Directors including the criteria for making payments to the NEDs is set out as an Annexure to the Board's Report.

### Details of sitting fees and commission paid to Non-Executive Directors are given below:

| Name of the Director   | (₹ in Crore)           |                           |
|------------------------|------------------------|---------------------------|
|                        | Financial Year 2022-23 |                           |
|                        | Sitting Fees           | Commission <sup>(1)</sup> |
| Mr. Harsh V. Goenka    | 0.05                   | 2.36                      |
| Mr. A. T. Vaswani      | 0.11                   | 0.12                      |
| Mr. Dilip G. Piramal   | 0.05                   | 0.12                      |
| Mr. G. L. Mirchandani  | 0.05                   | 0.12                      |
| Mr. M. S. Unnikrishnan | 0.05                   | 0.12                      |
| Ms. Nirupama Rao       | 0.06                   | 0.12                      |
| Mr. Ramesh Chandak     | 0.12                   | 0.12                      |
| Mr. S. M. Trehan       | 0.12                   | 0.12                      |
| Mr. Vikram Gandhi      | 0.04                   | 0.12                      |
| Mr. Vinayak Chatterjee | 0.05                   | 0.12                      |

#### Note:

- (1) Commission for financial year 2022-23 is being paid in financial year 2023-24. Commission to Mr. Harsh V. Goenka is subject to approval of the Members at the ensuing AGM.

The Non-Executive Directors were paid sitting fees of ₹ 1,00,000 for each Board meeting, ₹ 50,000/- for Audit Committee meeting, ₹ 35,000/- for Nomination and Remuneration Committee meeting and Sustainability and Corporate Social Responsibility Committee meeting and ₹ 25,000/- for other Committee meetings, except for finance Committee where ₹ 5,000/- is paid for each meeting. The Managing Director & CEO was not paid any sitting fees for any of the meetings of Board or Committee attended by him.

### Equity Shares held by the Directors

Except as stated hereunder, none of the Directors hold any shares in the Company as on March 31, 2023:

| Name of the Director                                      | No. of shares held |
|-----------------------------------------------------------|--------------------|
| Mr. Harsh V. Goenka <sup>(1)</sup>                        | 5,042,917          |
| Secura India Trust<br>(Mr. Harsh V. Goenka is a Trustee)  | 101                |
| Nucleus Life Trust<br>(Mr. Harsh V. Goenka is a Trustee)  | 1                  |
| Prism Estate Trust<br>(Mr. Harsh V. Goenka is a Trustee)  | 1                  |
| Ishaan Goenka Trust<br>(Mr. Harsh V. Goenka is a Trustee) | 10                 |

| Name of the Director                                     | No. of shares held |
|----------------------------------------------------------|--------------------|
| Navya Goenka Trust<br>(Mr. Harsh V. Goenka is a Trustee) | 10                 |
| AVG Family Trust<br>(Mr. Harsh V. Goenka is a Trustee)   | 10                 |
| RG Family Trust<br>(Mr. Harsh V. Goenka is a Trustee)    | 10                 |
| Mr. Vimal Kejriwal <sup>(2)</sup>                        | 875                |
| Mr. Ramesh Chandak <sup>(3)</sup>                        | 5                  |

(1) Holds the shares jointly with Mrs. Mala Goenka and Mr. Anant Vardhan Goenka.

(2) Holds as second holder jointly with his spouse Mrs. Sunita Kejriwal.

(3) Holds 130,555 shares each in capacity of Trustee of SAE Managers Welfare Trust, SAE Executives Welfare Trust and SAE Senior Officers Welfare Trust, apart from 5 shares held in individual capacity.

The Company does not have any Stock Option Scheme.

### (C) Stakeholders' Relationship Committee

#### Composition

The composition of Stakeholders' Relationship Committee and its terms of reference comply with the requirement of Regulation 20 of the SEBI Listing Regulations and with the provisions of Section 178 of the Act. The Committee composition as on March 31, 2023 is as under:

| Name of the Member | Position | Category             |
|--------------------|----------|----------------------|
| Mr. Ramesh Chandak | Chairman | Independent Director |
| Mr. S. M. Trehan   | Member   | Independent Director |
| Mr. Vimal Kejriwal | Member   | MD & CEO             |

#### Meetings

During the year under review, two meetings of the Stakeholders' Relationship Committee were held on November 02, 2022 and March 21, 2023. The meetings were attended by all members of the Committee. The Committee has also approved proposals through circulation in case of exigencies.

The Chairman of the Stakeholders' Relationship Committee was present at the Seventeenth Annual General Meeting of the Company, to answer the shareholders' queries.

The Stakeholders' Relationship Committee is responsible for transfer/transmission of shares, satisfactory redressal of investors' complaints and recommends measures for overall improvement in the quality of investor services.

#### Terms of Reference

- Consider and resolve the grievances of the security holders *inter alia* consisting of shareholders, debenture-holders, deposit holders, etc. of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review measures taken for effective exercise of voting rights by shareholders.

- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- Consider and approve issue of duplicate share certificates in lieu of those lost or destroyed.
- Approve and/or reject the transfer or transmission of securities of the Company and authorizing the Compliance officer and/or the Registrar & Share Transfer Agent of the Company for the same.
- Issue of duplicate certificates, Remat Share Certificates and certificates to be issued in accordance with sub-rule 3 of Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time.
- Oversee compliances in respect of transfer of unclaimed amounts and shares to and from the Investor Education and Protection Fund.
- Carry out all the functions as may be entrusted by (i) the Board of Directors from time to time; and (ii) by virtue of applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of laws, as amended from time to time.

The work relating to share transfer, transmission etc. is being looked after by Link Intime India Private Limited, Registrar and Share Transfer Agent.

#### Name and Designation of the Compliance Officer

Mr. Amit Kumar Gupta, Company Secretary acts as Compliance Officer of the Company in terms of Regulation 6 of the SEBI Listing Regulations. He is also appointed as the Nodal Officer of the Company in terms of Investor Education and Protection Fund Rules.

#### Statement of Investors' Grievance

|                                                                                                  |     |
|--------------------------------------------------------------------------------------------------|-----|
| No. of complaints pending at the beginning of the financial year 2022-23                         | Nil |
| No. of complaints received during the financial year 2022-23                                     | 18  |
| No. of complaints resolved to the satisfaction of shareholders during the financial year 2022-23 | 18  |
| No. of complaints pending to be resolved at the end of the financial year 2022-23                | Nil |

### (D) Sustainability and Corporate Social Responsibility Committee

#### Composition

In terms of Section 135 of the Act, the Board has constituted the Corporate Social Responsibility ("CSR") Committee. The scope of the Committee has been widened to cover sustainability and the Committee has been renamed as "Sustainability and Corporate Social Responsibility Committee" with enhanced terms of reference during the year. The Committee composition as on March 31, 2023 is as under:

| Name of the Member | Position | Category             |
|--------------------|----------|----------------------|
| Mr. Ramesh Chandak | Chairman | Independent Director |
| Mr. A. T. Vaswani  | Member   | Independent Director |
| Mr. S. M. Trehan   | Member   | Independent Director |
| Ms. Nirupama Rao   | Member   | Independent Director |

#### Meetings

During the year under review, three meetings of the Committee were held on May 02, 2022, July 28, 2022 and March 24, 2023. The meetings were attended by all the members of the Committee except Ms. Nirupama Rao who could not attend two meetings and leave of absence was granted.

#### Terms of Reference

- To formulate and recommend to the Board, a Sustainability Policy *inter alia* covering Environment, Social and Governance ('ESG') principles and to recommend appropriate changes/modifications to the policy, from time to time.
- To review performance on Sustainability goals, targets and strategy and provide guidance to achieve the same.
- To review and recommend Sustainability Report to the Board.
- To formulate and recommend to the Board, a CSR Policy, *inter alia* a statement containing the approach and direction given by the Board, and includes guiding principles for selection, implementation and monitoring of CSR activities as well as formulation of the Annual Action Plan.
- To recommend to the Board an Annual Action Plan in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, *inter alia* including the amount of expenditure to be incurred on CSR activities, list of projects to be undertaken within the purview of Schedule VII to the Companies Act, 2013, manner of execution of such projects, modalities of fund utilization, project implementation schedules, monitoring and reporting mechanism etc.
- To review the CSR policy of the Company from time to time.
- Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the Companies

Act, 2013 and any other applicable provisions of laws, as amended from time to time.

### (E) Risk Management Committee

#### Composition

The Company has a well-defined risk management framework in place which works at various levels across the Company. This framework is periodically reviewed to ensure that executive management control risks by means of a properly defined framework. The Company also has an Enterprise risk management policy to identify and mitigate various risks including financial, operational, sectoral, sustainability (particularly, ESG related risks), information and cyber security risks. In terms of Regulation 21 of the SEBI Listing Regulations, the Board has constituted a Risk Management Committee, the composition of which as on March 31, 2023 is as under:

| Name of the Member | Position | Category             |
|--------------------|----------|----------------------|
| Mr. A.T. Vaswani   | Chairman | Independent Director |
| Mr. S. M. Trehan   | Member   | Independent Director |
| Mr. Ramesh Chandak | Member   | Independent Director |

#### Meetings:

During the year, two meetings of the Committee were held on September 13, 2022 and March 10, 2023 and the same were attended by all the members of the Committee

#### Terms of Reference

The function and powers of the Committee *inter alia* includes:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

5. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
6. To review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any).
7. Carry out all the functions as may be entrusted (i) by the Board of Directors, from time to time; and (ii) by the virtue of applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions of laws, as amended from time to time.

## (F) Finance Committee

### Composition

The Finance Committee *inter alia* authorises grant of Power of Attorney to executives for various operational matters, approves investment in and grant loan to subsidiary(ies), approves availing of various credit facilities within the overall borrowing limits as approved by shareholders of the Company and approves matters of urgent nature arising out of ordinary course of business of the Company.

The composition of the Committee as on March 31, 2023 is as under:

| Name of the Member | Position | Category             |
|--------------------|----------|----------------------|
| Mr. Ramesh Chandak | Chairman | Independent Director |
| Mr. S. M. Trehan   | Member   | Independent Director |
| Mr. Vimal Kejriwal | Member   | MD & CEO             |

### Meetings

During the year under review, six meetings of the Finance Committee were held on May 06, 2022, July 25, 2022, September 19, 2022, November 02, 2022, January 16, 2023 and March 03, 2023.

These meetings were attended by all the members of the Committee except Mr. S.M. Trehan who could not attend one meeting and leave of absence was granted.

### Terms of Reference

1. Issue power of attorney(ies) to authorize the representatives/employees of the Company in relation to tenders, branch office(s) or project site office(s) operational requirements, execution and/or operations of contracts/projects, excise, customs and shipping matters, financial and taxation matters, matters related to income tax, service tax, sales tax and excise matters and other Central and State laws and such other purposes relating to day to day operations of the Company.
2. Approve issuance of corporate guarantees as may be required in the ordinary course of business of the Company.

3. Approve the opening/closure of Branch Office(s) of the Company in India or outside India in connection with the business of the Company and to do all such other acts in relation to the Branch Office(s) of the Company.
4. Approve and pass necessary Resolutions relating to following matters:
  - a) To open, authorize to operate, modify the operating authorities, issue necessary instructions to banks and close various Bank Account(s) in the name of the Company as per the business requirements;
  - b) To transact foreign exchange swaps, options, futures, forwards and any other derivatives, as permissible under "Forex and Commodity Risk Management Policy" adopted by the Board of Directors, that may from time to time be used as tools to hedge the Company's interest and foreign exchange exposures arising in the ordinary course of the business of the Company;
  - c) Enter into one or more transactions/agreements with Banks and/or Exchange Houses in domestic and international market(s) relating to futures, forward, options, swaps etc. and combination(s) thereof in Steel, Aluminum, Zinc, Copper or any other commodities, as per the requirements in the ordinary course of the business of the Company and in accordance with provisions of the Reserve Bank of India Act 1945 and any other laws as may be applicable and guidelines, notifications, circulars, regulations or approval(s) etc. issued from time to time by any regulatory authority and as permissible under "Forex and Commodity Risk Management Policy" adopted by the Board of Directors;
  - d) To approve borrowing by way of long term or short term loans, inter corporate deposits or any kind of financial assistance and fund and/or non fund based working capital credit facility(ies) repayable on demand/temporary or otherwise, in any currency, from bank(s) and/or institution(s) and/or other lenders from time to time and to create charge/security/mortgage on the immovable/movable properties of the Company to secure such loans/inter corporate deposits/ financial assistance/credit facility (ies) as may be required in terms of each of the sanctions by the said bank(s) and/or financial institution(s) and/or other lenders, subject to an overall limit of ₹ 20,000 Crore (Rupees Twenty Thousand Crore only);
  - e) To approve initial and subsequent investment in the shares of subsidiary(ies) (including stepdown subsidiary(ies)) and/or Joint Venture(s) of the Company, granting of loans to them, issuing guarantees or providing any security in respect of financial assistance availed by them, within

the overall limit of ₹ 7,000 Crore and subject to recommendation of Managing Director & CEO or Chief Financial Officer, and to authorise employee(s)/representative(s) of the Company for executing various deeds, documents, papers, undertakings as may be required for the purpose of implementing the decisions in this regard.

- f) To invest in the equity shares or equity convertible instruments of the Bodies Corporate, *inter alia* for the purpose of undertaking the projects on BOOM, BOLT, BOT, BOOST and BOOT or any such other basis, (within the overall limit as stated above) and to sell/transfer the equity shares/equity convertible instruments invested/ purchased/acquired by the Company for the above purpose.
- g) To authorise the employee(s)/representative(s) for the purpose of bidding and execution of the project(s) undertaken in consortium, joint venture and also to authorise the employee(s)/ representative(s) to sign Memorandum of Understanding, Consortium Agreement, Joint Venture agreement, such other documents required to be signed on behalf of the Company and enter into liability against the Company and/ or do any other act on behalf of the Company, required for the above said purpose.

5. Approve all other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

### Subsidiary Companies

The Company has eighteen subsidiaries as on March 31, 2023, comprising of eight direct subsidiaries and ten step down subsidiaries. The minutes of Board Meetings as well as the statements of all significant transactions of unlisted subsidiary companies are being placed before the Board of Directors of the Company for its review from time to time. The Audit Committee reviews the financial statements of the subsidiary companies.

The Company has the following two unlisted material subsidiaries as on March 31, 2023, as per Regulation 16 (1) (c) of the SEBI Listing Regulations, the details of which are given as under:

| Particulars            | Material Subsidiaries     |                                                     |
|------------------------|---------------------------|-----------------------------------------------------|
|                        | SAE Towers Holdings LLC   | KEC Investment Holdings                             |
| Date of Incorporation  | November 8, 2006          | August 2, 2010                                      |
| Place of Incorporation | Delaware, Texas           | Republic of Mauritius                               |
| Statutory Auditor*     | Grant Thornton Bharat LLP | Morison (Mauritius) Chartered Certified Accountants |
| Date of Appointment    | October 15, 2015          | August 30, 2010                                     |

*\*There is no requirement as per local law for Audit of SAE Towers Holdings LLC on standalone basis however the consolidated financials are being audited by Grant Thornton Bharat LLP for the purpose of consolidating the financials with the Company.*

The Company has formulated a Policy for Determining Material Subsidiaries, which is disclosed on the Company's website and can be accessed at: <https://www.kecprg.com/KEC%20data/Investor%20relations/Policy%20for%20determining%20material%20subsidiaries.pdf>.

In accordance with Regulation 24(1) of the SEBI Listing Regulations, Mr. Ramesh Chandak, Independent Director of the Company has been nominated as an Independent Member of the Managing Committee of SAE Towers Holdings LLC and as an Independent Director on the Board of KEC Investment Holdings.

### General Body Meetings

#### Location and time of Annual General Meetings

| Financial Year | Date            | Time       | Location                        |
|----------------|-----------------|------------|---------------------------------|
| 2021-22        | June 30, 2022   | 02:00 p.m. |                                 |
| 2020-21        | August 04, 2021 | 04:00 p.m. | Held through Video Conferencing |
| 2019-20        | August 07, 2020 | 03:00 p.m. |                                 |

#### Special Resolutions passed in the last three Annual General Meetings

In AGM held on June 30, 2022, one Special Resolution was passed as under:

1. Approval for payment of Commission to Mr. Harsh V. Goenka, Non- Executive Chairman.

In AGM held on August 04, 2021, two Special Resolutions were passed as under:

1. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO.
2. Approval for payment of Commission to Mr. Harsh V. Goenka, Non- Executive Chairman.

In AGM held on August 07, 2020, three Special Resolutions were passed as under:

1. Re-appointment of Mr. A. T. Vaswani (DIN: 00057953) as an Independent Director.
2. Re-appointment of Ms. Nirupama Rao (DIN: 06954879) as an Independent Director.
3. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman.

### Postal Ballot

During the financial year 2022-23, the Company has obtained the approval of the Shareholders by way of an Ordinary Resolution vide Postal Ballot by way of voting through electronic means pursuant to Section 110 of the Companies Act, 2013 read together with the Companies (Management and Administration) Rules, 2014 and read with Circular dated April 8, 2020 and April 13, 2020 and other relevant circulars issued by the Ministry of Corporate Affairs. The Members cast their vote during remote e-voting

period from Friday, November 11, 2022 at 09.00 A.M. IST to Saturday, December 10, 2022 at 05.00 P.M. IST.

Mr. P. N. Parikh of M/s. Parikh Parekh & Associates, Practicing Company Secretaries was appointed to act as the Scrutinizer for conducting the Postal Ballot in a fair and transparent manner.

The Ordinary Resolution was approved by the Members of the Company with requisite majority as given below:

Voting Pattern:

| Resolution                                                                                                               | Percentage of Votes |         |
|--------------------------------------------------------------------------------------------------------------------------|---------------------|---------|
|                                                                                                                          | In favour           | Against |
| Approval of Material Related Party Transactions with Al Sharif Group & KEC Limited Company, a Subsidiary of the Company. | 86.29               | 13.71   |

The details of the voting results of Postal Ballot in terms of the provisions of Regulation 44(3) of the SEBI Listing Regulations and the Scrutinizer's Report were submitted to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited on December 12, 2022 and were also made available on the website of the Company at <https://www.kecprg.com/agm>.

No Special resolution is currently proposed to be passed through postal ballot.

### III. DISCLOSURES

#### Related Party Transactions

The Company has formulated a Policy on Related Party Transaction and the same is available at the Company's website and can be accessed at <https://www.kecprg.com/KEC%20data/Investor%20relations/Policy%20on%20Related%20Party%20Transactions.pdf>.

Transactions with related parties entered in the ordinary course of business and at arms' length basis have been

#### Commodity price risk and hedging activities

Exposure of the Company to commodity and commodity risks throughout the FY 2022-23 were as under:

a) Total exposure to commodities: ₹ 6,005 Crore

Exposure to various commodities were as under:

| Commodity Name | Exposure<br>(₹ in Crore) | Exposure in<br>Quantity (MT) | % of such exposure hedged through commodity derivatives |          |                      |          | Total |
|----------------|--------------------------|------------------------------|---------------------------------------------------------|----------|----------------------|----------|-------|
|                |                          |                              | Domestic market                                         |          | International market |          |       |
|                |                          |                              | OTC                                                     | Exchange | OTC                  | Exchange |       |
| Steel          | 1,836                    | 296,991                      | -                                                       | -        | -                    | -        | -     |
| Aluminium      | 1,034                    | 50,674                       | -                                                       | -        | 92                   | -        | 92    |
| Copper         | 849                      | 11,849                       | -                                                       | -        | 100                  | -        | 100   |

**Note:** The derivatives does not include 133,075 MTs of Steel, 3,361 MTs of Aluminium and 2,856 MTs of Copper pertaining to projects which have a price variation clause.

disclosed in Note No. 56 of the Standalone Financial Statements of the Company.

#### Materially Significant Related Party Transactions

There are no materially significant related party transactions entered into by the Company with its Directors/Key Managerial Personnel or their respective relatives, the Company's Promoter(s), its subsidiaries/joint ventures/associates or any other related party, that may have a potential conflict with the interest of the Company at large.

#### Whistle Blower Policy/Vigil Mechanism

In line with the provisions of the SEBI Listing Regulations, the Act and other SEBI Regulations and principles of good governance, the Company has formulated a robust Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company. The Policy provides for framework and process to encourage and facilitate employees, Directors as well as External Stakeholders (Customers, Vendors, Suppliers, Outsourcing Partners, etc.) to voice their concerns or observations without fear, or raise reports to the designated officials of the Company, of instances of any unethical or unacceptable business practice or event of misconduct/unethical behaviors, actual or suspected fraud and violation of Company's Code of Conduct etc. The Policy provides for adequate safeguards against victimization of persons who avail such mechanism. To encourage employees to report any concerns and to maintain anonymity the Policy provides a dedicated email id wherein the grievances or concerns can be reported to the Corporate Governance and Ethics Committee (CGEC), constituted for the administration and governance of the Policy. The Policy also facilitates direct access to the Chairman of the Audit Committee in appropriate or exceptional cases through a dedicated e-mail id.

During the year under review, none of the personnel has been denied access to the Chairman of the Audit Committee.

The Policy is placed on the website of the Company at <https://www.kecprg.com/policies>

#### b) Commodity risks faced and managed by the Company during the year

The Company is exposed to movement in metal commodity prices of Steel, Copper, Aluminium, Zinc and Lead. Most of our contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. The Company has a well-defined hedging policy approved by the Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimises the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Company either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

#### Credit Ratings

List of credit ratings obtained by the Company along with any revisions thereto during FY 2022-23 are given below:

| Ratings                  | Instruments/Facilities |                       |
|--------------------------|------------------------|-----------------------|
|                          | Long Term Facilities   | Short Term Facilities |
| ICRA                     | AA-/Negative           | A1+                   |
| CARE Ratings Ltd.        | AA-/Stable             | A1+                   |
| CRISIL                   | -                      | A1+                   |
| India Ratings & Research | -                      | IND A1+               |

#### Note(s):

- 1) Ratings by various agencies are subject to regular revisions. Kindly refer to the respective agencies' website for the latest ratings.
- 2) Rating "AA" (Long term facilities) - High degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
- 3) Rating "A1+" & "IND A1+" (Short term facilities) - Very strong degree of safety regarding timely payment of financial obligations. Such instruments carry lowest credit risk.

Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network entity of which the Statutory Auditor is a part, are given below:

| Name of Statutory Auditor and network entity | Type of Services                                          | Name of Company or its subsidiaries obtaining the service | Amount<br>(₹ in Crore) |
|----------------------------------------------|-----------------------------------------------------------|-----------------------------------------------------------|------------------------|
| Price Waterhouse Chartered                   | Audit Service                                             | KEC International Limited                                 | 1.92                   |
| Accountants LLP                              | Other Services (Tax audit, Certification & reimbursement) | KEC International Limited                                 | 0.90                   |
| <b>TOTAL</b>                                 |                                                           |                                                           | <b>2.82</b>            |

#### Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has formulated a Policy for Prevention of Sexual Harassment at Workplace which is in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to ensure prevention, prohibition and redressal against sexual harassment. Awareness programmes are organized by the Company to sensitize employees periodically. During the year under review, no complaints of any nature were received under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### Details of non-compliance by the Company, penalties and strictures imposed, if any

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years.

Apart from complying with the mandatory requirements prescribed by the SEBI Listing Regulations, the Company has complied with the following discretionary requirements:

- The Company has appointed separate persons to the post of Chairperson and Managing Director & CEO. The Chairman is a Non – Executive Director and is not "related" to the Managing Director & CEO, as per the definition of term "relative" defined under Companies Act, 2013.
- The Chairman, being a Non-Executive Director, entitled to maintain a Chairperson's office at the Company's expense and is also allowed reimbursement of expenses incurred in performance of his duties.
- The Company's Financial Statements for the year ended March 31, 2023 are with unmodified audit opinion.
- The Internal Auditors report directly to the Audit Committee in all matters relating to Internal Audit.

During the year, neither the Company nor its Subsidiaries have provided any loans and advances in the nature of loans to firms/companies in which directors are interested.

The requirement to provide details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) is not applicable to the Company.

**CEO/CFO certification**

Certificate from Mr. Vimal Kejriwal, Managing Director & CEO and Mr. Rajeev Aggarwal, Chief Financial Officer, in terms of Regulation 17(8) of the SEBI Listing Regulations, for the financial year 2022-23 was placed before the Board at its meeting held on May 03, 2023, and also forms part of this Annual Report.

**IV. MEANS OF COMMUNICATION****Quarterly Results**

As on March 31, 2023, the Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

The Company from time to time and as may be required, communicates with its investors through multiple channels of communications such as dissemination of information on the website of the Stock Exchanges, the Annual Reports, Press Releases and uploading relevant information on its website.

The quarterly financial results are announced through Press Releases sent to leading media publications. The results along with the notes are furnished on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Regulation 33(3) of the SEBI Listing Regulations. The Company discloses all information required to be disclosed under Regulation 30 read with Part 'A' and Part 'B' of Schedule III of the SEBI Listing Regulations including material information having bearing on the performance/operations of the Company and other price sensitive information. Information to Stock Exchanges is filed electronically on the online portals of BSE Limited i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India Ltd. i.e. NSE Electronic Application Processing System (NEAPS).

**Newspapers wherein financial results are being published**

| Financial Results        | Un-audited/ Audited | Newspapers                                           |
|--------------------------|---------------------|------------------------------------------------------|
| First Quarter            | Un-audited          | Business Standard, Free Press Journal and Nav Shakti |
| Second Quarter           | Un-audited          | Business Standard, Free Press Journal and Nav Shakti |
| Third Quarter            | Un-audited          | Business Standard, Free Press Journal and Nav Shakti |
| Fourth Quarter/Full Year | Un-audited/ Audited | Business Standard, Free Press Journal and Nav Shakti |

The financial results are also displayed on the Company's website at <https://www.kecrpg.com/quarterly-results>

**Company's Website**

The Company's corporate website [www.kecrpg.com](http://www.kecrpg.com) depicts comprehensive information about the business activities of the Company. The website contains a separate dedicated section "Investors" where shareholder related information disseminated to the Stock Exchanges are available such as financial results, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, schedule of analyst or institutional investor meet and presentations made by the Company on the quarterly financial results. Information available also includes credit ratings, the policies framed by the Company under various laws and regulations, contact information of the Nodal Officer and Designated Officials responsible for assisting and handling investor grievances, e-mail address for grievance and redressal and other relevant details, details of familiarization programs imparted to Independent Directors and CSR programmes/projects of the Company.

The achievements and important events such as receipt of major orders by the Company etc. are announced through press & electronic media and also posted on the Company's website.

A separate section on the Company's website gives information on unclaimed dividends and details of shares transferred to Investor Education and Protection Fund Authority, Ministry of Corporate Affairs. In addition, various forms required by the shareholders have also been provided on the website of the Company for their reference.

All other press coverage and news release are communicated by the Company through its corporate website. Corporate presentations made to Institutional Investors/Analysts at Investor Meets organized by the Company are also hosted on the website for wider dissemination as well as the recording/transcripts of quarterly conference calls. The means of communication between the Company and the shareholders are transparent and investor friendly and the Company endeavours to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

The Company has also made available a Shareholders Handbook on its website [www.kecrpg.com](http://www.kecrpg.com). Shareholders can refer to the same to know the various procedures for dematerialization, transmission of shares, claiming shares transferred to IEPF and unclaimed suspense account etc.

**Status of Listing on Stock Exchanges**

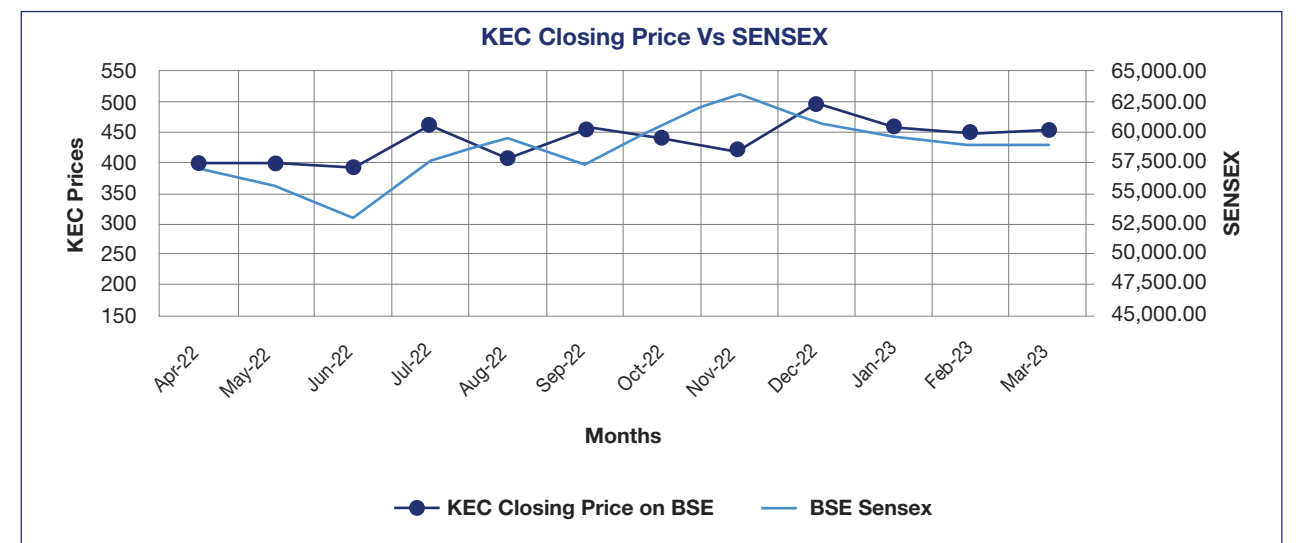
The Equity Shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE) and annual listing fees have been paid to both the stock exchanges.

| Name and address of the Stock Exchanges                                                        | Stock Code |
|------------------------------------------------------------------------------------------------|------------|
| BSE Limited (BSE)                                                                              | 532714     |
| Phiroze Jeejeebhoy Towers,<br>Dalal Street, Mumbai - 400 001                                   |            |
| National Stock Exchange of India Limited (NSE)                                                 | KEC        |
| Exchange Plaza, Plot No. C/1, G Block,<br>Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051 |            |

Further, the Company has listed its Commercial Papers on BSE Limited.

**Market price Data -BSE & NSE**

| Month          | BSE      |         | NSE      |         | BSE Sensex |
|----------------|----------|---------|----------|---------|------------|
|                | High (₹) | Low (₹) | High (₹) | Low (₹) | Closing    |
| April 2022     | 412.00   | 375.00  | 412.50   | 374.50  | 57,060.87  |
| May 2022       | 401.00   | 345.15  | 401.50   | 345.50  | 55,566.41  |
| June 2022      | 424.60   | 351.80  | 425.00   | 352.00  | 53,018.94  |
| July 2022      | 479.95   | 381.25  | 479.80   | 381.20  | 57,570.25  |
| August 2022    | 471.85   | 386.55  | 472.00   | 386.50  | 59,537.07  |
| September 2022 | 462.20   | 394.00  | 462.25   | 400.30  | 57,426.92  |
| October 2022   | 469.00   | 408.80  | 469.00   | 409.30  | 60,746.59  |
| November 2022  | 454.00   | 405.20  | 454.20   | 405.30  | 63,099.65  |
| December 2022  | 508.75   | 416.00  | 510.00   | 415.80  | 60,840.74  |
| January 2023   | 525.05   | 451.50  | 525.95   | 451.15  | 59,549.90  |
| February 2023  | 503.00   | 437.95  | 503.80   | 435.55  | 58,962.12  |
| March 2023     | 484.40   | 443.25  | 484.80   | 445.00  | 58,991.52  |

**Performance of Company's Equity Share's price in comparison to BSE SENSEX****Registrar and Share Transfer Agent**

Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent. Their contact details are as follows:

**Link Intime India Private Limited**

(Unit: KEC International Limited)  
C 101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai - 400 083  
Tel: 022 - 49186270  
Fax: 022 - 49186060  
Email ID: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

### Contact Address for Investors

Shareholders can send their queries regarding Transmission/Dematerialisation of shares and any other correspondences relating to the shares of the Company to the abovementioned address of the Company's Registrar and Share Transfer Agent. Shareholders holding shares in electronic mode should address all correspondences to their respective depository participants.

### Share Transfer System

The Stakeholders' Relationship Committee meets at least once a year and as and when necessary.

Pursuant to Regulation 40 of SEBI Listing Regulations, as amended from time to time, requests for transfer of securities held in physical form are not being processed with effect from April 1, 2021. Further, SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated that certain Service Requests including transmission or transposition of securities held in physical form shall be processed by issuing securities in dematerialised form only and physical Share Certificates shall not be issued by the Company to the Securities holder/claimant.

The RTA verifies and processes the Service Requests and thereafter issues a 'Letter of Confirmation' in lieu of Physical securities certificate (s), to the securities holder/claimant within 30 days, which is valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

In case the securities holder/Claimant fails to submit the demat request within 120 days, the securities shall be credited to the Suspense Escrow Demat Account of the Company.

Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022 has simplified the procedure and standardized the format of documents for transmission of securities.

Shareholders who are still holding share certificate(s) in physical form have been advised to dematerialise their shareholding to facilitate transfers and avail other inherent benefits of dematerialisation.

In accordance with SEBI Circular dated November 03, 2021 read with clarification issued on December 14, 2021, the Company has sent reminder letter along with requisite forms to the shareholders holding shares in physical mode requesting them to update/furnish prescribed details such as PAN, KYC and Nomination, to the Registrar and Share Transfer Agent of the Company viz Link Intime India Private Limited. The process along with requisite forms are also made available at <https://www.kecprg.com/transfer-of-shares-in-demat-form-only>. Members holding shares in physical mode are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents before October 01, 2023, as per revised timeline of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023 post which the shares in the said Folios shall be frozen.

The Company has obtained the annual certificate from a Company Secretary in Practice certifying that all share certificates/Letter of Confirmations have been issued within prescribed time from the date of lodgement for transmission, deletion of name, consolidation, renewal, etc. as per the requirement of Regulation 40(9) of the SEBI Listing Regulations. This certificate has been submitted to the Stock Exchanges.

As stipulated by SEBI, a Company Secretary in Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. Such reconciliation of share capital audit report was submitted to Stock Exchanges on quarterly basis.

### Distribution of Shareholding

Distribution of shares according to size of holding as on March 31, 2023:

| No. of Equity Shares held | No. of Shareholders | % of Shareholders | No. of Shares      | % of Shareholding |
|---------------------------|---------------------|-------------------|--------------------|-------------------|
| 1- 500                    | 92,470              | 92.23             | 7,937,931          | 3.09              |
| 501-1,000                 | 4,681               | 4.67              | 3,512,315          | 1.37              |
| 1,001- 2,000              | 1,711               | 1.71              | 2,452,615          | 0.95              |
| 2,001- 3,000              | 512                 | 0.51              | 1,287,578          | 0.50              |
| 3,001- 4,000              | 224                 | 0.22              | 787,139            | 0.31              |
| 4,001- 5,000              | 159                 | 0.16              | 735,780            | 0.28              |
| 5,001-10,000              | 215                 | 0.21              | 1,546,785          | 0.60              |
| 10,001 & above            | 291                 | 0.29              | 238,828,227        | 92.90             |
| <b>Total</b>              | <b>100,263</b>      | <b>100.00</b>     | <b>257,088,370</b> | <b>100.00</b>     |

### Categories of Shareholders as on March 31, 2023

| Category                                                                           | No. of Shares Held | % of Shareholding |
|------------------------------------------------------------------------------------|--------------------|-------------------|
| Promoters                                                                          | 133,369,101        | 51.88             |
| Mutual Funds/UTI                                                                   | 59,757,257         | 23.24             |
| Financial Institutions, Insurance Companies and Banks<br>(including Foreign Banks) | 5,299,098          | 2.06              |
| Foreign Institutional Investors                                                    | 125                | 0.00              |
| Foreign Portfolio Investor                                                         | 32,400,596         | 12.60             |
| Foreign Companies                                                                  | 46,425             | 0.02              |
| General Public                                                                     | 20,370,107         | 7.92              |
| Non Resident Indians                                                               | 661,740            | 0.26              |
| Other Bodies Corporate                                                             | 1,410,889          | 0.55              |
| Clearing Members                                                                   | 8,375              | 0.01              |
| Trusts                                                                             | 1,816              | 0.00              |
| Foreign Nationals                                                                  | 75                 | 0.00              |
| Alternate Investment Funds                                                         | 1,262,906          | 0.49              |
| Hindu Undivided Family                                                             | 359,130            | 0.14              |
| Directors and Relatives                                                            | 880                | 0.00              |
| Investor Education and Protection Fund                                             | 2,138,705          | 0.83              |
| NBFCs Registered with RBI                                                          | 1,145              | 0.00              |
| <b>Total</b>                                                                       | <b>257,088,370</b> | <b>100.00</b>     |

### Unclaimed Shares

As per Regulation 39 read with Schedule VI of the SEBI Listing Regulations, a listed company is required to transfer the unclaimed shares, if any, of its shareholders to an Unclaimed Suspense Account with a depository participant upon serving three reminders to the shareholders for claiming the said shares. Upon the sub-division of each equity share of face value of ₹ 10/- each into 5 equity shares of ₹ 2/- each in the year 2011, the Company had dispatched new share certificates to the shareholders of the Company. Subsequently, those share certificates which remained unclaimed, after giving three reminders, were transferred to an Unclaimed Suspense Account in dematerialised mode. The voting rights on the shares in the suspense account shall remain frozen till the rightful owners claim the shares. Following are the details of the unclaimed shares at the beginning and at the end of the year and the requests processed during the year:

| Particulars                                                                                                         | No. of Shareholders | No. of equity shares |
|---------------------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 01, 2022.     | 332                 | 160,565              |
| Shareholders who approached the Company for transfer of shares from suspense account during the year.               | 10                  | 5,615                |
| Shareholders to whom shares were transferred from the suspense account during the year.                             | 10                  | 5,615                |
| Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act. | 150                 | 53,145               |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2023.     | 172                 | 101,805              |

### Dematerialisation of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialised mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE389H01022. As on March 31, 2023, total Equity Shares representing 99.26 percent are held in dematerialised form.

### Outstanding GDRs/ADRs/Warrants or any convertible instruments or options, conversion date and likely impact on Equity

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments or options.

### Transfer of Unpaid/Unclaimed amounts and shares to Investor Education and Protection Fund

Pursuant to Sections 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 as amended, dividends, if not claimed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, shares in respect of such dividends which have not been claimed for a period of 7 consecutive years are also liable to be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The Company had sent a reminder to the shareholders at their address registered with the Company to claim their dividends in order to avoid transfer of dividends/shares to IEPF Authority. Notices in this regard were also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, were also uploaded on the Company's website [www.kecprg.com](http://www.kecprg.com) under the 'Investor' Tab.

In light of the aforesaid provisions, the Company has during the year, transferred to IEPF the unclaimed dividends which were outstanding for more than 7 consecutive years. Further, shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed/unencashed by the shareholders:

| Dividend for the year        | Date of declaration of dividend | % of dividend declared | Last date up to which Members are entitled to claim the dividend |
|------------------------------|---------------------------------|------------------------|------------------------------------------------------------------|
| 2015 -16 (Interim Dividend)  | March 14, 2016                  | 50                     | April 15, 2023*                                                  |
| 2016 -17                     | July 26, 2017                   | 80                     | August 27, 2024                                                  |
| 2017- 18                     | July 30, 2018                   | 120                    | August 31, 2025                                                  |
| 2018 -19                     | July 23, 2019                   | 135                    | August 28, 2026                                                  |
| 2019 - 20 (Interim Dividend) | February 07, 2020               | 170                    | March 10, 2027                                                   |
| 2020 - 21                    | August 04, 2021                 | 200                    | September 7, 2028                                                |
| 2021 - 22                    | June 30, 2022                   | 200                    | August 01, 2029                                                  |

\*The Company has transferred the dividend to IEPF.

#### Registered Office/Correspondence Address of the Company

KEC International Limited  
RPG House, 463, Dr. Annie Besant Road  
Worli, Mumbai - 400 030  
Tel No.: 022 - 66670200; Fax No.: 022 - 66670287  
Email ID: [investorpoint@kecprg.com](mailto:investorpoint@kecprg.com)  
Corporate Identification Number (CIN): L45200MH2005PLC152061

| Plants' Locations             |                                                                                                                                                                                                              |                                                                                                                                           |                                                                            |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|
| <b>Transmission Towers</b>    | Jaipur<br>Jhotwara Industrial Area<br>Jaipur - 302 012<br>Rajasthan                                                                                                                                          | Butibori<br>B-190 Industrial Area<br>Butibori - 441 108<br>Maharashtra                                                                    | Jabalpur<br>Deori, P. O. Panagarh<br>Jabalpur - 483 220<br>Madhya Pradesh  |
| <b>Cables</b>                 | Mysuru<br>Hebbal Industrial Area Hootagalli,<br>Belavadi Post, Mysuru - 571 186<br>Karnataka                                                                                                                 | Vadodara<br>Village: Godampura (Samlaya)<br>Taluka: Savli - 391 520<br>Gujarat                                                            |                                                                            |
| <b>KEC Towers</b>             | KEC Towers LLC <sup>(1)</sup><br>Plot No 597-653<br>Dubai Investment Park - 2<br>Jebel Ali Industrial Area Dubai - UAE                                                                                       |                                                                                                                                           |                                                                            |
| <b>SAE Towers</b>             | SAE Towers Mexico S de RL de CV <sup>(1)</sup><br>Arco Vial Saltillo-Nuevo Laredo Km. 24.1 C.P.<br>66050-79<br>Escobedo, N. L. Mexico                                                                        | SAE Towers Brasil Torres de Transmissao Ltda <sup>(1)</sup><br>R. Moacyr G. Costa, 15 - Jd. Piemont<br>Sul 32669-722,<br>Betim/MG, Brazil |                                                                            |
| <b>Tower Testing Stations</b> | Jaipur<br>Jhotwara Industrial Area<br>Jaipur - 302 012,<br>Rajasthan<br>SAE Towers Brasil Torres de Transmissao Ltda <sup>(1)</sup><br>R. Moacyr G. Costa, 15 - Jd. Piemont, Sul 32669-722, Betim/MG, Brazil | Butibori<br>B-215 Industrial Area<br>Butibori - 441 108,<br>Maharashtra                                                                   | Jabalpur<br>Deori, P. O. Panagarh<br>Jabalpur - 483 220,<br>Madhya Pradesh |

#### Note:

(1) Wholly owned subsidiaries of KEC International Limited

The details of unclaimed dividends and shares transferred to IEPF during the financial year 2022-23 are as follows:

| Dividend for the year | Amount of unclaimed dividend transferred (₹) | Number of shares transferred |
|-----------------------|----------------------------------------------|------------------------------|
| 2014-15               | 2,893,936                                    | 115,168*                     |

\*53,145 Equity shares represent the shares which were lying in the Unclaimed Suspense Account of the Company and transferred to demat account of IEPF Authority as dividend in respect of these shares remained unclaimed for more than 7 consecutive years.

The shareholders who have a claim on above dividends and shares may claim the same from IEPF Authority by submitting an online application in the prescribed Form No. IEPF-5 available on the website [www.iepf.gov.in](http://www.iepf.gov.in) and following the procedure to submit their claims, which is available on the website of the Company.

## Declaration – Code of Conduct

All Board members and Senior Management personnel have, for the year ended March 31, 2023, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Mumbai  
Date: May 03, 2023

**Vimal Kejriwal**  
Managing Director & CEO  
(DIN: 00026981)

## CEO/CFO Certificate

The Board of Directors  
**KEC International Limited**

We certify to the Board that:

- We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 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.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operations of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- We have indicated to the Auditors and the Audit Committee:
  - significant changes, if any, in internal control over financial reporting during the year;
  - significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Vimal Kejriwal**  
Managing Director & CEO  
(DIN: 00026981)

**Rajeev Aggarwal**  
Chief Financial Officer

Place: Mumbai  
Date: May 03, 2023

## Practising Company Secretaries' Certificate on Debarment or Disqualification of Directors

(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)

To,  
The Members  
**KEC INTERNATIONAL LIMITED**  
RPG House, 463, Dr. Annie Besant Road,  
Worli, Mumbai - 400 030

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **KEC INTERNATIONAL LIMITED** having CIN **L45200MH2005PLC152061** and having registered office at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| S. No. | Name of Director   | DIN      | Date of Appointment in Company * |
|--------|--------------------|----------|----------------------------------|
| 1.     | Harsh V. Goenka    | 00026726 | January 12, 2006                 |
| 2.     | Vimal Kejriwal     | 00026981 | April 01, 2015                   |
| 3.     | A. T. Vaswani      | 00057953 | January 12, 2006                 |
| 4.     | Dilip G. Piramal   | 00032012 | January 12, 2006                 |
| 5.     | G. L. Mirchandani  | 00026664 | January 12, 2006                 |
| 6.     | M. S. Unnikrishnan | 01460245 | November 08, 2019                |
| 7.     | Nirupama Rao       | 06954879 | October 31, 2014                 |
| 8.     | Ramesh Chandak     | 00026581 | December 26, 2005                |
| 9.     | S. M. Trehan       | 00060106 | October 30, 2012                 |
| 10.    | Vikram Gandhi      | 05168309 | August 07, 2019                  |
| 11.    | Vinayak Chatterjee | 00008933 | December 06, 2021                |

\*The date of appointment is as per the MCA Portal.

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh Parekh & Associates**  
Practising Company Secretaries

**Jigyasa N. Ved**

Partner

FCS: 6488 CP: 6018

UDIN: F006488E000244308

PR No.: 723/2020

Place: Mumbai

Date: May 03, 2023

## Practising Company Secretaries' Certificate On Corporate Governance

**TO THE MEMBERS OF  
KEC INTERNATIONAL LIMITED**

We have examined the compliance of the conditions of Corporate Governance by KEC International Limited ('the Company') for the year ended on March 31, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2023.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh Parekh & Associates**  
Practising Company Secretaries

**P. N. Parikh**

Partner

FCS: 327 CP: 1228

UDIN: F000327E000244054

PR No.: 723/2020

Place: Mumbai

Date: May 03, 2023

# Independent Auditor's Report

To the Members of KEC International Limited

## REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

### OPINION

- We have audited the accompanying consolidated financial statements of KEC International Limited (hereinafter referred to as the "Parent Company") which includes the Returns of Parent Company's 40 branches at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia, financial statements / financial information of 31 jointly controlled operations consolidated on a proportionate basis and its 18 subsidiaries (Parent Company, branches, jointly controlled operations and its subsidiaries together referred to as "the Group") (refer Notes 3.3 and 51 to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement for the year then ended, and notes to the consolidated financial statements, including a summary of 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 audited financial statements / financial information of branches, jointly controlled operations and subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2023, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

### BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered

Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 18 and 19 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER PARAGRAPH

- We draw attention to Note 66(a) of the consolidated financial statements, regarding the Parent Company's net exposure of ₹ 252 crores (including exposure of ₹ 79.20 crores in the Afghanistan branch) after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency from its transmission line projects in Afghanistan as at March 31, 2023, which are currently on hold due to Force Majeure event. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Our opinion is not modified in respect of this matter.
- Audit report on the Financial Statements of the Afghanistan branch issued by an independent firm of chartered accountants vide its report dated April 26, 2023 include an emphasis of matter paragraph which is reproduced by us as under:

"We draw attention to Note xviii of the Financial Statements, regarding Afghanistan Branch net exposure of USD 90,87,881 (equivalent to INR. 79.20 crores) to its transmission line Projects as at March, 2023, which are currently on hold due to Force Majeure event. Timeline of the recovery of said exposure is dependent upon the geopolitical environment in Afghanistan and negotiation with international funding agencies. Further, the bank guarantees issued in respect of these ongoing projects are also currently not enforceable due to the force majeure event. Our Conclusion is not modified in respect of this matter."

Note xviii as described above is reproduced as Note 66(b) to the consolidated financial statements for the year ended March 31, 2023

Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter                                                                                                                                                                                                            | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Estimation of contract cost and revenue recognition</b>                                                                                                                                                                  | Our procedures over the recognition of construction revenue included the following:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| (Refer notes 38 and 51 to the standalone financial statements)                                                                                                                                                              | <ul style="list-style-type: none"> <li>Understood and evaluated the design and tested operating effectiveness of key internal financial controls, including those related to contracted revenue and review and approval of estimated project cost by the authorised representatives.</li> <li>For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion.</li> <li>For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures.</li> <li>To test the forecasted cost to complete, for sample of contracts, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the completed projects.</li> <li>Assessed the adequacy of presentation and related disclosures in the standalone financial statements.</li> </ul> |
| Contract revenue amounting to ₹ 13,813.01 crores for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses.   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has a consequential impact on revenue recognition.                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|                                                                                                                                                                                                                             | Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

Notes 38 and 51 as described above are included in Notes 39 and 52 respectively to the consolidated financial statements.

| Key audit matter                                                                                                                                                                                                                                                                                              | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Recoverability of Trade Receivables</b>                                                                                                                                                                                                                                                                    | Our procedures towards recoverability of trade receivables involved the following:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| (Refer to Notes 10 and 15 to the standalone financial statement)                                                                                                                                                                                                                                              | <ul style="list-style-type: none"> <li>Understood and evaluated the accounting policy of the Company.</li> <li>Evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss.</li> <li>Inquired with senior management regarding status of collectability of the receivables.</li> <li>Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward looking estimates, with the customer.</li> </ul> |
| Trade receivables amounting to ₹ 6,962.91 crores (including retention receivables) is a significant balance in the Company's standalone financial statements as at March 31, 2023 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward looking estimates, with the customer.                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Given the relative significance of these receivables to the standalone financial statements and judgement involved as well as the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.                                    | Based on the procedures performed above, no significant deviations were observed in respect of management's assessment of recoverability of trade receivables.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

Notes 10 and 15 as described above are included in Notes 11 and 17 respectively to the consolidated financial statements.

7. The following Key Audit Matters were included in the audit report dated April 17, 2023, issued by an independent firm, containing an unmodified audit opinion on the standalone financial statements of Sri Lanka, a branch of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

| Key audit matter                                                                                                                                                                                   | How the other auditor addressed the key audit matter                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Estimation of Contract Cost and Consequential Revenue Recognition :</b>                                                                                                                         | For sample of contracts, we obtained the percentage of completion calculations, and we noticed that the manner of estimation of contract cost to be reasonable. |
| We considered that estimation of construction contract cost is a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition. |                                                                                                                                                                 |

8. The following Key Audit Matters were included in the audit report dated May 02, 2023, issued by an independent firm, containing an unmodified audit opinion on the consolidated financial statements of SAE Tower Holdings, LLC (SAE), a step down subsidiary of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

| Key audit matter                                                                                                                                                                                                                                                                                                                                             | How the other auditor addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Valuation of accounts receivable</b>                                                                                                                                                                                                                                                                                                                      | Our audit incorporated the following procedures with regards to provisioning towards doubtful receivables;                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| (Refer note 39, Financial risk management objectives and policies and Note 8, Trade receivables to the special purpose consolidated financial information of SAE Tower Holdings LLC)                                                                                                                                                                         | <ul style="list-style-type: none"> <li>Evaluated the design, implementation and operating effectiveness of the Group's key internal controls over the process of collection of trade receivables; follow up of overdue balances; assessing provisions towards receivables and controls relating to litigations.</li> <li>Reviewed the Group's credit policy outlining the authority for approving and responsibility to manage credit limits.</li> <li>Tested the expected credit loss model for appropriateness of past data and provisioning matrix used and reasons for other long outstanding balances which were not provided for were also obtained from the management.</li> </ul> |
| The Group's trade receivables amount to INR 272.24 crores as at 31 March 2023.                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| The Group has significant overdues from various customers/ parties for which expected credit loss provision is measured by the management based on past trends using practical expedients as prescribed by Ind AS 109: Financial Instruments. This involves significant management estimates and judgements.                                                 | <ul style="list-style-type: none"> <li>Obtained an understanding of the basis of management's judgements about the recoverability of trade receivable balances and evaluated the allowance for doubtful debts made by management for these individual balances with reference to correspondence between the Group and the debtors, the recovery plan and corroborated the inputs with our understanding of the matter and externally available information.</li> </ul>                                                                                                                                                                                                                    |
| The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to ageing profile, historical pattern and the past record of default of the customer. The Group makes an assessment of the credit losses basis past history and latest discussion/correspondence with the customer. | <ul style="list-style-type: none"> <li>Considered payments received subsequent to yearend, past payment history and unusual patterns to identify potentially impaired balances.</li> <li>Obtained confirmation from attorney to ensure recoverability of the receivable amount in case of litigations.</li> <li>Also, ensured that the appropriate disclosures in accordance with Ind AS 32, Financial Instruments: Presentation, have been made in the special purpose consolidated financial information.</li> </ul>                                                                                                                                                                    |
| Given the relative significance of these receivables to the special purpose consolidated financial information and the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

Notes 39 and 8 as described above are included in Notes 55, 11 and 17 respectively to the consolidated financial statements.

| Key audit matter                                                                                                                                                                                                                                                                                                                                     | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Impairment assessment of Goodwill</b>                                                                                                                                                                                                                                                                                                             | Our procedures included, but were not limited to the following:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| (Refer note 29 to the special purpose consolidated financial information of SAE Tower Holdings LLC)                                                                                                                                                                                                                                                  | <ul style="list-style-type: none"> <li>We obtained an understanding from the management through detailed discussions on its impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls implemented by management around this.</li> <li>We obtained the impairment analysis carried out by the management and reviewed the valuation report prepared by management.</li> <li>We involved auditor's experts to assess the appropriateness of the valuation model used by the management and reasonableness of assumptions used relating to discount rate, industry growth rate, etc.</li> <li>We evaluated inputs used by the management with respect to revenue and cash flow forecasts, among others, for reasonableness thereof.</li> <li>We have evaluated the sensitivity analysis performed by the management in respect of the key assumptions used such as discount and growth rates to ensure that there would be no major impact on the valuation.</li> <li>We have evaluated the appropriateness and adequacy of disclosures made by the Group in the special purpose consolidated financial information in accordance with the applicable Indian accounting standards.</li> </ul> |
| As at 31 March 2023, the Group's assets include goodwill aggregating to INR 242.05 crores. The Group has performed annual impairment test for the goodwill as per the applicable accounting standard, Ind AS 36, Impairment of Assets.                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| The determination of the recoverable value requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill.                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Considering that goodwill balance is significant to the consolidated financial information and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, assessment of carrying value of goodwill is considered as a key audit matter for the current year audit. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

Note 29 as described above is included in Note 8 to the consolidated financial statements.

## OTHER INFORMATION

9. The Parent Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated financial statements and our and other auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

10. The Parent Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the

Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent Company, as aforesaid.

11. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective companies included in the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the the respective companies included in the Group or to cease operations, or has no realistic alternative but to do so.

12. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of those respective companies and the Board of Directors of the Parent Company is responsible for overseeing the financial reporting process of the Group.

#### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

13. 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.
14. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial

statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
15. We communicate with those charged with governance of the Parent Company, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
16. 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.
17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### OTHER MATTERS

18. We did not audit the financial statements/ financial information of 33 branches, 30 jointly controlled operations and 14 subsidiaries included in the consolidated financial statements of the Parent Company, which constitute total assets of ₹ 6,133 crores and net assets of ₹ 924 crores as at March 31, 2023, total revenue of ₹ 5,621 crores, net loss after tax of ₹ 327 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 245 crores and net cash inflows amounting to ₹ 102 crores for the year then ended. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements in so far as it relates to the amounts and disclosures included in respect of these branches, jointly controlled operations and subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid branches, jointly controlled operations and subsidiaries, is based solely on the report of such other auditors.

19. The financial statements/ financial information of 7 branches, 1 jointly controlled operation and 4 subsidiaries located outside India, included in the consolidated financial statements, which constitute total assets of ₹ 1,451 crores and net assets of ₹ 121 crores as at March 31, 2023, total revenue of ₹ 1202 crores, total net profit after tax of ₹ 29 crores, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 31 crores and net cash outflows amounting to ₹ 6 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent Company's management has converted the financial statements/ financial information of such branches, jointly controlled operation and subsidiaries located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent Company's management. Our opinion in so far as it relates to the balances and affairs of such branches, jointly controlled operation and subsidiaries located outside India, including other information, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Parent Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation on account of loss incurred during the year by these branches and jointly controlled operation which are not material in relation to the operations of the Group.

Our opinion on the consolidated financial statements, and our 'Report on Other Legal and Regulatory Requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

#### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

20. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these Consolidated Financial Statements.
21. As required by Section 143(3) of the Act, 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), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

- In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- On the basis of the written representations received from the directors of the Parent Company as on April 1, 2023 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Parent Company, its 40 branches and its 2 subsidiary companies which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- 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:
  - The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group – Refer note 58 to the consolidated financial statements.
  - Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2023 – Refer note 37 to the consolidated financial statements in respect of such items as it relates to the Group.
  - There has been no delays in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India during the year.
  - (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly, lend or invest

in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 77 to the consolidated financial statements).

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the notes to the accounts, no funds (which are material either individually or in aggregate) have been received by the Parent Company or any of such subsidiaries from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 77 to the consolidated financial statements).

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing

has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

- v. The dividend declared and paid during the year by the Parent Company is in compliance with Section 123 of the Act.
  - vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Group, is applicable to the Group only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.
22. The Parent Company and its subsidiary companies which are incorporated in India has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sarah George**  
Partner

Place: Mumbai  
Date: May 03, 2023

Membership Number: 045255  
UDIN: 23045255BGYVVN9303

## Annexure A to Independent Auditor's Report

Referred to in paragraph 21(f) of the Independent Auditor's Report of even date to the members of KEC International Limited on the consolidated financial statements as of and for the year ended March 31, 2023

### REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. In conjunction with our audit of the consolidated financial statements of KEC International Limited (hereinafter referred to as "the Parent Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Parent Company which includes the internal financial controls over financial reporting of the Parent Company's 40 branches and its 2 subsidiary companies, which are companies incorporated in India, as of that date.

### MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The respective Board of Directors of the Parent Company, its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the

adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Parent Company, its subsidiary companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Parent Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Parent Company's internal financial controls system with reference to consolidated financial statements.

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

6. A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted

accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the consolidated financial statements.

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### OPINION

8. In our opinion, the Parent Company including 40 branches and its 2 subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### OTHER MATTER

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 40 branches and 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of the branches and of such companies incorporated in India. Our opinion is not modified in respect of this matter.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sarah George**  
Partner

Place: Mumbai  
Date: May 03, 2023

Membership Number: 045255  
UDIN: 23045255BGYVVN9303

# Consolidated Balance Sheet

as on March 31, 2023

|                                                                 |          | ₹ in Crore              |                         |
|-----------------------------------------------------------------|----------|-------------------------|-------------------------|
| Particulars                                                     | Note No. | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>ASSETS</b>                                                   |          |                         |                         |
| <b>(1) Non-Current Assets</b>                                   |          |                         |                         |
| (a) Property, plant and equipment                               | 5        | 1,067.23                | 1,011.95                |
| (b) Right-of-use assets                                         | 6        | 214.57                  | 231.32                  |
| (c) Capital work-in-progress                                    | 7        | 11.45                   | 2.46                    |
| (d) Goodwill                                                    | 8        | 268.49                  | 249.70                  |
| (e) Intangible assets                                           | 9        | 32.52                   | 44.68                   |
|                                                                 |          | <b>1,594.26</b>         | <b>1,540.11</b>         |
| (f) Financial assets                                            |          |                         |                         |
| (i) Investments                                                 | 10       | ★                       | ★                       |
| (ii) Trade receivables                                          | 11       | 359.30                  | 467.69                  |
| (iii) Other financial assets                                    | 12       | 76.20                   | 41.03                   |
|                                                                 |          | <b>435.50</b>           | <b>508.72</b>           |
| (g) Deferred tax assets (net)                                   | 29       | 327.31                  | 214.13                  |
| (h) Non-current tax assets (net)                                | 13       | 268.03                  | 179.43                  |
| (i) Other non-current assets                                    | 14       | 217.88                  | 209.60                  |
| <b>Total Non-Current Assets</b>                                 |          | <b>2,842.98</b>         | <b>2,651.99</b>         |
| <b>(2) Current Assets</b>                                       |          |                         |                         |
| (a) Inventories                                                 | 15       | 1,137.16                | 1,066.48                |
| (b) Financial assets                                            |          |                         |                         |
| (i) Investments                                                 | 16       | -                       | 12.64                   |
| (ii) Trade receivables                                          | 17       | 6,896.06                | 5,106.10                |
| (iii) Cash and cash equivalents                                 | 18       | 281.16                  | 207.63                  |
| (iv) Bank balances other than (iii) above                       | 19       | 63.00                   | 54.31                   |
| (v) Other financial assets                                      | 20       | 164.61                  | 113.74                  |
|                                                                 |          | <b>7,404.83</b>         | <b>5,494.42</b>         |
| (c) Contract assets                                             | 21       | 6,241.18                | 6,092.09                |
| (d) Current tax assets (net)                                    | 22       | 53.16                   | 28.42                   |
| (e) Other current assets                                        | 23       | 989.24                  | 1,008.37                |
| <b>Total Current Assets</b>                                     |          | <b>15,825.57</b>        | <b>13,689.78</b>        |
| <b>Total Assets</b>                                             |          | <b>18,668.55</b>        | <b>16,341.77</b>        |
| <b>EQUITY AND LIABILITIES</b>                                   |          |                         |                         |
| <b>Equity</b>                                                   |          |                         |                         |
| (a) Equity share capital                                        | 24       | 51.42                   | 51.42                   |
| (b) Other equity                                                | 25       | 3,720.00                | 3,568.51                |
| <b>Total Equity</b>                                             |          | <b>3,771.42</b>         | <b>3,619.93</b>         |
| <b>Liabilities</b>                                              |          |                         |                         |
| <b>(1) Non-Current Liabilities</b>                              |          |                         |                         |
| (a) Financial liabilities                                       |          |                         |                         |
| (i) Borrowings                                                  | 26       | 493.16                  | 393.26                  |
| (ii) Lease liabilities                                          | 27       | 163.17                  | 167.44                  |
|                                                                 |          | <b>656.33</b>           | <b>560.70</b>           |
| (b) Provisions                                                  | 28       | 24.12                   | 13.74                   |
| (c) Deferred tax liabilities (net)                              | 29       | 7.21                    | 43.80                   |
| (d) Other non-current liabilities                               | 30       | 0.45                    | 0.47                    |
| <b>Total Non-Current Liabilities</b>                            |          | <b>688.11</b>           | <b>618.71</b>           |
| <b>(2) Current Liabilities</b>                                  |          |                         |                         |
| (a) Financial liabilities                                       |          |                         |                         |
| (i) Borrowings                                                  | 31       | 2,701.29                | 2,469.45                |
| (ii) Lease liabilities                                          | 32       | 25.75                   | 34.46                   |
| (iii) Trade payables                                            | 33       | 171.98                  | 154.83                  |
| - total outstanding dues of micro and small enterprises         |          |                         |                         |
| - total outstanding dues other than micro and small enterprises |          | 8,216.35                | 6,692.50                |
| (iv) Other financial liabilities                                | 34       | 54.17                   | 41.60                   |
|                                                                 |          | <b>11,169.54</b>        | <b>9,392.84</b>         |
| (b) Contract liabilities                                        | 35       | 2,620.30                | 2,410.87                |
| (c) Other current liabilities                                   | 36       | 216.76                  | 121.96                  |
| (d) Provisions                                                  | 37       | 94.44                   | 87.80                   |
| (e) Current tax liabilities (net)                               | 38       | 107.98                  | 89.66                   |
| <b>Total Current Liabilities</b>                                |          | <b>14,209.02</b>        | <b>12,103.13</b>        |
| <b>Total Equity and Liabilities</b>                             |          | <b>18,668.55</b>        | <b>16,341.77</b>        |

★ less than rounding off norms adopted by the company.

The above Consolidated Balance Sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
 Firm Registration Number: 012754N/N500016

**SARAH GEORGE**  
 Partner  
 Membership Number: 045255

For and on behalf of the Board of Directors

**H.V. GOENKA**  
 Chairman  
 DIN: 00026726

**RAJEEV AGGARWAL**  
 Chief Financial Officer

**AMIT KUMAR GUPTA**  
 Company Secretary

**VIMAL KEJRIWAL**  
 Managing Director & CEO  
 DIN: 00026981

**A.T. VASWANI**  
 Audit Committee Chairman and Director  
 DIN: 00057953

 Place: Mumbai  
 Date: May 03, 2023

 Place: Mumbai  
 Date: May 03, 2023

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

| Particulars                                                                            | Note No. | ₹ in Crore                        |                                   |
|----------------------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
|                                                                                        |          | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| <b>I Revenue from operations</b>                                                       | 39       | 17,281.71                         | 13,742.26                         |
| <b>II Other income</b>                                                                 | 40       | 31.32                             | 13.43                             |
| <b>III Total Income (I+II)</b>                                                         |          | <b>17,313.03</b>                  | <b>13,755.69</b>                  |
| <b>IV Expenses</b>                                                                     |          |                                   |                                   |
| (i) Cost of materials consumed                                                         | 41       | 6,969.83                          | 6,090.81                          |
| (ii) Changes in inventories of finished goods and work-in-progress                     | 42       | 98.77                             | (141.79)                          |
| (iii) Erection and sub-contracting expenses                                            | 43       | 6,552.24                          | 4,509.15                          |
| (iv) Employee benefits expense                                                         | 44       | 1,356.24                          | 1,258.66                          |
| (v) Finance costs                                                                      | 45       | 538.59                            | 316.00                            |
| (vi) Depreciation and amortisation expense                                             | 46       | 161.48                            | 157.86                            |
| (vii) Other expenses                                                                   | 47       | 1,474.90                          | 1,121.93                          |
| <b>Total expenses</b>                                                                  |          | <b>17,152.05</b>                  | <b>13,312.62</b>                  |
| <b>V Profit before exceptional items and tax (III-IV)</b>                              |          | <b>160.98</b>                     | <b>443.07</b>                     |
| <b>VI Exceptional Items</b>                                                            | 48       | -                                 | 43.64                             |
| <b>VII Profit after exceptional items and before tax (V - VI)</b>                      |          | <b>160.98</b>                     | <b>399.43</b>                     |
| <b>VIII Tax expense :</b>                                                              | 49       |                                   |                                   |
| (i) Current tax                                                                        |          | 121.74                            | 198.58                            |
| (ii) Deferred tax                                                                      |          | (136.79)                          | (131.23)                          |
|                                                                                        |          | <b>(15.05)</b>                    | <b>67.35</b>                      |
| <b>IX Profit for the year (VII-VIII)</b>                                               |          | <b>176.03</b>                     | <b>332.08</b>                     |
| <b>X Other Comprehensive Income</b>                                                    |          |                                   |                                   |
| <b>A Items that will not be reclassified to profit or loss</b>                         |          |                                   |                                   |
| (i) Remeasurement of defined benefit obligations                                       | 56       | (0.75)                            | 4.16                              |
| (ii) Income tax relating to these items                                                | 49.2     | 0.29                              | (0.97)                            |
| <b>B Items that will be reclassified to profit or loss</b>                             |          |                                   |                                   |
| (i) Exchange differences on translation of financial statements of foreign operations. |          | 83.39                             | 29.86                             |
| (ii) Net gain/(losses) on cash flow hedges                                             |          | (11.04)                           | (2.38)                            |
| (iii) Income tax relating to these items                                               | 49.2     | 5.89                              | 0.30                              |
| <b>Total Other Comprehensive Income</b>                                                |          | <b>77.78</b>                      | <b>30.97</b>                      |
| <b>XI Total Comprehensive Income for the year (IX + X)</b>                             |          | <b>253.81</b>                     | <b>363.05</b>                     |
| <b>XII Earnings per equity share (of ₹ 2 each)</b>                                     |          |                                   |                                   |
| (i) Basic (in ₹)                                                                       | 50       | 6.85                              | 12.92                             |
| (ii) Diluted (in ₹)                                                                    |          | 6.85                              | 12.92                             |

The above Consolidated Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
 Firm Registration Number: 012754N/N500016

**SARAH GEORGE**  
 Partner  
 Membership Number: 045255

For and on behalf of the Board of Directors

**H.V. GOENKA**  
 Chairman  
 DIN: 00026726

**RAJEEV AGGARWAL**  
 Chief Financial Officer

**AMIT KUMAR GUPTA**  
 Company Secretary

 Place: Mumbai  
 Date: May 03, 2023

 Place: Mumbai  
 Date: May 03, 2023

**VIMAL KEJRIWAL**  
 Managing Director & CEO  
 DIN: 00026981

**A.T. VASWANI**  
 Audit Committee Chairman and Director  
 DIN: 00057953

## Consolidated Statement of changes in equity

for the year ended March 31, 2023

| A. EQUITY SHARE CAPITAL                                         |                      |                                  |                      |                            |                            |                 |                   |                                       |            |                                                           |                                                                                 |
|-----------------------------------------------------------------|----------------------|----------------------------------|----------------------|----------------------------|----------------------------|-----------------|-------------------|---------------------------------------|------------|-----------------------------------------------------------|---------------------------------------------------------------------------------|
| Particulars                                                     | As at March 31, 2023 |                                  | As at March 31, 2022 |                            |                            |                 |                   |                                       |            |                                                           |                                                                                 |
|                                                                 | Nos.                 | ₹ in crore                       | Nos.                 | ₹ in crore                 |                            |                 |                   |                                       |            |                                                           |                                                                                 |
| Equity Shares Outstanding at the beginning of the year          | 257,088,370          | 51.42                            | 257,088,370          | 51.42                      |                            |                 |                   |                                       | 51.42      |                                                           |                                                                                 |
| Add: Changes in Equity Share capital due to prior period errors | -                    | -                                | -                    | -                          |                            |                 |                   |                                       | -          |                                                           |                                                                                 |
| Restated balance at the beginning of the year                   | 257,088,370          | 51.42                            | 257,088,370          | 51.42                      |                            |                 |                   |                                       | 51.42      |                                                           |                                                                                 |
| Add: Shares issued during the year                              | -                    | -                                | -                    | -                          |                            |                 |                   |                                       | -          |                                                           |                                                                                 |
| Equity Shares Outstanding at the end of the year                | 257,088,370          | 51.42                            | 257,088,370          | 51.42                      |                            |                 |                   |                                       | 51.42      |                                                           |                                                                                 |
| B. OTHER EQUITY                                                 |                      |                                  |                      |                            |                            |                 |                   |                                       |            |                                                           |                                                                                 |
|                                                                 |                      |                                  |                      |                            |                            |                 |                   |                                       | ₹ in Crore |                                                           |                                                                                 |
| Particulars                                                     | Reserve and Surplus  |                                  |                      |                            | Other Comprehensive Income |                 |                   |                                       | Total      |                                                           |                                                                                 |
|                                                                 | Capital Reserve      | Capital Reserve on Consolidation | Securities Premium   | Capital Redemption Reserve | Statutory Reserve          | General Reserve | Retained Earnings | Effective portion of cash flow Hedges |            | Exchange differences on translation of foreign operations | Other items comprehensive income (Remeasurement of defined benefit obligations) |
| Balance as at April 01, 2021                                    | 84.98                | 0.04                             | 86.75                | 14.28                      | 0.95                       | 191.72          | 2,919.11          | 10.14                                 | 1.56       | (1.26)                                                    | 3,308.27                                                                        |
| Changes in accounting policy or prior period errors             | -                    | -                                | -                    | -                          | -                          | -               | -                 | -                                     | -          | -                                                         | -                                                                               |
| Restated balance as at April 01, 2021                           | 84.98                | 0.04                             | 86.75                | 14.28                      | 0.95                       | 191.72          | 2,919.11          | 10.14                                 | 1.56       | (1.26)                                                    | 3,308.27                                                                        |
| Profit for the year                                             | -                    | -                                | -                    | -                          | -                          | -               | 332.08            | -                                     | -          | -                                                         | 332.08                                                                          |
| Other Comprehensive Income for the year                         | -                    | -                                | -                    | -                          | -                          | -               | -                 | (1.78)                                | 29.56      | 3.19                                                      | 30.97                                                                           |
| Total Comprehensive Income for the year                         | -                    | -                                | -                    | -                          | -                          | -               | 332.08            | (1.78)                                | 29.56      | 3.19                                                      | 363.05                                                                          |
| Transactions with owners in their capacity as owner             | -                    | -                                | -                    | -                          | -                          | -               | (2.13)            | -                                     | -          | -                                                         | -                                                                               |
| Transfer to Statutory reserve                                   | -                    | -                                | -                    | -                          | 2.13                       | -               | -                 | -                                     | -          | -                                                         | -                                                                               |
| Dividends                                                       | -                    | -                                | -                    | -                          | -                          | -               | (102.81)          | -                                     | -          | -                                                         | (102.81)                                                                        |
| Balance as at March 31, 2022                                    | 84.98                | 0.04                             | 86.75                | 14.28                      | 3.08                       | 191.72          | 3,146.25          | 8.36                                  | 31.12      | 1.93                                                      | 3,568.51                                                                        |
| Balance as at April 01, 2022                                    | 84.98                | 0.04                             | 86.75                | 14.28                      | 3.08                       | 191.72          | 3,146.25          | 8.36                                  | 31.12      | 1.93                                                      | 3,568.51                                                                        |
| Changes in accounting policy or prior period errors             | -                    | -                                | -                    | -                          | -                          | -               | -                 | -                                     | -          | -                                                         | -                                                                               |
| Restated balance as at April 01, 2022                           | 84.98                | 0.04                             | 86.75                | 14.28                      | 3.08                       | 191.72          | 3,146.25          | 8.36                                  | 31.12      | 1.93                                                      | 3,568.51                                                                        |
| Profit for the year                                             | -                    | -                                | -                    | -                          | -                          | -               | 176.03            | -                                     | -          | -                                                         | 176.03                                                                          |
| Other Comprehensive Income for the year                         | -                    | -                                | -                    | -                          | -                          | -               | -                 | (8.23)                                | 86.47      | (0.46)                                                    | 77.78                                                                           |
| Total Comprehensive Income for the year                         | -                    | -                                | -                    | -                          | -                          | -               | 176.03            | (8.23)                                | 86.47      | (0.46)                                                    | 253.81                                                                          |
| Transactions with owners in their capacity as owner             | -                    | -                                | -                    | -                          | -                          | -               | -                 | -                                     | -          | -                                                         | -                                                                               |
| Increase on account of capital reduction of a subsidiary        | -                    | -                                | -                    | -                          | -                          | -               | 0.02              | -                                     | -          | -                                                         | 0.02                                                                            |
| Reduction on account of closure of subsidiary                   | -                    | -                                | -                    | -                          | -                          | -               | 0.49              | -                                     | -          | -                                                         | 0.49                                                                            |
| Transfer to Statutory reserve                                   | -                    | -                                | -                    | -                          | 1.36                       | -               | (1.36)            | -                                     | -          | -                                                         | -                                                                               |
| Dividends                                                       | -                    | -                                | -                    | -                          | -                          | -               | (102.83)          | -                                     | -          | -                                                         | (102.83)                                                                        |
| Balance as at March 31, 2023                                    | 84.98                | 0.04                             | 86.75                | 14.28                      | 4.44                       | 191.72          | 3,218.60          | 0.13                                  | 117.59     | 1.47                                                      | 3,720.00                                                                        |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**For and on behalf of the Board of Directors**

**H.V. GOENKA**  
Chairman

DIN: 00026726

**SARAH GEORGE**  
Partner  
Membership Number: 045255

**RAJEEV AGGARWAL**  
Chief Financial Officer

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**A.T. VASWANI**  
Audit Committee Chairman and Director

DIN: 00057953

**AMIT KUMAR GUPTA**  
Company Secretary

—

Place: Mumbai  
Date: May 03, 2023

Place: Mumbai  
Date: May 03, 2023

Place: Mumbai  
Date: May 03, 2023

Place: Mumbai  
Date: May 03, 2023

## Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ in Crore

| Particulars                                                                                                                                                                       | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>                                                                                                                                     |                                      |                                      |
| <b>PROFIT FOR THE YEAR AFTER TAX</b>                                                                                                                                              | <b>176.03</b>                        | <b>332.08</b>                        |
| <b>Adjustments for:</b>                                                                                                                                                           |                                      |                                      |
| Income tax expense                                                                                                                                                                | (15.05)                              | 67.35                                |
| Depreciation and amortisation expense                                                                                                                                             | 161.48                               | 157.86                               |
| Profit on sale of property, plant and equipment (net) and gain on derecognition of leased assets                                                                                  | (4.46)                               | (0.98)                               |
| Loss on property, plant and equipment discarded & intangible assets derecognised                                                                                                  | 0.95                                 | 0.67                                 |
| Finance costs                                                                                                                                                                     | 538.59                               | 316.00                               |
| Interest income                                                                                                                                                                   | (23.20)                              | (10.56)                              |
| Bad debts, loans and advances written off/written back (net)                                                                                                                      | 17.66                                | (10.68)                              |
| Exceptional items (Refer note 48)                                                                                                                                                 | -                                    | 43.64                                |
| Allowance for bad and doubtful debts, loans and advances (net)                                                                                                                    | 32.80                                | 28.24                                |
| Mark to market loss/(gain) on forward and commodity contracts                                                                                                                     | 15.38                                | (12.36)                              |
| Net unrealised exchange (gain)/loss                                                                                                                                               | (46.44)                              | 16.59                                |
|                                                                                                                                                                                   | <b>677.71</b>                        | <b>595.77</b>                        |
|                                                                                                                                                                                   | <b>853.74</b>                        | <b>927.85</b>                        |
| <b>Changes in assets and liabilities</b>                                                                                                                                          |                                      |                                      |
| <b>Changes in working capital:</b>                                                                                                                                                |                                      |                                      |
| <b>Adjustments for (increase) / decrease in operating assets:</b>                                                                                                                 |                                      |                                      |
| Inventories                                                                                                                                                                       | (46.80)                              | (213.09)                             |
| Trade receivables                                                                                                                                                                 | (1,602.52)                           | 8.30                                 |
| Other financial assets                                                                                                                                                            | (86.09)                              | 39.22                                |
| Contract assets                                                                                                                                                                   | (132.38)                             | (1,580.48)                           |
| Other current assets                                                                                                                                                              | 27.65                                | (311.59)                             |
| Other non-current assets                                                                                                                                                          | (18.86)                              | 113.91                               |
|                                                                                                                                                                                   | <b>(1,859.00)</b>                    | <b>(1,943.73)</b>                    |
| <b>Adjustments for increase / (decrease) in operating liabilities:</b>                                                                                                            |                                      |                                      |
| Trade payables                                                                                                                                                                    | 1,515.27                             | 692.48                               |
| Other current liabilities                                                                                                                                                         | 88.14                                | 0.58                                 |
| Contract liabilities                                                                                                                                                              | 220.87                               | 308.94                               |
| Other financial liabilities                                                                                                                                                       | (4.76)                               | (4.90)                               |
| Provisions                                                                                                                                                                        | 14.01                                | 21.37                                |
|                                                                                                                                                                                   | <b>1,833.53</b>                      | <b>1,018.47</b>                      |
| <b>CASH GENERATED FROM OPERATIONS</b>                                                                                                                                             | <b>828.27</b>                        | <b>2.59</b>                          |
| Taxes paid (net of refunds)                                                                                                                                                       | (221.54)                             | (286.30)                             |
| <b>NET CASH FLOW GENERATED FROM (USED IN) OPERATING ACTIVITIES (A)</b>                                                                                                            | <b>606.73</b>                        | <b>(283.71)</b>                      |
| <b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>                                                                                                                                     |                                      |                                      |
| Capital expenditure on property, plant and equipment & intangible assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure) | (178.29)                             | (143.14)                             |
| Acquisition of subsidiary                                                                                                                                                         | -                                    | (56.93)                              |
| Proceeds from sale of property, plant and equipment                                                                                                                               | 15.72                                | 1.46                                 |
| Proceeds/(purchase) of short-term investments (net)                                                                                                                               | 12.64                                | (11.58)                              |
| Interest received                                                                                                                                                                 | 23.42                                | 10.58                                |
| Bank balances not considered as Cash and cash equivalents (net)                                                                                                                   | (8.69)                               | (5.08)                               |
|                                                                                                                                                                                   | <b>(135.20)</b>                      | <b>(204.69)</b>                      |
| <b>NET CASH FLOW USED IN INVESTING ACTIVITIES (B)</b>                                                                                                                             | <b>(135.20)</b>                      | <b>(204.69)</b>                      |

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

| ₹ in Crore                                                                                  |                                      |                                      |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                 | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                               |                                      |                                      |
| Proceeds from other than short-term borrowings                                              | 381.51                               | 172.55                               |
| Repayments of other than short-term borrowings                                              | (66.97)                              | (15.81)                              |
| Repayment of lease liabilities                                                              | (30.09)                              | (27.15)                              |
| Net increase / (decrease) in short-term borrowings                                          | (47.98)                              | 741.28                               |
| Finance costs paid                                                                          | (534.43)                             | (272.48)                             |
| Dividend paid                                                                               | (102.85)                             | (102.53)                             |
|                                                                                             | <b>(400.81)</b>                      | <b>495.86</b>                        |
| <b>NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES (C)</b>                      | <b>(400.81)</b>                      | <b>495.86</b>                        |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>                                    | <b>70.72</b>                         | <b>7.46</b>                          |
| Cash and cash equivalents at the beginning of the year (Refer note 18)                      | 207.63                               | 199.79                               |
| Add: Cash and cash equivalents taken over on acquisition of subsidiary                      | -                                    | 12.71                                |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | 2.81                                 | (12.33)                              |
| <b>Cash and cash equivalents at the end of the year (Refer note 16)</b>                     | <b>281.16</b>                        | <b>207.63</b>                        |
| <b>Supplemental Information</b>                                                             |                                      |                                      |
| <b>Non Cash Transactions from Investing and Financing Activities:</b>                       |                                      |                                      |
| Acquisition of Right-of-Use assets                                                          | 0.21                                 | 78.71                                |

## Reconciliation of liabilities arising from financing activities:

| Particulars                                                            | As at<br>March 31, 2022 | Cash<br>flows | Movement<br>in lease<br>liabilities | Foreign<br>exchange<br>movement | Interest<br>movement<br>during the year | As at<br>March 31, 2023 |
|------------------------------------------------------------------------|-------------------------|---------------|-------------------------------------|---------------------------------|-----------------------------------------|-------------------------|
| Long term borrowings (including current maturity and accrued interest) | 467.34                  | 314.54        | -                                   | 5.34                            | 1.43                                    | <b>788.65</b>           |
| Short term borrowings                                                  | 2,407.59                | (47.98)       | -                                   | 59.84                           | 7.75                                    | <b>2,427.20</b>         |
| Lease liabilities                                                      | 201.90                  | (30.09)       | (5.46)                              | 12.31                           | 10.26                                   | <b>188.92</b>           |
| <b>Total liabilities from financing activities</b>                     | <b>3,076.83</b>         | <b>236.47</b> | <b>(5.46)</b>                       | <b>77.49</b>                    | <b>19.44</b>                            | <b>3,404.77</b>         |

| Particulars                                                                          | As at<br>March 31, 2021 | Cash<br>flows | Movement<br>in lease<br>liabilities | Foreign<br>exchange<br>movement | Interest<br>movement<br>during the year | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------------------|-------------------------|---------------|-------------------------------------|---------------------------------|-----------------------------------------|-------------------------|
| Long term borrowings (including current maturity and accrued interest)               | 301.47                  | 156.74        | -                                   | 8.45                            | 0.68                                    | <b>467.34</b>           |
| Short term borrowings (including borrowings taken over on acquisition of subsidiary) | 1,627.03                | 754.85        | -                                   | 17.39                           | 8.32                                    | <b>2,407.59</b>         |
| Lease liabilities                                                                    | 140.41                  | (27.15)       | 77.55                               | 4.31                            | 6.78                                    | <b>201.90</b>           |
| <b>Total liabilities from financing activities</b>                                   | <b>2,068.91</b>         | <b>884.44</b> | <b>77.55</b>                        | <b>30.15</b>                    | <b>15.78</b>                            | <b>3,076.83</b>         |

The above Consolidated Cash Flow Statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**

Partner  
Membership Number: 045255

Place: Mumbai  
Date: May 03, 2023

**For and on behalf of the Board of Directors**

**H.V. GOENKA**  
Chairman  
DIN: 00026726

**RAJEEV AGGARWAL**

Chief Financial Officer

**AMIT KUMAR GUPTA**

Company Secretary

Place: Mumbai  
Date: May 03, 2023

**VIMAL KEJRIWAL**

Managing Director & CEO  
DIN: 00026981

**A.T. VASWANI**

Audit Committee Chairman and Director  
DIN: 00057953

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

## 1. GENERAL INFORMATION

KEC International Limited ("the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company including its branches, jointly controlled operations and its subsidiaries (as detailed in note 3.3) is herein after together referred to as the 'Group'.

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

The Company's manufacturing footprint extends across three countries in addition to India. The Company has several international branch offices enabling diversified global footprint.

## 2. NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

### New standards adopted by the Group:

The Ministry of Corporate Affairs has vide notification dated March 31, 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective April 01, 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

### 3.2 Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 'Inventories' or value in use in Ind AS 36 'Impairment of Assets', or net present value of lease payments in Ind AS 116 'Leases', as applicable.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Above levels of fair values are applied consistently and generally, there are no transfers between the levels of fair value hierarchy unless the circumstances change warranting such transfer.

The principal accounting policies are set out below.

### Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash

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equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle, except for amounts with respect to legal cases or long pending disputes.

### 3.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:-

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the Consolidated Statement of Profit and Loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component's other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

The financial statements of the Company and its Subsidiary Companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as that of the Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. Unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless transaction provides evidence of an impairment of the transferred asset.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

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The following subsidiaries have been considered in preparation of the consolidated financial statements:

|                                                                                 | Country of<br>Incorporation | % of ownership interest either<br>directly or through subsidiaries |                         |
|---------------------------------------------------------------------------------|-----------------------------|--------------------------------------------------------------------|-------------------------|
|                                                                                 |                             | As at<br>March 31, 2023                                            | As at<br>March 31, 2022 |
| <b>Direct Subsidiaries</b>                                                      |                             |                                                                    |                         |
| RPG Transmission Nigeria Limited                                                | Nigeria                     | 100                                                                | 100                     |
| KEC Global FZ–LLC–Ras UL Khaimah (closed on March 08, 2023)                     | UAE                         | 100                                                                | 100                     |
| KEC Towers LLC                                                                  | UAE                         | 100                                                                | 100                     |
| KEC Investment Holdings, Mauritius                                              | Mauritius                   | 100                                                                | 100                     |
| KEC Global Mauritius                                                            | Mauritius                   | 100                                                                | 100                     |
| KEC International (Malaysia) SDN BHD                                            | Malaysia                    | 100                                                                | 100                     |
| KEC Power India Private Limited                                                 | India                       | 100                                                                | 100                     |
| KEC Spur Infrastructure Private Limited                                         | India                       | 100                                                                | 100                     |
| <b>Indirect Subsidiaries</b>                                                    |                             |                                                                    |                         |
| SAE Towers Holdings LLC                                                         | USA                         | 100                                                                | 100                     |
| SAE Towers Brazil Subsidiary Company LLC                                        | USA                         | 100                                                                | 100                     |
| SAE Towers Mexico Subsidiary Holding Company LLC                                | USA                         | 100                                                                | 100                     |
| SAE Towers Mexico S de RL de CV                                                 | Mexico                      | 100                                                                | 100                     |
| SAE Towers Brazil Torres de Transmission Ltda                                   | Brazil                      | 100                                                                | 100                     |
| SAE Prestadora de Servicios Mexico, S de RL de CV                               | Mexico                      | 100                                                                | 100                     |
| SAE Towers Ltd                                                                  | USA                         | 100                                                                | 100                     |
| SAE Towers Construcáo Ltda (formerly known as SAE Engenharia E Construcáo Ltda) | Brazil                      | 100                                                                | 100                     |
| KEC Engineering & Construction Services, S de RL de CV                          | Mexico                      | 100                                                                | 100                     |
| KEC EPC LLC (w.e.f. October 6, 2021)                                            | UAE                         | 100                                                                | 100                     |

### 3.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree, the equity interests issued by the Group in exchange of control of the acquiree and fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are generally recognised in the Consolidated Statement of Profit and Loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Taxes and Ind AS 19 Employee Benefits respectively;
- assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and

Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

### 3.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see Note 3.4 above) less accumulated impairment losses, if any. Goodwill is not amortised but it is tested for impairment.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be

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impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the Consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 3.6 Interests in Jointly Controlled Operations

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under jointly controlled operations, the Group as a joint operator recognises in relation to its interest in a jointly controlled operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the jointly controlled operation; and
4. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the jointly controlled operation.

When a group entity transacts with a jointly controlled operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

### 3.7 Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification... They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss from discontinued operations in the statement of profit or loss.

### 3.8 Revenue recognition

The Group derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

#### 3.8.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e.

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'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

In determining the transaction price for sale of product, the Group considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

#### 3.8.2 Sale of services:

Services rendered include tower testing and designing, operating and maintenance and other services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

#### 3.8.3 Construction contracts:

The Group recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The performance obligations are satisfied over time as the work progresses. The Group recognises revenue using input method (i.e. percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Group estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Group considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Group includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from

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customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

## 3.8.4 Other Operating Revenue:

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme (RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Group will comply with all the attached conditions.

## 3.8.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate for and presented within other income. Government grants relating to the purchase of

property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 3.9 Leasing

### As a lessee:

The Group assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the Group under residual value guarantees, if any
- Exercise price of the purchase option, if the Group is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

The lease payments are discounted using Group's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Amendment to Ind AS 116 'Leases' w.r.t "Covid-19-Related Rent Concessions" provides lessees with an option to treat qualifying rent

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concessions in the same way as they would if they were not lease modifications. The Group has applied the practical expedient for all qualifying rent concessions and these concessions have been accounted as variable lease payments in the statement of profit and loss in the period in which they are granted.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

As a practical expeient, the Group has recognised payments associated with short-term leases and leases of low-value assets on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

### As a lessor

Lease income from operating leases where the Group is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## 3.10 Foreign currency transactions

Items included in the consolidated financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). For each branch, jointly controlled operation and a subsidiary situated outside India, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency of that respective branch, jointly controlled operation and subsidiary. The functional and presentation currency of the Group is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

### 3.10.1 Accounting for transactions and balances in foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of

monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on settlement or translation of monetary items are recognised in the Consolidated Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.24 below for hedging accounting policies);
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items

### 3.10.2 Translation of foreign operations whose functional currency is other than presentation currency:

1. Assets and liabilities, both monetary and non-monetary are translated at the rates prevailing at the end of each reporting period and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

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2. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Group is reclassified in the consolidated statement of profit and loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## 3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Group considers a period of twelve months or more as a substantial period of time.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Finance expenses are recognised immediately in the Consolidated Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's policy on borrowing costs.

All other borrowing costs are recognised in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

## 3.12 Employee benefits

### 3.12.1 Long Term Employee Benefits :

#### (a) Defined Contribution Plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered service entitling them to the contributions. The Group has no further payment obligation once the contribution have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

#### (b) Defined Benefit Plans:

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary. The Company's contribution to the provident fund for all employees are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The defined benefit plan of the Company, its subsidiaries and its jointly controlled operations at India i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation of an amount equivalent to 15 days salary for completed years of service and on death while in employment an amount equivalent to 15 days salary for anticipated years of service in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined

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benefit plan i.e. End Service Benefit (ESB), provides for lump sum payment to vested employees on resignation/ termination or retirement on an amount equivalent to 15 days salary upto 5 years and one month salary from 6th year onwards for each completed year of service or part thereof on proportionate basis according to the law applicable in Saudi. Vesting occurs upon completion of two years of service.

In case of subsidiary at Malaysia, the defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

The defined benefit plan of subsidiary at Dubai i.e. gratuity plan, provides for lump sum payment to vested employees on separation (including death), an amount equivalent to 1.75 days for each month for first 60 months and beyond 60 months, 2.5 days per month, for each completed years of service and on voluntary termination, proportionate amount based on number of years of service in terms of Gratuity scheme of the subsidiary at Dubai or as per payment of the Gratuity Act of Dubai, whichever is higher. Vesting occurs upon completion of one year of service. However, on death of an employee, there is no minimum service requirement.

In case of subsidiary at US, it has a post employment scheme for pension, which is unfunded.

The liability recognized in the balance sheet in respect of defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligations are determined by actuarial valuation performed by an independent actuary

at each balance sheet date using the projected unit credit method.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

Past service cost is recognised in the Consolidated Statement of Profit and Loss in the period of a plan amendment

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurements, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the consolidated balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Consolidated Statement of Profit and Loss.

The Group presents the first two components of defined benefit costs in the Consolidated Statement of Profit and Loss in the line item 'Employee benefits expense'.

The retirement benefit obligation recognised in the Consolidated Balance Sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### (c) Compensated absences:

Group has liabilities for earned leave that are not expected to be settled wholly

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within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

## 3.12.2 Short-term employee benefits:

Short term employee benefits such as Salaries, wages, short term compensated absences, bonus, ex gratia and performance linked rewards, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

## 3.13 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

### 3.13.1 Current tax

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Group operates and generates taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

### 3.13.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled operations, except where it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### 3.13.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Consolidated Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity

respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

## 3.14 Property, plant and equipment

Property, plant and equipment (except freehold land) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method over their estimated useful life, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

| Particulars                                          | Estimated useful life (in years) |
|------------------------------------------------------|----------------------------------|
| Buildings (including roads and temporary structures) | 3-60                             |
| Plant and Equipment/ Office Equipment                | 5-25                             |
| Erection tools                                       | 3-5                              |
| Furniture and Fixtures                               | 10                               |
| Vehicles                                             | 6-8                              |
| Computers                                            | 3-6                              |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the

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carrying amount of the asset and is recognised in the Consolidated Statement of Profit and Loss.

## Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed. Capital work-in-progress also includes spares which are yet to be put to use.

## 3.15 Intangible assets

### 3.15.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

### 3.15.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any, on the same basis as intangible assets that are acquired separately.

### 3.15.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

### 3.15.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

### 3.15.5 Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite Scheme of Arrangement in an earlier year is amortised by the Company in terms of the said Scheme over its useful life, which based on an expert opinion is estimated to be of 20 years. Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. Customer Contracts obtained on acquisition of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) are amortized on a estimated useful life of 2.5 years.

Computer Software are amortised on straight line basis over the estimated useful life ranging between 4-6 years.

## 3.16 Impairment of Non-current assets (excluding Goodwill)

At the end of each reporting period, the Group reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing

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impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit), other than goodwill is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Consolidated Statement of Profit and Loss.

An impairment loss recognised for goodwill is not reversed in a subsequent period.

## 3.17 Investment

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Refer 3.21)

## 3.18 Inventories

Inventories (raw material, work-in-progress, finished goods, stores and spares) are stated at the lower of cost and net realisable value. Cost of purchased material is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

## 3.19 Provisions and contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in consolidated financial statements. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranty Provision: Provisions for warranty related costs are recognized when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly

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within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

## 3.20 Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets except trade receivables and financial liabilities are initially measured at fair value. Trade receivables are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at fair value through profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Consolidated Statement of Profit and Loss.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

## 3.21 Classification and Measurement Financial Assets

### 3.21.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Effective interest method

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as FVTPL or FVOCI. Interest income is recognised in the Consolidated Statement of Profit and Loss.

### 3.21.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition.

Gains or losses arising on remeasurement are recognised in the Consolidated Statement of Profit and Loss. The net gain or loss recognised in the Consolidated Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

### 3.21.3 Dividend income is recognised when the right to receive payment has been established.

#### 3.21.4 Impairment of financial assets

The Group recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Group recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Consolidated Statement of Profit and Loss.

#### 3.21.5 Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Group continues to recognise the asset to the extent of Group's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Consolidated Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Consolidated Statement of Profit and Loss on disposal of that financial asset.

## 3.22 Classification and Measurement Financial liabilities and equity instruments

### 3.22.1 Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or

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as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## 3.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

## 3.22.3 Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

### 3.22.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

### 3.22.3.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group entity are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from Contract with Customers'.

### 3.22.3.3 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Consolidated Statement of Profit and Loss.

## 3.23 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks, including foreign exchange forward contracts, and commodity contracts-Over the Counter (OTC) derivatives. Derivatives are only used for economic hedging purposes and not as a speculative investment.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Consolidated Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Consolidated Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

## 3.24 Hedge accounting

The Group designates certain hedging instruments, which include derivatives in respect of foreign currency risk and commodity price risk as cash flow hedges. Hedges of foreign exchange risk and commodity price risk for highly probable forecast transactions are accounted for as cash flow hedges. Hedges of the fair value of recognised assets or liabilities are accounted for as fair value hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging

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instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

## 3.24.1 Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Consolidated Statement of Profit and Loss. For cash flow hedging relationships that span multiple reporting periods, the ineffectiveness for the period is calculated as the difference between the cumulative ineffectiveness as at reporting date (based on the 'lesser of' the cumulative change in the fair value of the hedging instrument and the hedged item), and the cumulative ineffectiveness reported in prior periods.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Consolidated Statement of Profit and Loss in the periods when the hedged item affects the Consolidated Statement of Profit and Loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Consolidated Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Consolidated Statement of Profit and Loss.

Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss through cost of material consumed.

## 3.25 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

## 3.26 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
  - by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.
- Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
  - the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 3.27 Exceptional items:

Exceptional items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of consolidated financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

## 3.28 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

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## 4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Group's accounting policies, which are described in Note 3, the Management of the Group are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the consolidated financial statements.

### 4.1 Classification of Joint Arrangement as a Jointly Controlled Operation

In terms of Ind AS 111, 'Joint Arrangement' the Company has classified its joint arrangements as jointly controlled operations in the Standalone Financial Statements of the Company as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 51 for the list of joint arrangements).

### 4.2 Revenue recognition for construction contracts

Refer note 3.8.3 and note 52.

### 4.3 Income Taxes

In preparing the consolidated financial statements, the Group recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Group determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts

that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

### 4.4 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Group's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

### 4.5 Impairment of Goodwill

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes.

Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

### 4.6 Fair value measurements

The Group applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with the market participants to price the instrument. The Group's assumptions are based on observable data as far as possible, otherwise on the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

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NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

| Particulars                           | Freehold Land | Buildings | Plant and Equipment | Erection Tools | Furniture and Fixtures | Vehicles | Office Equipment | Computers | Total    | ₹ in Crore |
|---------------------------------------|---------------|-----------|---------------------|----------------|------------------------|----------|------------------|-----------|----------|------------|
|                                       |               |           |                     |                |                        |          |                  |           |          |            |
| Gross Carrying Amount                 |               |           |                     |                |                        |          |                  |           |          |            |
| As at April 01, 2021                  | 138.99        | 366.24    | 844.41              | 167.96         | 28.77                  | 55.56    | 13.46            | 46.34     | 1,661.73 |            |
| Acquisition                           | -             | -         | 7.91                | -              | 0.21                   | 0.51     | 0.17             | 0.11      | 8.91     |            |
| Additions                             | -             | 24.40     | 61.06               | 44.41          | 1.38                   | 7.45     | 1.49             | 7.20      | 147.39   |            |
| Disposal                              | -             | 0.05      | 3.14                | 4.35           | 0.11                   | 0.63     | 0.18             | 0.51      | 8.97     |            |
| Adjustments                           | 4.35          | 10.31     | 20.47               | 0.79           | 0.87                   | 0.73     | 0.07             | 0.98      | 38.57    |            |
| As at March 31, 2022                  | 143.34        | 400.90    | 930.71              | 208.81         | 31.12                  | 63.62    | 15.01            | 54.12     | 1,847.63 |            |
| Additions                             | -             | 22.12     | 57.27               | 71.90          | 0.23                   | 2.09     | 1.66             | 6.78      | 162.05   |            |
| Disposal                              | -             | 1.50      | 25.62               | 13.29          | 4.01                   | 4.41     | 1.82             | 6.75      | 57.40    |            |
| Adjustments                           | 5.80          | 16.39     | 13.08               | (0.10)         | (0.46)                 | 1.15     | (0.24)           | 0.55      | 36.17    |            |
| As at March 31, 2023                  | 149.14        | 437.91    | 975.44              | 267.32         | 26.88                  | 62.45    | 14.61            | 54.70     | 1,988.45 |            |
| Accumulated depreciation:             |               |           |                     |                |                        |          |                  |           |          |            |
| As at April 01, 2021                  | -             | 106.03    | 414.21              | 90.85          | 18.93                  | 44.06    | 10.42            | 35.85     | 720.35   |            |
| Depreciation expense (Refer note 46)  | -             | 16.26     | 51.44               | 27.32          | 2.13                   | 3.06     | 1.01             | 4.65      | 105.87   |            |
| Disposal                              | -             | 0.05      | 2.22                | 4.32           | 0.07                   | 0.52     | 0.16             | 0.42      | 7.76     |            |
| Adjustments                           | -             | 2.12      | 12.12               | 0.80           | 0.47                   | 0.72     | 0.07             | 0.92      | 17.21    |            |
| As at March 31, 2022                  | -             | 124.36    | 475.55              | 114.65         | 21.46                  | 47.32    | 11.34            | 41.00     | 835.68   |            |
| Depreciation Expenses (Refer note 46) | -             | 18.73     | 52.24               | 38.81          | 1.98                   | 3.41     | 1.14             | 5.49      | 121.80   |            |
| Disposal                              | -             | 1.47      | 16.11               | 13.23          | 3.90                   | 4.24     | 1.79             | 6.07      | 46.81    |            |
| Adjustments                           | -             | 4.65      | 5.00                | (0.15)         | (0.47)                 | 1.12     | (0.24)           | 0.64      | 10.55    |            |
| As at March 31, 2023                  | -             | 146.27    | 516.68              | 140.08         | 19.07                  | 47.61    | 10.45            | 41.06     | 921.22   |            |
| Net carrying amount                   |               |           |                     |                |                        |          |                  |           |          |            |
| As at March 31, 2022                  | 143.34        | 276.54    | 455.16              | 94.16          | 9.66                   | 16.30    | 3.67             | 13.12     | 1,011.95 |            |
| As at March 31, 2023                  | 149.14        | 291.64    | 458.76              | 127.24         | 7.81                   | 14.84    | 4.16             | 13.64     | 1,067.23 |            |

### Note 5.1

For details of Property, plant and equipment having gross carrying amount aggregating ₹ 560.20 crore (As at March 31, 2022 ₹ 486.70 crore), which are pledged as security for borrowings - Refer notes 26 and 31.

### Note 5.2

During the previous year, the Group has reclassified Leasehold Land amounting to ₹ 38.07 crore as on March 31, 2021 (Net Block) from “Property, plant and equipment” to “Right-of-use assets” , the said disclosure being more relevant to the users of financial statements. This change doesn’t result in any impact on total non current assets and total assets.

### Note 5.3

Adjustments represents foreign currency exchange translation adjustment on account of a branch, jointly controlled operations and foreign subsidiaries which have a different functional currency.

### Note 5.4

Refer note 58 (ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 53)

| ₹ in Crore                           |           |                          |                      |          |        |
|--------------------------------------|-----------|--------------------------|----------------------|----------|--------|
| Description                          | Buildings | Land<br>(Refer note 5.2) | Plant &<br>Machinery | Vehicles | Total  |
| <b>Gross Carrying Amount</b>         |           |                          |                      |          |        |
| As at April 01, 2021                 | 99.86     | 128.44                   | 4.01                 | 1.34     | 233.65 |
| Additions                            | 31.73     | 46.98                    | -                    | -        | 78.71  |
| Disposal                             | 4.56      | -                        | 1.03                 | 0.52     | 6.11   |
| Adjustments (Refer note 6.1)         | 2.51      | 2.95                     | 0.03                 | -        | 5.49   |
| As at March 31, 2022                 | 129.54    | 178.37                   | 3.01                 | 0.82     | 311.74 |
| Additions                            | 0.21      | -                        | -                    | -        | 0.21   |
| Disposal                             | 10.59     | 0.53                     | -                    | 0.13     | 11.25  |
| Adjustments (Refer note 6.1)         | 5.67      | 9.74                     | 0.06                 | -        | 15.47  |
| As at March 31, 2023                 | 124.83    | 187.58                   | 3.07                 | 0.69     | 316.17 |
| <b>Accumulated Depreciation</b>      |           |                          |                      |          |        |
| As at April 01, 2021                 | 38.29     | 18.48                    | 1.77                 | 0.71     | 59.25  |
| Depreciation expense (Refer note 46) | 16.13     | 7.47                     | 1.15                 | 0.31     | 25.06  |
| Disposal                             | 4.32      | -                        | 0.49                 | 0.26     | 5.07   |
| Adjustments (Refer note 6.1)         | 0.72      | 0.44                     | 0.02                 | -        | 1.18   |
| As at March 31, 2022                 | 50.82     | 26.39                    | 2.45                 | 0.76     | 80.42  |
| Depreciation expense (Refer note 46) | 14.13     | 8.83                     | 0.46                 | 0.07     | 23.49  |
| Disposal                             | 5.10      | 0.54                     | -                    | 0.14     | 5.78   |
| Adjustments (Refer note 6.1)         | 1.99      | 1.44                     | 0.04                 | -        | 3.47   |
| As at March 31, 2023                 | 61.84     | 36.12                    | 2.95                 | 0.69     | 101.60 |
| <b>Net carrying amount</b>           |           |                          |                      |          |        |
| As at March 31, 2022                 | 78.72     | 151.98                   | 0.56                 | 0.06     | 231.32 |
| As at March 31, 2023                 | 62.99     | 151.46                   | 0.12                 | -        | 214.57 |

### Note 6.1

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

### NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

| ₹ in Crore                                   |                         |                         |
|----------------------------------------------|-------------------------|-------------------------|
| Particulars                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening Balance                              | 2.46                    | 17.90                   |
| Addition during the year*                    | 174.72                  | 137.15                  |
| Capitalisation during the year*              | (165.79)                | (152.59)                |
| Effect of translation adjustment (gain)/loss | 0.06                    | -                       |
| Closing Balance                              | 11.45                   | 2.46                    |

\* including intangible assets

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### Note 7.1 CWIP ageing schedule as at March 31, 2023

₹ in Crore

| Particulars                    | Amount in CWIP for a period of |           |           |                   |       |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress           | 9.38                           | 1.12      | 0.95      | -                 | 11.45 |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     |

### CWIP ageing schedule as at March 31, 2022

₹ in Crore

| Particulars                    | Amount in CWIP for a period of |           |           |                   |       |
|--------------------------------|--------------------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year               | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress           | 1.51                           | 0.95      | -         | -                 | 2.46  |
| Projects temporarily suspended | -                              | -         | -         | -                 | -     |

### Note 7.2 Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

₹ in Crore

| Particulars                    | To be completed in |           |           |                   |       |
|--------------------------------|--------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects temporarily suspended |                    |           | Nil       |                   |       |
|                                |                    |           | Nil       |                   |       |

### NOTE 8 - GOODWILL

₹ in Crore

| Particulars                                                                                           | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| <b>Balance at the beginning of the year</b>                                                           | 249.70               | 215.36               |
| Add :- Goodwill recognised on acquisition of KEC Spur Infrastructure Private Limited* (Refer Note 60) | -                    | 26.44                |
| Effect of foreign currency exchange difference recognised in other comprehensive income (OCI)         | 18.79                | 7.90                 |
| <b>Balance at the end of year</b>                                                                     | <b>268.49</b>        | <b>249.70</b>        |

### The Aggregate carrying amount of goodwill of each unit is as follows :

₹ in Crore

| Particulars                                                       | As at March 31, 2023 | As at March 31, 2022 |
|-------------------------------------------------------------------|----------------------|----------------------|
| SAE Tower Holdings LLC and its subsidiaries (SAE)                 | 268.49               | 223.26               |
| "KEC Spur Infrastructure Private Limited (Spur)* (Refer Note 60)" | -                    | 26.44                |
|                                                                   | <b>268.49</b>        | <b>249.70</b>        |

\* formerly known as Spur Infrastructure Private Limited

Goodwill is tested for impairment annually in accordance with the Group's procedure for determining the recoverable amount whenever there is any indication of impairment.

For the purpose of impairment testing, SAE's entire business is considered as one Cash Generating Unit.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

The recoverable amount of this Cash Generating Unit is based on value in use. The value in use is determined based on discounted cash flow projections. The fair value measurement has been categorised as level 3 fair value based on the inputs to the valuation technique used.

The key assumptions used in the estimation of value in use are set out below :

| Particulars                       | As at March 31, 2023 | As at March 31, 2022 |
|-----------------------------------|----------------------|----------------------|
| Discount rate                     | 11.59% to 13.43%     | 10.04%               |
| Terminal value growth rate        | 3.00%                | 3.50%                |
| Period considered for discounting | 5 years              | 5 years              |

The cash flow projections include specific estimates for five years and terminal growth rate thereafter. The terminal growth rate has been determined based on management's estimates of the EBITDA margins at SAE level.

Based on the above, no impairment was identified as of March 31, 2023, as the recoverable amount of the CGU exceeded the carrying value.

### NOTE 9 - INTANGIBLE ASSETS

₹ in Crore

| Particulars                          | Brands (Refer note 9.1) | Computer softwares | Non Compete Fees (Refer note 9.3) | Customer Contracts (Refer note 61) | Total         |
|--------------------------------------|-------------------------|--------------------|-----------------------------------|------------------------------------|---------------|
| <b>Gross carrying amount</b>         |                         |                    |                                   |                                    |               |
| <b>As at April 01, 2021</b>          | <b>246.95</b>           | <b>88.33</b>       | <b>-</b>                          | <b>-</b>                           | <b>335.28</b> |
| Acquisition                          | 0.00                    | -                  | -                                 | -                                  | 0.00          |
| Additions                            | -                       | 0.19               | 0.58                              | 4.44                               | 5.21          |
| Disposal                             | 6.95                    | 0.60               | -                                 | -                                  | 7.55          |
| Adjustments (Refer 9.2)              | -                       | 0.95               | -                                 | -                                  | 0.95          |
| <b>As at March 31, 2022</b>          | <b>240.00</b>           | <b>88.87</b>       | <b>0.58</b>                       | <b>4.44</b>                        | <b>333.89</b> |
| Additions                            | -                       | 3.74               | -                                 | -                                  | 3.74          |
| Disposal                             | -                       | 0.02               | -                                 | -                                  | 0.02          |
| Adjustments (Refer 9.2)              | -                       | 0.72               | -                                 | -                                  | 0.72          |
| <b>As at March 31, 2023</b>          | <b>240.00</b>           | <b>93.31</b>       | <b>0.58</b>                       | <b>4.44</b>                        | <b>338.33</b> |
| <b>Accumulated amortisation</b>      |                         |                    |                                   |                                    |               |
| <b>As at April 01, 2021</b>          | <b>198.96</b>           | <b>69.95</b>       | <b>-</b>                          | <b>-</b>                           | <b>268.91</b> |
| Amortisation expense (Refer note 46) | 12.00                   | 13.95              | 0.10                              | 0.89                               | 26.94         |
| Disposal                             | 6.95                    | 0.59               | -                                 | -                                  | 7.54          |
| Adjustments (Refer 9.2)              | -                       | 0.91               | -                                 | -                                  | 0.91          |
| <b>As at March 31, 2022</b>          | <b>204.01</b>           | <b>84.22</b>       | <b>0.10</b>                       | <b>0.89</b>                        | <b>289.22</b> |
| Amortisation expense (Refer note 46) | 12.00                   | 2.22               | 0.19                              | 1.78                               | 16.19         |
| Disposal                             | -                       | 0.01               | -                                 | -                                  | 0.01          |
| Adjustments (Refer 9.2)              | -                       | 0.41               | -                                 | -                                  | 0.41          |
| <b>As at March 31, 2023</b>          | <b>216.01</b>           | <b>86.84</b>       | <b>0.29</b>                       | <b>2.67</b>                        | <b>305.81</b> |
| <b>Net carrying amount</b>           |                         |                    |                                   |                                    |               |
| <b>As at March 31, 2022</b>          | <b>35.99</b>            | <b>4.66</b>        | <b>0.48</b>                       | <b>3.55</b>                        | <b>44.68</b>  |
| <b>As at March 31, 2023</b>          | <b>23.99</b>            | <b>6.47</b>        | <b>0.29</b>                       | <b>1.77</b>                        | <b>32.52</b>  |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### Note 9.1

Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The remaining amortisation period is 2 years (as at March 31, 2022 - 3 years).

### Note 9.2

Adjustments represents foreign currency exchange translation adjustment on account of foreign subsidiaries which have a different functional currency.

### Note 9.3

Non-compete fees paid on acquisition of KEC Spur Infrastructure Private Limited. (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of non-compete agreement i.e. 3 years. The remaining amortisation period is 1 year (as at March 31, 2022 - 2 years).

### NOTE 10 - INVESTMENTS

| ₹ in Crore                                                                                               |                         |                         |
|----------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                                                                                      |                         |                         |
| <b>Investment in equity shares (at fair value through other comprehensive income)</b>                    |                         |                         |
| <b>Unquoted</b>                                                                                          |                         |                         |
| 4900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association | ★                       | ★                       |
|                                                                                                          | ★                       | ★                       |
| Aggregate book value of unquoted investments                                                             | ★                       | ★                       |
| Aggregate provision for diminution in value of investments                                               | -                       | -                       |

★ less than rounding off norms adopted by the Group.

As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other Companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Group in the form of cash dividends, the fair value of the Group's interest in the Entity is concluded to be equal to cost.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 11 - TRADE RECEIVABLES

| ₹ in Crore                                                                         |                         |                         |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current trade receivables - Unsecured</b>                                   |                         |                         |
| (a) Considered good                                                                | 384.10                  | 478.84                  |
| (b) Having significant increase in credit risk                                     | -                       | -                       |
| (c) Credit impaired                                                                | -                       | -                       |
|                                                                                    | <b>384.10</b>           | <b>478.84</b>           |
| Less: Allowance for bad and doubtful receivables (expected credit loss allowance)* | 24.80                   | 11.15                   |
|                                                                                    | <b>359.30</b>           | <b>467.69</b>           |

**\*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer note 55B.3)**

| ₹ in Crore                                   |              |
|----------------------------------------------|--------------|
| Particulars                                  |              |
| <b>Balance as at March 31, 2021</b>          | <b>26.88</b> |
| Add: Created during the year                 | 3.24         |
| Less: Released during the year               | 18.97        |
| <b>Balance as at March 31, 2022</b>          | <b>11.15</b> |
| Add: Created during the year                 | 10.26        |
| Add: Transfer from current trade receivables | 7.52         |
| Less: Released during the year               | 4.13         |
| <b>Balance as at March 31, 2023</b>          | <b>24.80</b> |

### Note 11.1: Trade receivables (non current) ageing

As at March 31, 2023

| ₹ in Crore                                              |               |                       |                       |              |               |                      |               |
|---------------------------------------------------------|---------------|-----------------------|-----------------------|--------------|---------------|----------------------|---------------|
| Particulars                                             | Not Due       | Less than<br>6 months | 6 months -<br>1 years | 1 - 2 Years  | 2 - 3 Years   | More than<br>3 years | Total         |
| <b>Non-Current Trade Receivable</b>                     |               |                       |                       |              |               |                      |               |
| Undisputed – considered good                            | 152.52        | -                     | 13.37                 | 89.89        | 117.30        | 11.02                | <b>384.10</b> |
| Undisputed – Having significant increase in credit risk | -             | -                     | -                     | -            | -             | -                    | -             |
| Undisputed – credit impaired                            | -             | -                     | -                     | -            | -             | -                    | -             |
| Disputed – considered good                              | -             | -                     | -                     | -            | -             | -                    | -             |
| Disputed – Having significant increase in credit risk   | -             | -                     | -                     | -            | -             | -                    | -             |
| Disputed – credit impaired                              | -             | -                     | -                     | -            | -             | -                    | -             |
|                                                         | <b>152.52</b> | <b>-</b>              | <b>13.37</b>          | <b>89.89</b> | <b>117.30</b> | <b>11.02</b>         | <b>384.10</b> |

As at March 31, 2022

| ₹ in Crore                                              |               |                       |                       |               |              |                      |               |
|---------------------------------------------------------|---------------|-----------------------|-----------------------|---------------|--------------|----------------------|---------------|
| Particulars                                             | Not Due       | Less than<br>6 months | 6 months -<br>1 years | 1 - 2 Years   | 2 - 3 Years  | More than<br>3 years | Total         |
| <b>Non-Current Trade Receivable</b>                     |               |                       |                       |               |              |                      |               |
| Undisputed – considered good                            | 260.63        | 5.22                  | 84.67                 | 117.30        | 10.91        | 0.11                 | <b>478.84</b> |
| Undisputed – Having significant increase in credit risk | -             | -                     | -                     | -             | -            | -                    | -             |
| Undisputed – credit impaired                            | -             | -                     | -                     | -             | -            | -                    | -             |
| Disputed – considered good                              | -             | -                     | -                     | -             | -            | -                    | -             |
| Disputed – Having significant increase in credit risk   | -             | -                     | -                     | -             | -            | -                    | -             |
| Disputed – credit impaired                              | -             | -                     | -                     | -             | -            | -                    | -             |
|                                                         | <b>260.63</b> | <b>5.22</b>           | <b>84.67</b>          | <b>117.30</b> | <b>10.91</b> | <b>0.11</b>          | <b>478.84</b> |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 12 - OTHER FINANCIAL ASSETS

| Particulars                                                                      | ₹ in Crore              |                         |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current</b>                                                               |                         |                         |
| a) <b>Contractually reimbursable expenses</b>                                    | 28.95                   | 26.67                   |
| b) <b>Security Deposits, Unsecured :</b>                                         |                         |                         |
| Considered good                                                                  | 47.25                   | 14.36                   |
| Having significant increase in credit risk                                       | -                       | -                       |
| Credit impaired                                                                  | 0.76                    | 0.76                    |
| <b>Less:</b> Allowance for bad and doubtful security deposits (Refer note 12.1)* | 0.76                    | 0.76                    |
|                                                                                  | <b>47.25</b>            | <b>14.36</b>            |
|                                                                                  | <b>76.20</b>            | <b>41.03</b>            |

#### Movement in the allowance for bad and doubtful security deposit (Expected Credit Loss)

##### Note 12.1

| Particulars                         | ₹ in Crore  |
|-------------------------------------|-------------|
| <b>Balance as at March 31, 2021</b> | <b>0.76</b> |
| Add: Created during the year        | -           |
| Less: Released during the year      | -           |
| <b>Balance as at March 31, 2022</b> | <b>0.76</b> |
| Add: Created during the year        | -           |
| Less: Released during the year      | -           |
| <b>Balance as at March 31, 2023</b> | <b>0.76</b> |

### NOTE 13 - NON-CURRENT TAX ASSETS (NET)

| Particulars                         | ₹ in Crore              |                         |
|-------------------------------------|-------------------------|-------------------------|
|                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Income tax payments less provisions | 268.03                  | 179.43                  |
|                                     | <b>268.03</b>           | <b>179.43</b>           |

### NOTE 14 - OTHER NON-CURRENT ASSETS

| Particulars                                                              | ₹ in Crore              |                         |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Capital advances                                                     | 0.04                    | 10.65                   |
| (b) Others                                                               |                         |                         |
| - Excise duty recoverable from Government authorities                    | 24.50                   | 24.45                   |
| - VAT Credit / WCT /Service tax receivables                              | 127.79                  | 121.05                  |
| - GST Receivable                                                         | 14.84                   | 12.41                   |
| - Prepaid expenses                                                       | 11.77                   | 4.08                    |
| - Sales tax/ excise duty/service tax/ entry tax, etc. paid under protest | 28.57                   | 21.75                   |
| - Others (includes amounts towards judicial deposits)                    | 10.37                   | 15.21                   |
|                                                                          | <b>217.84</b>           | <b>198.95</b>           |
|                                                                          | <b>217.88</b>           | <b>209.60</b>           |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 15 - INVENTORIES

| Particulars                                                 | ₹ in Crore              |                         |
|-------------------------------------------------------------|-------------------------|-------------------------|
|                                                             | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Inventories (lower of cost and net realisable value)</b> |                         |                         |
| (a) Raw materials                                           |                         |                         |
| (i) in stock                                                | 754.24                  | 596.51                  |
| (ii) in-transit                                             | 7.44                    | 6.52                    |
|                                                             | <b>761.68</b>           | <b>603.03</b>           |
| (b) Work-in-progress                                        | 112.40                  | 195.90                  |
| (c) Finished goods                                          | 212.02                  | 227.29                  |
| (d) Stores and spares                                       | 37.19                   | 29.27                   |
| (e) Scrap                                                   | 13.87                   | 10.99                   |
|                                                             | <b>1,137.16</b>         | <b>1,066.48</b>         |

### NOTE 16 - INVESTMENTS

| Particulars                                                         | ₹ in Crore              |                         |
|---------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Quoted - Other investments :</b>                                 |                         |                         |
| Investments in Commercial Papers                                    | -                       | 12.64                   |
| (Carried at fair value through profit or loss)                      | -                       | <b>12.64</b>            |
| <b>Notes : Quoted investments</b>                                   |                         |                         |
| Aggregate book value of quoted investments                          | -                       | 12.64                   |
| Aggregate book value of quoted investments and market value thereof | -                       | 12.64                   |

### NOTE 17 - TRADE RECEIVABLES

| Particulars                                                                  | ₹ in Crore              |                         |
|------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Trade receivables - Unsecured (Refer notes 17.1, 17.2 and 55B.3)</b>      |                         |                         |
| (a) Considered good                                                          | 6,980.26                | 5,172.25                |
| (b) Having significant increase in credit risk                               | -                       | -                       |
| (c) Credit impaired                                                          | -                       | 12.36                   |
|                                                                              | <b>6,980.26</b>         | <b>5,184.61</b>         |
| Less: Allowance for bad and doubtful debts (expected credit loss allowance)* | 84.20                   | 78.51                   |
|                                                                              | <b>6,896.06</b>         | <b>5,106.10</b>         |

#### \* Movement in the allowance for bad and doubtful receivables (expected credit loss allowance):

##### (Refer note 55B.3)

| Particulars                                     | ₹ in Crore   |
|-------------------------------------------------|--------------|
| <b>Balance as at March 31, 2021</b>             | <b>60.38</b> |
| Add: Created during the year                    | 24.99        |
| Less: Released during the year                  | 7.34         |
| Less: Exchange fluctuation                      | (0.48)       |
| <b>Balance as at March 31, 2022</b>             | <b>78.51</b> |
| Add: Created during the year                    | 20.27        |
| Less: Transfer to non current trade receivables | 7.52         |
| Less: Released during the year                  | 7.19         |
| Add: Exchange fluctuation                       | 0.13         |
| <b>Balance as at March 31, 2023</b>             | <b>84.20</b> |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### Note 17.1: Transfer of financial assets

The Group has discounted trade receivables with an aggregate carrying amount of ₹ 177.54 crore (during the previous year ended March 31, 2022 ₹ 153.19 crore) with banks for cash proceeds of ₹175.47 crore during the current year (during the previous year ended March 31, 2022 is ₹ 151.95 crore). These arrangements are “non-recourse” to the Group and accordingly, the Group has derecognised these receivables as at March 31, 2023. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 2.07 crore. (during the previous year ₹1.24 crore).

Further the Group has discounted certain trade receivables with the banks “with recourse” to the Group. The carrying amount of such receivables as at March 31, 2023 ₹ 68.05 crore (As at March 31, 2022 ₹ 42.88 crores) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 68.05 crore (As at March 31, 2022 ₹ 42.88 crore) are recognised as secured borrowings and there are restrictions on further selling and pledging of these receivables.

**Note 17.2** Receivable from related parties is ₹0.54 crore (As at March 31, 2022 ₹3.90 crore).

### Note 17.3: Trade receivables ageing

As at March 31, 2023

| ₹ in Crore                                              |                 |                    |                    |               |               |                   |                 |
|---------------------------------------------------------|-----------------|--------------------|--------------------|---------------|---------------|-------------------|-----------------|
| Particulars                                             | Not Due         | Less than 6 months | 6 months - 1 years | 1 - 2 Years   | 2 - 3 Years   | More than 3 years | Total           |
| Undisputed – considered good                            | 5,146.96        | 939.97             | 357.25             | 290.12        | 173.08        | 40.75             | <b>6,948.13</b> |
| Undisputed – Having significant increase in credit risk | -               | -                  | -                  | -             | -             | -                 | -               |
| Undisputed – Credit Impaired                            | -               | -                  | -                  | -             | -             | -                 | -               |
| Disputed – considered good                              | 1.89            | 0.10               | 0.10               | 2.84          | 0.70          | 1.03              | <b>6.66</b>     |
| Disputed – Having significant increase in credit risk   | -               | -                  | -                  | 2.52          | 4.71          | 18.24             | <b>25.47</b>    |
| Disputed – Credit Impaired                              | -               | -                  | -                  | -             | -             | -                 | -               |
|                                                         | <b>5,148.85</b> | <b>940.07</b>      | <b>357.35</b>      | <b>295.48</b> | <b>178.49</b> | <b>60.02</b>      | <b>6,980.26</b> |

As at March 31, 2022

| ₹ in Crore                                              |                 |                    |                    |               |             |                   |                 |
|---------------------------------------------------------|-----------------|--------------------|--------------------|---------------|-------------|-------------------|-----------------|
| Particulars                                             | Not Due         | Less than 6 months | 6 months - 1 years | 1 - 2 Years   | 2 - 3 Years | More than 3 years | Total           |
| Undisputed – considered good                            | 3,999.91        | 723.14             | 215.74             | 133.75        | 2.48        | 88.40             | <b>5,163.42</b> |
| Undisputed – Having significant increase in credit risk | -               | -                  | -                  | -             | -           | -                 | -               |
| Undisputed – Credit Impaired                            | -               | -                  | -                  | -             | -           | 0.92              | <b>0.92</b>     |
| Disputed – considered good                              | 1.83            | 0.49               | 0.21               | 0.55          | 0.46        | 5.29              | <b>8.83</b>     |
| Disputed – Having significant increase in credit risk   | -               | -                  | -                  | -             | -           | -                 | -               |
| Disputed – Credit Impaired                              | -               | 1.70               | -                  | 0.95          | 0.08        | 8.71              | <b>11.44</b>    |
|                                                         | <b>4,001.74</b> | <b>725.33</b>      | <b>215.95</b>      | <b>135.25</b> | <b>3.02</b> | <b>103.32</b>     | <b>5,184.61</b> |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 18 - CASH AND CASH EQUIVALENTS

| ₹ in Crore               |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Particulars              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Balances with banks  |                         |                         |
| (i) In current accounts  | 239.77                  | 187.57                  |
| (ii) In deposit accounts | 34.09                   | 5.99                    |
|                          | <b>273.86</b>           | <b>193.56</b>           |
| (b) Cheques on hand      | -                       | 8.00                    |
| (c) Cash on hand         | 7.30                    | 6.07                    |
|                          | <b>281.16</b>           | <b>207.63</b>           |

**Note 18.1** There are restrictions on repatriations with regards to cash and cash equivalents as at March 31, 2023 of ₹ 7.49 crore (as at March 31, 2022, ₹ 8.60 crore).

### NOTE 19 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| ₹ in Crore                                                                                                                        |                         |                         |
|-----------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (i) Earmarked balances with banks - unpaid dividend accounts                                                                      | 3.00                    | 3.01                    |
| (ii) Bank deposit with original maturity of more than 3 months but less than 12 months                                            | 6.14                    | 6.22                    |
| (iii) Margin Money deposit with maturity less then 12 months                                                                      | 0.69                    | 0.72                    |
| (iv) Balances with banks to the extent held as margin money or security against the borrowings, guarantees and other commitments. | 53.17                   | 44.36                   |
|                                                                                                                                   | <b>63.00</b>            | <b>54.31</b>            |

### NOTE 20 - OTHER FINANCIAL ASSETS

| ₹ in Crore                                                                   |                         |                         |
|------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Unsecured, considered good</b>                                            |                         |                         |
| (i) Sundry Deposits                                                          | 93.91                   | 34.26                   |
| (ii) Interest accrued on fixed deposits                                      | 0.14                    | 0.36                    |
| (iii) Insurance claims                                                       | 0.64                    | 0.78                    |
| (iv) Mark to market gain on forward and commodity contracts (Refer note 55C) | 14.96                   | 28.32                   |
| (v) Contractually reimbursable expenses                                      | 54.96                   | 50.02                   |
|                                                                              | <b>164.61</b>           | <b>113.74</b>           |

### NOTE 21 - CONTRACT ASSETS

| ₹ in Crore                                            |                         |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                           | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Unsecured, considered good</b>                     |                         |                         |
| Amount due from customers for contract works          | 6,249.13                | 6,097.18                |
| Less: Allowance for contract assets (Refer note 21.1) | 7.95                    | 5.09                    |
|                                                       | <b>6,241.18</b>         | <b>6,092.09</b>         |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### Note 21.1 Movement in allowance on contract assets (expected credit loss allowance) (Refer note 55B.3)

| Particulars            | ₹ in Crore              |                         |
|------------------------|-------------------------|-------------------------|
|                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance        | 5.09                    | 5.09                    |
| Additions              | 2.86                    | -                       |
| Reversals              | -                       | -                       |
| <b>Closing balance</b> | <b>7.95</b>             | <b>5.09</b>             |

The contract assets represent amount due from customer, primarily relate to the Group'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 Group 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. (Refer note 35)

### NOTE 22 - CURRENT TAX ASSETS (NET)

| Particulars                         | ₹ in Crore              |                         |
|-------------------------------------|-------------------------|-------------------------|
|                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Income tax payments less provisions | 53.16                   | 28.42                   |
|                                     | <b>53.16</b>            | <b>28.42</b>            |

### NOTE 23 - OTHER CURRENT ASSETS

| Particulars                                          | ₹ in Crore              |                         |
|------------------------------------------------------|-------------------------|-------------------------|
|                                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Advances to suppliers                                | 158.22                  | 165.86                  |
| Employee advances                                    | 13.25                   | 11.82                   |
| Cenvat / Service tax input credit receivable         | -                       | 0.12                    |
| Excise duty recoverable from Government authorities  | -                       | 0.05                    |
| VAT credit / WCT receivables                         | 187.85                  | 106.31                  |
| GST receivable                                       | 417.30                  | 492.95                  |
| GST/Excise rebate receivable on exports              | 42.87                   | 63.71                   |
| Prepaid expenses                                     | 147.62                  | 130.52                  |
| Export benefits                                      | 19.68                   | 33.96                   |
| Assets classified as held for sale (Refer note 23.1) | 2.45                    | 3.07                    |
|                                                      | <b>989.24</b>           | <b>1,008.37</b>         |

### Note 23.1 - Details of assets classified as held for sale

| Particulars                                         | ₹ in Crore              |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Leasehold Land at Jaipur [(Refer note 23.1 (a))]    | 2.45                    | 2.45                    |
| Leasehold Land at Raibareli [(Refer note 23.1 (b))] | -                       | 0.62                    |
| <b>Total</b>                                        | <b>2.45</b>             | <b>3.07</b>             |

(a) The Company has signed Memorandum of Understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2022 ₹ 9.41 crore) [(Refer note 36 (a))]. However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.

(b) Land situated at plot no. A03 of Raebareli plant was held for sale as on March 31, 2022. During the current year, this land has been sold for sales consideration of ₹ 4.15 crore and resulting profit on sale of land of ₹ 2.32 crore recognised in other income (Refer note 40).

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 24 - SHARE CAPITAL

| Particulars                                | As at March 31, 2023 |              | As at March 31, 2022 |              |
|--------------------------------------------|----------------------|--------------|----------------------|--------------|
|                                            | Nos.                 | ₹ in crore   | Nos.                 | ₹ in crore   |
| <b>Authorised:</b>                         |                      |              |                      |              |
| <b>Equity Shares:</b>                      |                      |              |                      |              |
| Equity Shares of ₹2 each                   | 570,000,000          | 114.00       | 570,000,000          | 114.00       |
| <b>Preference Shares</b>                   |                      |              |                      |              |
| Redeemable Preference Shares of ₹ 100 each | 1,500,000            | 15.00        | 1,500,000            | 15.00        |
| <b>Issued, Subscribed and Paid-up</b>      |                      |              |                      |              |
| <b>Equity Shares:</b>                      |                      |              |                      |              |
| Equity Shares of ₹ 2 each fully paid up    | 257,088,370          | 51.42        | 257,088,370          | 51.42        |
|                                            | <b>257,088,370</b>   | <b>51.42</b> | <b>257,088,370</b>   | <b>51.42</b> |

### Note 24.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year:

| Particulars                                           | Nos.               | ₹ in crore   |
|-------------------------------------------------------|--------------------|--------------|
| Equity Shares Outstanding as at April 01, 2021        | 257,088,370        | 51.42        |
| Add: Shares issued during the year                    | -                  | -            |
| Equity Shares Outstanding as at March 31, 2022        | 257,088,370        | 51.42        |
| Add: Shares issued during the year                    | -                  | -            |
| <b>Equity Shares Outstanding as at March 31, 2023</b> | <b>257,088,370</b> | <b>51.42</b> |

### Note 24.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

| Sr. No. | Name of the shareholder*     | As at March 31, 2023 |                           | As at March 31, 2022 |                           |
|---------|------------------------------|----------------------|---------------------------|----------------------|---------------------------|
|         |                              | No. of Shares Held   | Percentage of Shares held | No. of Shares Held   | Percentage of Shares held |
| 1       | Swallow Associates LLP       | 67,756,616           | 26.36                     | 67,756,616           | 26.36                     |
| 2       | Summit Securities Limited    | 28,171,543           | 10.96                     | 28,104,322           | 10.93                     |
| 3       | HDFC Trustee Company Limited | 22,813,728           | 8.87                      | 22,599,573           | 8.79                      |
| 4       | Instant Holdings Limited     | 22,299,164           | 8.67                      | 22,207,827           | 8.64                      |

\* Shares held in multiple folios have been combined

**Note 24.3** The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend. In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### Note 24.4 Shares held by promoters at the end of the year

| S. No          | Promoter name                                                | As at March 31, 2023 |                   |                          | As at March 31, 2022 |                   |                          |
|----------------|--------------------------------------------------------------|----------------------|-------------------|--------------------------|----------------------|-------------------|--------------------------|
|                |                                                              | No. of Shares        | % of total shares | % Change during the year | No. of Shares        | % of total shares | % Change during the year |
| Promoter       |                                                              |                      |                   |                          |                      |                   |                          |
| 1              | Harsh Vardhan Goenka                                         | 5,042,917            | 1.96              | -                        | 5,042,917            | 1.96              | -                        |
| Promoter Group |                                                              |                      |                   |                          |                      |                   |                          |
| 2              | Anant Vardhan Goenka                                         | 40,000               | 0.02              | -                        | 40,000               | 0.02              | -                        |
| 3              | Stellar Energy Trust* (Mr.Harsh Vardhan Goenka is a Trustee) | -                    | 0.00              | -                        | 100                  | 0.00              | -                        |
| 4              | Mala Goenka                                                  | 50                   | 0.00              | -                        | 50                   | 0.00              | -                        |
| 5              | RG Family Trust (Mr.Anant Vardhan Goenka is a Trustee)       | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 6              | AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)     | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 7              | Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)  | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 8              | Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)   | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 9              | Radha Anant Goenka                                           | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 10             | Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)   | 1                    | 0.00              | -                        | 1                    | 0.00              | -                        |
| 11             | Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)   | 1                    | 0.00              | -                        | 1                    | 0.00              | -                        |
| 12             | Secura India Trust (Mr.Harsh Vardhan Goenka is a Trustee)    | 101                  | 0.00              | 0.00%                    | 1                    | 0.00              | -                        |
| 13             | Swallow Associates LLP                                       | 67,756,616           | 26                | -                        | 67,756,616           | 26.36             | -                        |
| 14             | Summit Securities Limited                                    | 28,171,543           | 11                | 0.03%                    | 28,104,322           | 10.93             | -                        |
| 15             | Instant Holdings Limited                                     | 22,299,164           | 9                 | 0.03%                    | 22,207,827           | 8.64              | -                        |
| 16             | Stel Holdings Limited                                        | 5,011,891            | 2                 | -                        | 5,011,891            | 1.95              | -                        |
| 17             | Carniwal Investments Limited                                 | 2,970,981            | 1                 | -                        | 2,970,981            | 1.16              | -                        |
| 18             | Chattarpati Apartments LLP                                   | 1,790,785            | 1                 | -                        | 1,790,785            | 0.70              | -                        |
| 19             | Ektara Enterprises LLP                                       | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 20             | Malabar Coastal Holdings LLP                                 | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 21             | Sofreal Mercantrade Pvt Ltd                                  | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 22             | Vayu Udaan Aircraft LLP                                      | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 23             | Sudarshan Electronics and TV Ltd                             | 1                    | 0.00              | -                        | 1                    | 0.00              | -                        |
| 24             | RPG Ventures Limited                                         | 284,950              | 0.11              | -                        | 284,950              | 0.11              | -                        |
| 25             | Atlantus Dwellings and Infrastructure LLP                    | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |

\* Stellar Energy Trust has been dissolved and has ceased to exist.

### NOTE 25 - OTHER EQUITY

NOTE 25 - OTHER EQUITY

₹ in Crore

| Particulars                                              | Reserves & Surplus                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                   |                    |                    |                 | Other Comprehensive Income |                 |                   |                                       |                                                           | Total    |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------------|--------------------|-----------------|----------------------------|-----------------|-------------------|---------------------------------------|-----------------------------------------------------------|----------|
|                                                          | Capital Reserve                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Capital Reserve on Con solidation | Securities Premium | Redemption Reserve | Capital Reserve | Statutory Reserve          | General Reserve | Retained Earnings | Effective portion of cash flow Hedges | Exchange differences on translation of foreign operations |          |
| Notes                                                    | (a)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | (b)                               | (c)                | (d)                | (e)             | (f)                        | (g)             | (h)               | (i)                                   | (j)                                                       |          |
| Balance as at March 31, 2021                             | 84.98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.04                              | 86.75              | 14.28              | 0.95            | 191.72                     | 2,919.11        | 10.14             | 1.56                                  | (1.26)                                                    | 3,308.27 |
| Changes in accounting policy or prior period errors      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | -               | -                 | -                                     | -                                                         | -        |
| Restated balance as at April 01, 2021                    | 84.98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.04                              | 86.75              | 14.28              | 0.95            | 191.72                     | 2,919.11        | 10.14             | 1.56                                  | (1.26)                                                    | 3,308.27 |
| Profit for the year                                      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | 332.08          | -                 | -                                     | -                                                         | 332.08   |
| Other Comprehensive Income for the year                  | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | (1.78)          | -                 | 29.56                                 | 3.19                                                      | 30.97    |
| Total Comprehensive Income for the year                  | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | 332.08          | (1.78)            | 29.56                                 | 3.19                                                      | 363.05   |
| Transactions with owners in their capacity as owner      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | -               | -                 | -                                     | -                                                         | -        |
| Transfer to Statutory reserve                            | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | 2.13            | -                          | (2.13)          | -                 | -                                     | -                                                         | (102.81) |
| Dividends                                                | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | (102.81)        | -                 | -                                     | -                                                         | -        |
| Balance as at March 31, 2022                             | 84.98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.04                              | 86.75              | 14.28              | 3.08            | 191.72                     | 3,146.25        | 8.36              | 31.12                                 | 1.93                                                      | 3,568.51 |
| Balance as at April 01, 2022                             | 84.98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.04                              | 86.75              | 14.28              | 3.08            | 191.72                     | 3,146.25        | 8.36              | 31.12                                 | 1.93                                                      | 3,568.51 |
| Changes in accounting policy or prior period errors      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | -               | -                 | -                                     | -                                                         | -        |
| Restated balance as at April 01, 2022                    | 84.98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.04                              | 86.75              | 14.28              | 3.08            | 191.72                     | 3,146.25        | 8.36              | 31.12                                 | 1.93                                                      | 3,568.51 |
| Profit for the year                                      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | 176.03          | -                 | -                                     | -                                                         | 176.03   |
| Other Comprehensive Income for the year                  | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | (8.23)          | -                 | 86.47                                 | (0.46)                                                    | 77.78    |
| Total Comprehensive Income for the year                  | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | 176.03          | (8.23)            | 86.47                                 | (0.46)                                                    | 253.81   |
| Transactions with owners in their capacity as owner      | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | -               | -                 | -                                     | -                                                         | -        |
| Increase on account of capital reduction of a subsidiary | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | 0.02            | -                 | -                                     | -                                                         | 0.02     |
| Reduction on account of closure of subsidiary            | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | 0.49            | -                 | -                                     | -                                                         | 0.49     |
| Transfer to Statutory reserve                            | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | 1.36            | -                          | (1.36)          | -                 | -                                     | -                                                         | -        |
| Dividends                                                | -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | -                                 | -                  | -                  | -               | -                          | (102.83)        | -                 | -                                     | -                                                         | (102.83) |
| Balance as at March 31, 2023                             | 84.98                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0.04                              | 86.75              | 14.28              | 4.44            | 191.72                     | 3,218.60        | 0.13              | 117.59                                | 1.47                                                      | 3,720.00 |
| Note (a)                                                 | Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (b)                                                 | Capital Reserve on consolidation was created on acquisition of two subsidiaries, where the net assets were more than the consideration paid in earlier years                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (c)                                                 | Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provisions of the Companies Act 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (d)                                                 | Capital Redemption Reserve was created upon redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (e)                                                 | Statutory reserve pertains to the Joint Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Joint Operation. It also consists of Statutory reserve created at KEC Towers LLC, Dubai in accordance with UAE Company law and the Articles of Association. 10 % of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Subsidiary. |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (f)                                                 | General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.                                                                                                                                                                                                                                                                                                                                                                              |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (g)                                                 | Retained earnings represents accumulated profit of the Group as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (h)                                                 | The cashflow hedging reserve is used to recognize the effective portion of gains or losses on derivative that are designated and qualify as cashflow hedges, as described in accounting policy note 3.24.                                                                                                                                                                                                                                                                                                                                                                                                          |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (i)                                                 | Foreign currency translation reserve pertaining to exchange difference arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy note 3.10 and accumulated in a separate reserve within equity. The cumulative amount reclassified to profit or loss when the foreign operation is disposed-off.                                                                                                                                                                                                                                              |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |
| Note (j)                                                 | Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                   |                    |                    |                 |                            |                 |                   |                                       |                                                           |          |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

## NOTE 26 - BORROWINGS

| ₹ in Crore                                                    |                         |                         |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                                           |                         |                         |
| <b>Measured at amortised cost :</b>                           |                         |                         |
| <b>I Term loans*</b>                                          |                         |                         |
| <b>From banks</b>                                             |                         |                         |
| Secured [Refer note 26.1(a)]                                  | 49.31                   | 45.62                   |
| Less : Current maturities of long-term debt (Refer note 31.3) | (16.44)                 | -                       |
|                                                               | <b>32.87</b>            | <b>45.62</b>            |
| Unsecured [Refer note 26.1(b)]                                | 536.33                  | 420.14                  |
| Less : Current maturities of long-term debt (Refer note 31.3) | (276.04)                | (72.50)                 |
|                                                               | <b>260.29</b>           | <b>347.64</b>           |
| <b>II From Other Parties</b>                                  |                         |                         |
| Secured [Refer note 26.1(c)]                                  | 200.00                  | -                       |
|                                                               | <b>200.00</b>           | <b>-</b>                |
|                                                               | <b>493.16</b>           | <b>393.26</b>           |

### 26.1 Term loans\*

#### (a) From banks: Secured

- (i) ₹ 32.87 crore (As at March 31, 2022 ₹45.62 crore) External Commercial Borrowing loan secured by first and exclude charge over construction Equipments both present and future at all projects site relating to its Transssmission, Railway and Civil business in India. Repayment terms are three equal yearly installments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

#### (b) From Banks: unsecured:

- (i) ₹ Nil (As at March 31, 2022 ₹150 crore) unsecured Term loan from Axis Bank. Repayment terms is in two equal half yearly installments September 05, 2023 and March 14, 2024. The fixed interest rate is 6.80% p.a.
- (ii) ₹ Nil (Previous year 120.30 crore) pertains to a subsidiary at Brazil repayable in monthly structured installments from 2022 to 2024. The interest rates are in the ranges between 11.65% to 17.89% p.a. These loans are repayable in Brazilian Real (BRL).
- (iii) ₹ Nil (previous year 149.84 crore) pertains to a subsidiary at Brazil repayable in monthly structured installments during 2024 to 2025. The present rate of interest is 16.76% p.a. (previous year Nil). These loans are repayable in Brazilian Real (BRL).
- (iv) ₹ 95.96 (Previous year Nil) pertains to a subsidiary at Brazil repayable in quaterly structured installments during 2024 to 2025. The present rate of interest at 19.15% p.a. (previous year ranges from 11.65% to 17.89% p.a). These loans are repayable in Brazilian Real (BRL).
- (v) ₹164.33 crore (previous year ₹Nil) pertains to a subsidiary at Brazil repayable in quarterly structured installments during 2026 to 2028 and the present interest rate at 8.15% p.a. These loans are repayable in USD.

#### (c) From Other Parties

##### Secured:

₹ 200 crore (As at March 31, 2022 ₹ Nil) Loan from a financial instution which is secured by security stated against Note 31.1. Repayment will be on April 29, 2024 and September 24, 2024. The interest rates are in the ranges from 8.46% to 8.87% p.a.

- (d) As at March 31, 2023 and March 31, 2022, the Group was in compliance with all of its debt covenants for borrowings.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

## NOTE 27 - LEASE LIABILITIES

| ₹ in Crore                        |                         |                         |
|-----------------------------------|-------------------------|-------------------------|
| Particulars                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current</b>                |                         |                         |
| Lease liabilities (Refer note 53) | 163.17                  | 167.44                  |
|                                   | <b>163.17</b>           | <b>167.44</b>           |

## NOTE 28 - PROVISIONS

| ₹ in Crore                                                                                   |                         |                         |
|----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                                                                          |                         |                         |
| <b>Provision for employee benefits</b>                                                       |                         |                         |
| - Gratuity, post employment benefits (Refer note 56)                                         | 17.33                   | 10.56                   |
| - Compensated Absences (Refer note 56)                                                       | 2.31                    | -                       |
| - Others (includes provision towards judicial deposits of a subsidiary)<br>(Refer note 28.1) | 4.48                    | 3.18                    |
|                                                                                              | <b>24.12</b>            | <b>13.74</b>            |

### 28.1 Provision towards judicial deposits\*

| ₹ in Crore                                     |                         |                         |
|------------------------------------------------|-------------------------|-------------------------|
| Particulars                                    | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Opening balance</b>                         | <b>3.18</b>             | <b>4.09</b>             |
| Additions                                      | 0.99                    | -                       |
| Reversals                                      | -                       | 1.03                    |
| Effect of translation adjustment (gain) / loss | 0.31                    | 0.12                    |
| <b>Closing balance</b>                         | <b>4.48</b>             | <b>3.18</b>             |

\*These represents provision created for Judicial deposits kept with labour authorities of foreign subsidiaries related to various ongoing labour cases.

## Notes

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### NOTE 29 - DEFERRED TAX LIABILITIES / ASSETS (NET)

**29.1 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2023 are as follows:**

| ₹ in Crore                                                                                                         |                                           |                                                         |                                                |                                                           |                                           |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------|---------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-------------------------------------------|
| Particulars                                                                                                        | Opening Balance<br>(As at April 01, 2022) | Recognised in Consolidated Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance<br>(As at March 31, 2023) |
| <b>Deferred tax (liabilities)/assets recognised in relation to :</b>                                               |                                           |                                                         |                                                |                                                           |                                           |
| Property, plant and equipment and Intangible assets                                                                | (38.21)                                   | 4.46                                                    | -                                              | -                                                         | <b>(33.75)</b>                            |
| Undistributed earnings of joint operations                                                                         | (34.80)                                   | 24.00                                                   | -                                              | -                                                         | <b>(10.80)</b>                            |
| Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years | (0.06)                                    | 0.06                                                    | -                                              | -                                                         | <b>0.00</b>                               |
| Allowance for doubtful debts, loans and advances                                                                   | 20.48                                     | 2.13                                                    | -                                              | -                                                         | <b>22.61</b>                              |
| Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)                               | 0.33                                      | -                                                       | 0.29                                           | 0.07                                                      | <b>0.69</b>                               |
| Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years     | 11.68                                     | (1.20)                                                  | -                                              | -                                                         | <b>10.48</b>                              |
| Provision for expected loss on construction contracts, etc.                                                        | 5.12                                      | (0.19)                                                  | -                                              | -                                                         | <b>4.93</b>                               |
| Right-of-use assets (net of lease liabilities) - (Refer note 53)                                                   | 0.65                                      | 1.90                                                    | -                                              | -                                                         | <b>2.55</b>                               |
| Asset held for sale                                                                                                | 0.82                                      | (0.82)                                                  | -                                              | -                                                         | <b>0.00</b>                               |
| Net (Gain) / Losses on Cash flow hedges                                                                            | (2.80)                                    | -                                                       | 2.80                                           | -                                                         | <b>(0.00)</b>                             |
| Exchange differences on translation of foreign joint operations                                                    | (7.01)                                    | -                                                       | 3.09                                           | -                                                         | <b>(3.92)</b>                             |
| <b>Deferred Tax (liabilities)/assets (net)</b>                                                                     | <b>(43.80)</b>                            | <b>30.34</b>                                            | <b>6.18</b>                                    | <b>0.07</b>                                               | <b>(7.21)</b>                             |

**Significant components of deferred tax assets (net) of subsidiaries are as follows :**

| ₹ in Crore                                                                                      |                                           |                                            |                                                |                                                           |                                           |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-------------------------------------------|
| Particulars                                                                                     | Opening Balance<br>(As at April 01, 2022) | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance<br>(As at March 31, 2023) |
| <b>Deferred tax (liabilities)/assets recognised in relation to :</b>                            |                                           |                                            |                                                |                                                           |                                           |
| Property, plant and equipment and Intangible assets                                             | (15.01)                                   | (4.06)                                     | -                                              | (2.12)                                                    | <b>(21.19)</b>                            |
| Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss         | 1.85                                      | (0.01)                                     | -                                              | (0.29)                                                    | <b>1.55</b>                               |
| Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years | 33.56                                     | 6.99                                       | -                                              | 2.11                                                      | <b>42.66</b>                              |
| Tax loss carry forward*                                                                         | 199.84                                    | 103.53                                     | -                                              | 7.60                                                      | <b>310.97</b>                             |
| Other Assets and deferred expenses                                                              | (6.11)                                    | -                                          | -                                              | (0.57)                                                    | <b>(6.68)</b>                             |
| <b>Deferred Tax (Liabilities)/assets (net)</b>                                                  | <b>214.13</b>                             | <b>106.45</b>                              | <b>-</b>                                       | <b>6.73</b>                                               | <b>327.31</b>                             |

\* Recognised in view of confirmed profitable orders secured by an overseas subsidiary.

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**29.2 Significant components of deferred tax liabilities (net) of the Company and its subsidiaries as at March 31, 2022 are as follows:**

| ₹ in Crore                                                                                                         |                                           |                                            |                                                |                                                           |                                           |
|--------------------------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-------------------------------------------|
| Particulars                                                                                                        | Opening Balance<br>(As at April 01, 2021) | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance<br>(As at March 31, 2022) |
| <b>Deferred tax (liabilities)/assets recognised in relation to :</b>                                               |                                           |                                            |                                                |                                                           |                                           |
| Property, plant and equipment and Intangible assets                                                                | (43.27)                                   | 5.28                                       | -                                              | (0.22)                                                    | <b>(38.21)</b>                            |
| Undistributed earnings of joint operations                                                                         | (41.94)                                   | 7.14                                       | -                                              | -                                                         | <b>(34.80)</b>                            |
| Expenses credited to the consolidated statement of Profit and Loss of the company disallowable in subsequent years | (0.23)                                    | 0.17                                       | -                                              | -                                                         | <b>(0.06)</b>                             |
| Allowance for doubtful debts, loans and advances                                                                   | 25.09                                     | (4.61)                                     | -                                              | -                                                         | <b>20.48</b>                              |
| Remeasurement of defined benefit obligation through Other Comprehensive Income (OCI)                               | 1.25                                      | -                                          | (0.97)                                         | 0.05                                                      | <b>0.33</b>                               |
| Expenses debited to the Consolidated Statement of Profit and Loss of the Company allowable in subsequent years     | 12.54                                     | (0.86)                                     | -                                              | -                                                         | <b>11.68</b>                              |
| Provision for expected loss on construction contracts, etc.                                                        | 0.05                                      | 5.07                                       | -                                              | -                                                         | <b>5.12</b>                               |
| Right-of-use assets (net of lease liabilities) (Refer note 53)                                                     | 0.65                                      | -                                          | -                                              | -                                                         | <b>0.65</b>                               |
| Asset held for sale                                                                                                | 0.82                                      | -                                          | -                                              | -                                                         | <b>0.82</b>                               |
| Net (Gain) / Losses on Cash flow hedges                                                                            | (3.40)                                    | -                                          | 0.60                                           | -                                                         | <b>(2.80)</b>                             |
| Exchange differences on translation of foreign joint operations                                                    | (6.71)                                    | -                                          | (0.30)                                         | -                                                         | <b>(7.01)</b>                             |
| <b>Deferred tax (liabilities)/assets (net)</b>                                                                     | <b>(55.15)</b>                            | <b>12.19</b>                               | <b>(0.67)</b>                                  | <b>(0.17)</b>                                             | <b>(43.80)</b>                            |

**Significant components of deferred tax assets (net) of subsidiaries as at March 31, 2022 are as follows**

| ₹ in Crore                                                                                      |                                           |                                            |                                                |                                                           |                                           |
|-------------------------------------------------------------------------------------------------|-------------------------------------------|--------------------------------------------|------------------------------------------------|-----------------------------------------------------------|-------------------------------------------|
| Particulars                                                                                     | Opening Balance<br>(As at April 01, 2021) | Recognised in Statement of Profit and Loss | Recognised in other comprehensive income (OCI) | Recognised directly in OCI - Foreign Exchange adjustments | Closing Balance<br>(As at March 31, 2022) |
| <b>Deferred tax (liabilities)/assets in relation to :</b>                                       |                                           |                                            |                                                |                                                           |                                           |
| Property, plant and equipment and Intangible assets                                             | (16.08)                                   | (1.03)                                     | -                                              | 2.10                                                      | <b>(15.01)</b>                            |
| Mark to Market adjustments on derivatives measured at Fair Value through Profit or loss         | (0.90)                                    | 2.43                                       | -                                              | 0.32                                                      | <b>1.85</b>                               |
| Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent years | 24.57                                     | 5.07                                       | -                                              | 3.92                                                      | <b>33.56</b>                              |
| Tax loss carry forward*                                                                         | 56.00                                     | 114.26                                     | -                                              | 29.58                                                     | <b>199.84</b>                             |
| Other assets and deferred expenses                                                              | (1.66)                                    | (1.69)                                     | -                                              | (2.76)                                                    | <b>(6.11)</b>                             |
| <b>Deferred Tax (liabilities)/assets (net)</b>                                                  | <b>61.93</b>                              | <b>119.04</b>                              | <b>-</b>                                       | <b>33.16</b>                                              | <b>214.13</b>                             |

#### Foot Note :

Deferred tax liabilities/ assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

\* Recognised in view of confirmed profitable orders secured by an overseas subsidiary.

## Notes

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### NOTE 30 - OTHER NON CURRENT LIABILITIES

| Particulars                                | ₹ in Crore              |                         |
|--------------------------------------------|-------------------------|-------------------------|
|                                            | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                        |                         |                         |
| Deferred Government Grant (Refer note 68)* | 0.45                    | 0.47                    |
| <b>Total</b>                               | <b>0.45</b>             | <b>0.47</b>             |

#### \* Movement in deferred Government Grant

| Particulars                                                    |  | ₹ in Crore  |
|----------------------------------------------------------------|--|-------------|
| <b>Balance as at March 31, 2021</b>                            |  | -           |
| Add: Received during the year                                  |  | 0.50        |
| Less: Recognised as income during the year                     |  | 0.01        |
| Less: Disclosed as other current liabilities (Refer note - 36) |  | 0.02        |
| <b>Balance as at March 31, 2022</b>                            |  | <b>0.47</b> |
| Add: Received during the year                                  |  | -           |
| Less: Recognised as income during the year                     |  | -           |
| Less: Disclosed as other current liabilities (Refer note - 36) |  | 0.02        |
| <b>Balance as at March 31, 2023</b>                            |  | <b>0.45</b> |

### NOTE 31 - BORROWINGS

| Particulars |                                                   | ₹ in Crore              |                         |
|-------------|---------------------------------------------------|-------------------------|-------------------------|
|             |                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>I</b>    | <b>Loans repayable on demand</b>                  |                         |                         |
|             | <b>From Banks</b>                                 |                         |                         |
|             | Secured [Refer note 31.1(a)]                      | 1,037.48                | 670.89                  |
|             | Unsecured [Refer note 31.1(b)]                    | 86.10                   | 153.79                  |
|             |                                                   | <b>1,123.58</b>         | <b>824.68</b>           |
| <b>II</b>   | <b>Other short term borrowings</b>                |                         |                         |
|             | <b>From Banks</b>                                 |                         |                         |
|             | Secured [Refer note 31.2(a)]                      | 522.10                  | 547.26                  |
|             | Unsecured [Refer note 31.2(b)]                    | 466.95                  | 65.93                   |
|             |                                                   | <b>989.05</b>           | <b>613.19</b>           |
|             | <b>From Other Parties</b>                         |                         |                         |
|             | Secured [Refer note 31.2(c)]                      | -                       | 190.80                  |
|             | Unsecured [Refer note 31.2(c)]                    | 296.18                  | 768.28                  |
|             |                                                   | <b>296.18</b>           | <b>959.08</b>           |
| <b>III</b>  | <b>Current Maturities of Long Term Borrowings</b> |                         |                         |
|             | <b>From banks</b>                                 |                         |                         |
|             | Secured [Refer note 31.3]                         | 16.44                   | -                       |
|             | Unsecured [Refer note 31.3]                       | 276.04                  | 72.50                   |
|             |                                                   | <b>292.48</b>           | <b>72.50</b>            |
|             |                                                   | <b>2,701.29</b>         | <b>2,469.45</b>         |

## Notes

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### Note 31.1 : Loans repayable on demand from banks :

#### (a) Secured

- ₹ 1,023.68 crore (As at March 31, 2022 ₹ 570.89 crore) obtained from consortium of banks which are secured by first pari passu charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second pari passu charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first pari passu charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 5% to 8.70% p.a. (previous year interest rates ranges from 5 % to 9.15% p.a).
- ₹ 13.80 crore (As at March 31, 2022 ₹ Nil), pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.
- ₹ Nil (As at March 31, 2022 ₹ 100 crore), secured by GST receivable. The interest rates were in the ranges from 5.10 % to 5.15% p.a.

#### (b) Unsecured

- ₹ Nil (As at March 31, 2022 ₹ 11.95 crore) pertains to subsidiary at Mexico. The interest rates were in the ranges from 4.47% to 9.47 % p.a.
- ₹ Nil (As at March 31, 2022 ₹ 2.44 crore), pertains to subsidiary at Malaysia. The interest rate was 2.5% + KLIBOR.
- ₹ Nil (As at March 31, 2022 ₹ 139.40 crore) pertains to subsidiary at Brazil . The interest rates were in the ranges from 4.47% to 9.47 % p.a.
- ₹ 5.23 crore (As at March 31, 2022 ₹ Nil), pertain to subsidiary KEC Towers LLC. The interest rate is 8.16% p.a.
- ₹ 80.87 crore (As at March 31, 2022 ₹ Nil) pertaining to a subsidiary at Brazil. The interest rate is 17.60% p.a.

### Note 31.2 : Other short-term borrowings

#### (a) From Banks-Secured

- ₹ 415.21 crore (As at March 31, 2022 ₹ 502.48 crore) PCFC and FCNRB loans secured by security stated in Note 31.1(a) (i) above. The interest rates are in the ranges from 3.81% to 6.22% p.a. (previous year interest rates ranges from 0.50% to 1.70% p.a.).
- ₹ 9.17 crore (As at March 31, 2022 ₹ 42.88 crore) debtors bill discounting secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 3.30% to 7.53% p.a. (previous year interest rates ranges from 2.90% to 3.30 % p.a.).
- ₹ 38.49 crore (As at March 31, 2022 ₹ Nil) pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges of 6.87% p.a to 7.25% p.a.
- ₹ 15.68 crore (As at March 31, 2022 ₹ 1.90 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges from 4.20% to 7.90% p.a. (previous year interest rates ranges from 4.20% to 7.90% p.a.).
- ₹ 43.55 crore - (As at March 31, 2022 ₹ Nil) debtors bill discounting secured by assignment of certain book debt for Cable projects. The interest rates are in ranges from 8.00% to 8.55% p.a.

#### (b) From Bank-unsecured

- ₹ 16.95 crore (As at March 31, 2022 ₹ 65.93 crore) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 4.29% to 8.00 % p.a. (previous year interest rates ranges from 4.39% to 6.50 % p.a.).
- ₹ 450 crore (As at March 31, 2022 ₹ Nil). The interest rates are in the ranges from 7.00% to 8.05% p.a.

## Notes

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### (c) From Other Parties

#### Secured:

₹ Nil (As at March 31, 2022 ₹ 190.80 crore) secured by security stated against Note 31.1 (i) above. The interest rates were in the ranges from 3.05% to 3.75% p.a.

#### Unsecured:

₹ 296.18 crore (As at March 31, 2022 ₹ 768.28 crore) being listed commercial papers which carries interest rate ranges between 7.90% p.a. to 8.20% p.a. (previous year interest rates ranges from 4.53% p.a. to 5.18% p.a.). Maturity for current year commercial paper ranges from 85 days to 90 days (previous year maturity ranges from 90 days to 180 days).

### Note 31.3 Current Maturities of Long Term Borrowings

#### Secured:

₹ 16.44 crore (As at March 31, 2022 - Nil) External Commercial Borrowing loan secured by first charge over construction Equipments present at all projects site relating to its Transsmission, Railway and Civil business in India. Repayment terms is three equal yearly instalments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

#### Unsecured:

- (i) ₹ 150 crore (As at March 31, 2022 - Nil) loan repayment is in Two equal installments due on September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.
- (ii) ₹ 69.00 crore (Previous year ₹72.50 crore) pertains to a subsidiary at Brazil repayable in quarterly structured instalments during from 2024 to 2025. The present rate of interest is 19.15% p.a. (previous year interest rates ranges from 11.65% to 17.89% p.a). These loans are repayable in Brazilian Real (BRL).
- (iii) ₹ 57.04 crore (previous year ₹ Nil) pertains to a subsidiary at Brazil repayable in monthly structured instalments during from 2023 to 2024. The present interest rate are in ranges from 18.40% to 22.25% p.a. These loans are repayable in Brazilian Real (BRL).

**Note 31.4** The Group has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Group with banks and financial institutions are in agreement with the books of accounts.

As at March 31, 2023 and March 31, 2022, the Group was in compliance with all of its debt covenants for borrowings.

### NOTE 32 - LEASE LIABILITIES

| ₹ in Crore                         |                         |                         |
|------------------------------------|-------------------------|-------------------------|
| Particulars                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Current</b>                     |                         |                         |
| Lease liabilities (Refer note 53 ) | 25.75                   | 34.46                   |
| <b>Total</b>                       | <b>25.75</b>            | <b>34.46</b>            |

### NOTE 33 - TRADE PAYABLES

| ₹ in Crore                                                                      |                         |                         |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Trade payables</b>                                                           |                         |                         |
| (i) Total outstanding dues of micro and small enterprises (Refer note 33.1)     | 171.98                  | 154.83                  |
| (ii) Total outstanding dues of creditors other than micro and small enterprises |                         |                         |
| (a) Acceptance                                                                  | 2,113.06                | 2,151.81                |
| (b) Others                                                                      | 6,103.29                | 4,540.69                |
|                                                                                 | <b>8,216.35</b>         | <b>6,692.50</b>         |
|                                                                                 | <b>8,388.33</b>         | <b>6,847.33</b>         |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

**Note 33.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Group.**

| ₹ in Crore                                                                                                                                                                                                                                                    |                         |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) The principal amount remaining unpaid to supplier as at the end of accounting year                                                                                                                                                                        | 153.03                  | 135.79                  |
| (b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.                                                                                                                                                                   | 3.17                    | 1.38                    |
| (c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year                                                                                                   | -                       | -                       |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.                                            | 15.77                   | 17.66                   |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year                                                                                                                                                     | 0.71                    | 4.16                    |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure. | 18.94                   | 19.04                   |

### Note 33.2: Trade payable ageing schedule

As at March 31, 2023

| ₹ in Crore                             |                                                             |                 |                 |                   |               |               |                   |                 |
|----------------------------------------|-------------------------------------------------------------|-----------------|-----------------|-------------------|---------------|---------------|-------------------|-----------------|
| Particulars                            | Outstanding for following periods from due date of payments |                 |                 |                   |               |               |                   |                 |
|                                        | Dispute Status                                              | Unbilled        | Not Due         | Less than 1 years | 1-2 years     | 2-3 years     | More than 3 years | Total           |
| Micro and Small enterprises            | Disputed                                                    | -               | -               | -                 | -             | -             | -                 | -               |
|                                        | Undisputed                                                  | -               | 82.99           | 48.02             | 18.84         | 12.41         | 9.72              | <b>171.98</b>   |
| Other than Micro and Small enterprises | Disputed                                                    | -               | -               | -                 | -             | 0.01          | 0.62              | <b>0.63</b>     |
|                                        | Undisputed                                                  | 1,442.48        | 3,308.56        | 868.66            | 246.54        | 97.57         | 138.85            | <b>6,102.66</b> |
| Acceptances                            |                                                             | -               | 2,113.06        | -                 | -             | -             | -                 | <b>2,113.06</b> |
|                                        |                                                             | <b>1,442.48</b> | <b>5,504.61</b> | <b>916.68</b>     | <b>265.38</b> | <b>109.99</b> | <b>149.19</b>     | <b>8,388.33</b> |

As at March 31, 2022

| ₹ in Crore                             |                                                             |                 |                 |                   |              |              |                   |                 |
|----------------------------------------|-------------------------------------------------------------|-----------------|-----------------|-------------------|--------------|--------------|-------------------|-----------------|
| Particulars                            | Outstanding for following periods from due date of payments |                 |                 |                   |              |              |                   |                 |
|                                        | Dispute Status                                              | Unbilled        | Not Due         | Less than 1 years | 1-2 years    | 2-3 years    | More than 3 years | Total           |
| Micro and Small enterprises            | Disputed                                                    | -               | -               | -                 | -            | -            | -                 | -               |
|                                        | Undisputed                                                  | -               | 100.01          | 42.18             | 6.59         | 4.25         | 1.80              | <b>154.83</b>   |
| Other than Micro and Small enterprises | Disputed                                                    | -               | 0.38            | 0.01              | 0.23         | 0.05         | 0.33              | <b>1.00</b>     |
|                                        | Undisputed                                                  | 1,322.55        | 2,372.68        | 755.07            | 28.32        | 21.51        | 39.56             | <b>4,539.69</b> |
| Acceptances                            |                                                             | -               | 2,151.81        | -                 | -            | -            | -                 | <b>2,151.81</b> |
|                                        |                                                             | <b>1,322.55</b> | <b>4,624.88</b> | <b>797.26</b>     | <b>35.14</b> | <b>25.81</b> | <b>41.69</b>      | <b>6,847.33</b> |

## Notes

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### NOTE 34 - OTHER FINANCIAL LIABILITIES

| Particulars                                                   | ₹ in Crore              |                         |
|---------------------------------------------------------------|-------------------------|-------------------------|
|                                                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Interest accrued but not due on borrowings                | 21.39                   | 12.21                   |
| (b) Interest accrued on acceptances                           | 0.25                    | 0.72                    |
| (c) Unpaid / unclaimed dividends #                            | 3.00                    | 3.01                    |
| (d) Payable towards purchase of property, plant and equipment | 10.52                   | 16.40                   |
| (e) Mark to market loss on forward contracts (Refer note 55C) | 15.91                   | 2.87                    |
| (f) Directors' commission                                     | 3.10                    | 6.39                    |
|                                                               | <b>54.17</b>            | <b>41.60</b>            |

# The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. There are no amounts required to be transferred to Investor educationa and protection fund as at balance sheet date.

### NOTE 35 - CONTRACT LIABILITIES

| Particulars                                    | ₹ in Crore              |                         |
|------------------------------------------------|-------------------------|-------------------------|
|                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (i) Amount due to customers for contract works | 245.75                  | 793.22                  |
| (ii) Advance from customer                     | 2,357.80                | 1,586.12                |
| (iii) Interest on customer advance             | 16.75                   | 31.53                   |
|                                                | <b>2,620.30</b>         | <b>2,410.87</b>         |

### NOTE 36 - OTHER CURRENT LIABILITIES

| Particulars                                                                                       | ₹ in Crore              |                         |
|---------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Advances against assets classified as held for sale [Refer note 23.1(a)]                      | 9.41                    | 9.41                    |
| (b) Other payables :                                                                              |                         |                         |
| - Statutory dues (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.) | 202.99                  | 109.40                  |
| - Liability towards Corporate Social Responsibility (Refer note 63)                               | 4.34                    | 3.13                    |
| - Deferred Government Grant (Refer note 68)*                                                      | 0.02                    | 0.02                    |
|                                                                                                   | <b>207.35</b>           | <b>112.55</b>           |
|                                                                                                   | <b>216.76</b>           | <b>121.96</b>           |

#### \* Movement in deferred Government Grant

| Particulars                                                         | ₹ in Crore  |
|---------------------------------------------------------------------|-------------|
| Balance as at March 31, 2021                                        | -           |
| Add: Transferred from other non current liabilities (Refer note 30) | 0.02        |
| Balance as at March 31, 2022                                        | <b>0.02</b> |
| Less: Recognised as income during the year                          | 0.02        |
| Add: Transferred from other non current liabilities (Refer note 30) | 0.02        |
| Balance as at March 31, 2023                                        | <b>0.02</b> |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 37 - PROVISIONS

| Particulars                                                                    | ₹ in Crore              |                         |
|--------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>(a) Provision for employee benefits</b>                                     |                         |                         |
| - Compensated absences (Refer note 56)                                         | 37.22                   | 37.31                   |
| - Gratuity, post employment benefits (Refer note 56)                           | 2.85                    | 2.31                    |
|                                                                                | <b>40.07</b>            | <b>39.62</b>            |
| <b>(b) Provision - others :</b>                                                |                         |                         |
| - Warranty provisions (Refer note 37.1)                                        | 5.69                    | 3.11                    |
| - Provision for litigation claims (Refer note 37.2 and note 37.3)              | 21.38                   | 19.78                   |
| - Provision for foreseeable losses on construction contracts (Refer note 37.4) | 27.30                   | 25.29                   |
|                                                                                | <b>54.37</b>            | <b>48.18</b>            |
|                                                                                | <b>94.44</b>            | <b>87.80</b>            |

#### Note: 37.1 Warranty provisions

The Group bases its estimates of warranty cost on historical experience and on various other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates.

The warranty provisions for various years are as follows:

| Particulars                                    | ₹ in Crore              |                         |
|------------------------------------------------|-------------------------|-------------------------|
|                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance                                | 3.11                    | 6.73                    |
| Additions                                      | 1.84                    | 0.74                    |
| Utilisations /(reversals)                      | (0.02)                  | (4.71)                  |
| Effect of translation adjustment (gain) / loss | 0.76                    | 0.35                    |
| Closing balance                                | <b>5.69</b>             | <b>3.11</b>             |

#### Note: 37.2

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

| Particulars                                    | ₹ in Crore              |                         |
|------------------------------------------------|-------------------------|-------------------------|
|                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance                                | 19.78                   | 21.02                   |
| Additions                                      | 2.99                    | 0.11                    |
| Less: Reversals                                | 1.78                    | 0.80                    |
| Effect of translation adjustment (gain) / loss | 0.39                    | (0.55)                  |
| Closing balance                                | <b>21.38</b>            | <b>19.78</b>            |

#### Note: 37.3

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the Company. The same is challenged by the Company before Hon'ble Delhi High Court. The balance provision relate to various sales tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### Note 37.4 Movement in Provision for expected foreseeable losses on construction contracts

| Particulars                                    | ₹ in Crore              |                         |
|------------------------------------------------|-------------------------|-------------------------|
|                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance                                | 25.29                   | 3.52                    |
| Additions                                      | 20.86                   | 24.54                   |
| Less: Reversals                                | 18.90                   | 2.78                    |
| Effect of translation adjustment (gain) / loss | 0.05                    | 0.01                    |
| <b>Closing balance</b>                         | <b>27.30</b>            | <b>25.29</b>            |

Provision for foreseeable loss represents provision created towards unavoidable costs of meeting the obligations under the contract which exceed the economic benefits expected to be received under it.

### NOTE 38 - CURRENT TAX LIABILITIES (NET)

| Particulars                          | ₹ in Crore              |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Income tax liabilities less payments | 107.98                  | 89.66                   |
|                                      | <b>107.98</b>           | <b>89.66</b>            |

### NOTE 39 - REVENUE FROM OPERATIONS

| Particulars                                                 | ₹ in Crore                           |                                      |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                             | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Revenue from Contract with customers (Refer note 52)</b> |                                      |                                      |
| (a) Sale of products                                        | 2,253.47                             | 1,376.01                             |
| (b) Construction contracts revenue                          | 14,709.15                            | 12,113.29                            |
| (c) Sale of services                                        | 34.18                                | 24.49                                |
|                                                             | <b>16,996.80</b>                     | <b>13,513.79</b>                     |
| <b>Other operating revenue</b>                              |                                      |                                      |
| - Scrap sales                                               | 255.78                               | 216.97                               |
| - Others                                                    | 29.13                                | 11.50                                |
|                                                             | <b>284.91</b>                        | <b>228.47</b>                        |
|                                                             | <b>17,281.71</b>                     | <b>13,742.26</b>                     |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 40 - OTHER INCOME

| Particulars                                                                                                  | ₹ in Crore                           |                                      |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                                              | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| (a) Interest income earned on financial assets that are not designated at fair value through profit or loss: |                                      |                                      |
| (i) Bank deposits (at amortised cost)                                                                        | 2.00                                 | 1.31                                 |
| (ii) Other financial assets carried at amortised cost                                                        | 14.19                                | 2.68                                 |
|                                                                                                              | <b>16.19</b>                         | <b>3.99</b>                          |
| (b) Interest income earned on financial assets that are designated at fair value through profit or loss:     |                                      |                                      |
| (i) - Interest on Commercial Paper                                                                           | -                                    | 1.36                                 |
|                                                                                                              | <b>-</b>                             | <b>1.36</b>                          |
| (c) Other Interest Income                                                                                    |                                      |                                      |
| (i) Excise and VAT refund                                                                                    | -                                    | 0.19                                 |
| (ii) Income tax refund                                                                                       | 7.01                                 | 5.02                                 |
|                                                                                                              | <b>7.01</b>                          | <b>5.21</b>                          |
| (d) Government Grant (Refer note 68)                                                                         | 0.02                                 | 0.16                                 |
| (e) Other non-operating income:                                                                              |                                      |                                      |
| (i) Guarantee charges                                                                                        | 0.90                                 | 0.32                                 |
| (ii) Profit on sale of property, plant and equipment [Refer note 22.1 (b)]                                   | 4.28                                 | 0.86                                 |
| (iii) Bad Debts Recovered                                                                                    | 0.41                                 | -                                    |
| (iv) Miscellaneous income #                                                                                  | 2.51                                 | 1.53                                 |
|                                                                                                              | <b>8.10</b>                          | <b>2.71</b>                          |
|                                                                                                              | <b>31.32</b>                         | <b>13.43</b>                         |

# It includes rent income on operating leases of ₹ 0.29 crore. [(Refer note 57(B))]

### NOTE 41 - COST OF MATERIALS CONSUMED

| Particulars                                                | ₹ in Crore                           |                                      |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                            | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Cost of materials consumed (including project bought outs) | 6,969.83                             | 6,090.81                             |
|                                                            | <b>6,969.83</b>                      | <b>6,090.81</b>                      |

### NOTE 42 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| Particulars                | ₹ in Crore                           |                                      |
|----------------------------|--------------------------------------|--------------------------------------|
|                            | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Opening stock</b>       |                                      |                                      |
| Finished goods             | 227.29                               | 195.93                               |
| Work-in-progress           | 195.90                               | 85.47                                |
|                            | <b>423.19</b>                        | <b>281.40</b>                        |
| <b>Less: Closing stock</b> |                                      |                                      |
| Finished goods             | 212.02                               | 227.29                               |
| Work-in-progress           | 112.40                               | 195.90                               |
|                            | <b>324.42</b>                        | <b>423.19</b>                        |
|                            | <b>98.77</b>                         | <b>(141.79)</b>                      |

## Notes

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### NOTE 43 - ERECTION AND SUB-CONTRACTING EXPENSES

| ₹ in Crore                                 |                                      |                                      |
|--------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Erection / construction materials consumed | 2,234.50                             | 1,161.38                             |
| Stores consumed                            | 210.41                               | 63.00                                |
| Sub-contracting expenses                   | 3,391.07                             | 2,720.41                             |
| Power, fuel and water charges              | 79.38                                | 48.45                                |
| Construction transport                     | 151.00                               | 123.50                               |
| Machinery Hire charges                     | 268.58                               | 190.27                               |
| Others                                     | 217.30                               | 202.14                               |
|                                            | <b>6,552.24</b>                      | <b>4,509.15</b>                      |

### NOTE 44 - EMPLOYEE BENEFITS EXPENSE

| ₹ in Crore                                                      |                                      |                                      |
|-----------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                     | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Salaries and wages                                              | 1,215.90                             | 1,154.78                             |
| Contribution to provident fund and other funds ( Refer note 55) | 48.69                                | 33.29                                |
| Staff welfare expenses                                          | 91.65                                | 70.59                                |
|                                                                 | <b>1,356.24</b>                      | <b>1,258.66</b>                      |

### NOTE 45 - FINANCE COSTS

| ₹ in Crore                                                         |                                      |                                      |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                        | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Interest expense for financial liabilities not classified at FVTPL | 523.77                               | 303.93                               |
| Interest expense on lease liabilities                              | 10.27                                | 6.78                                 |
| Other borrowing costs (processing fees, etc.)                      | 4.55                                 | 5.29                                 |
|                                                                    | <b>538.59</b>                        | <b>316.00</b>                        |

### NOTE 46 - DEPRECIATION AND AMORTISATION EXPENSE

| ₹ in Crore                                                   |                                      |                                      |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                  | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Depreciation on property, plant and equipment (Refer note 5) | 121.80                               | 105.87                               |
| Depreciation on Right of use assets (Refer note 6)           | 23.49                                | 25.06                                |
| Amortisation of intangible assets (Refer note 9)             | 16.19                                | 26.93                                |
|                                                              | <b>161.48</b>                        | <b>157.86</b>                        |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 47 - OTHER EXPENSES

| ₹ in Crore                                                                                  |                                      |                                      |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                 | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Tools, non-erection stores and maintenance spares consumed                                  | 22.70                                | 17.48                                |
| Power and fuel                                                                              | 72.60                                | 62.53                                |
| Rent                                                                                        | 57.22                                | 44.62                                |
| Rates and taxes, excluding taxes on income (net)                                            | 77.04                                | 59.59                                |
| Insurance                                                                                   | 112.23                               | 105.98                               |
| Bank (guarantee, letter of credit and other) charges                                        | 117.16                               | 96.52                                |
| Commission                                                                                  | 38.84                                | 25.63                                |
| Freight and forwarding (net)                                                                | 369.05                               | 279.03                               |
| Repairs to buildings                                                                        | 9.06                                 | 5.99                                 |
| Repairs to plant and equipment                                                              | 19.24                                | 15.14                                |
| Repairs to other property, plant and equipment                                              | 18.14                                | 16.59                                |
| Travelling and conveyance                                                                   | 115.39                               | 88.24                                |
| Payment to statutory auditors (net of Goods and Service Tax input credit, where applicable) |                                      |                                      |
| - as auditors (for audit of financial statements and limited reviews)                       | 1.92                                 | 1.92                                 |
| - for tax audit                                                                             | 0.08                                 | 0.08                                 |
| - for certification work                                                                    | 0.80                                 | 0.75                                 |
| - for reimbursement of expenses                                                             | 0.02                                 | 0.01                                 |
|                                                                                             | <b>2.82</b>                          | <b>2.76</b>                          |
| Professional fees                                                                           | 171.71                               | 111.76                               |
| Bad debts and loans written off                                                             | 28.38                                | 6.99                                 |
| Less: Adjusted against allowance for bad and doubtful debts, loans and advances             | (10.72)                              | (17.67)                              |
|                                                                                             | <b>17.66</b>                         | <b>(10.68)</b>                       |
| Allowance for bad and doubtful debts (net)                                                  | 32.80                                | 28.24                                |
| Directors' fees                                                                             | 0.70                                 | 0.71                                 |
| Loss on property, plant and equipment discarded                                             | 0.95                                 | 0.67                                 |
| Net gain on foreign currency transactions (Refer note 47.2)                                 | (28.19)                              | (61.02)                              |
| Corporate Social Responsibility (Refer note 63)                                             | 14.04                                | 13.81                                |
| Miscellaneous expenses (Refer note 47.1 )                                                   | 233.74                               | 218.34                               |
|                                                                                             | <b>1,474.90</b>                      | <b>1,121.93</b>                      |

**Note 47.1 :** Miscellaneous expenses shown above include fees of ₹ 1.79 crore (Previous year ₹ 1.92 crore) paid to branch auditors, fees of ₹ 0.14 crore for auditors of joint operations (Previous year of ₹ 0.40 crore), fees of ₹ 2.98 crore for auditors of subsidiaries (Previous year ₹ 2.20 crore).

**Note 47.2 :** Net gain on foreign currency transactions includes loss on derivative instruments ₹ 5.48 crore (previous year loss ₹1.16 crore)

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 48 - EXCEPTIONAL ITEM

| ₹ in Crore                                   |                                      |                                      |
|----------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                  | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Trade receivable written off (Refer note 64) | -                                    | 43.64                                |
|                                              | -                                    | <b>43.64</b>                         |

### NOTE 49 - TAX EXPENSE

| ₹ in Crore                                                                     |                                      |                                      |
|--------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                    | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Current tax</b>                                                             |                                      |                                      |
| In respect of the current year                                                 | 117.84                               | 200.73                               |
| In respect of prior years                                                      | 3.90                                 | (2.15)                               |
|                                                                                | <b>121.74</b>                        | <b>198.58</b>                        |
| <b>Deferred tax</b>                                                            |                                      |                                      |
| In respect of the current year                                                 | (112.79)                             | (124.32)                             |
| In respect of prior years                                                      | (24.00)                              | (6.91)                               |
|                                                                                | <b>(136.79)</b>                      | <b>(131.23)</b>                      |
| <b>Total income tax expense recognised in the Statement of Profit and Loss</b> | <b>(15.05)</b>                       | <b>67.35</b>                         |

**Note 49.1 The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Consolidated Statement of Profit and Loss is as follows :**

| ₹ in Crore                                                                                                  |                                      |                                      |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                                 | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Profit after exceptional items and before tax                                                               | 160.98                               | 399.43                               |
| Indian Statutory income tax rate                                                                            | 25.17%                               | 25.17%                               |
| Income tax expense                                                                                          | 40.52                                | 100.54                               |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income                      | 2.32                                 | 1.09                                 |
| Corporate social responsibility expenditure                                                                 | 3.53                                 | 3.48                                 |
| Tax effect of amounts taxable at lower tax rates/ different tax rates                                       | (6.25)                               | 1.36                                 |
| Effect of different tax rates of subsidiaries operating in other jurisdictions                              | (43.22)                              | (31.01)                              |
| Foreign Tax credit not available                                                                            | 9.36                                 | 2.14                                 |
| Effect of deferred tax liabilities on temporary adjustments of subsidiaries operating in other jurisdiction | 0.02                                 | (0.16)                               |
| Tax effect due to business combination adjustment on account of merger and acquisition                      | (1.23)                               | (1.03)                               |
|                                                                                                             | <b>5.05</b>                          | <b>76.41</b>                         |
| Adjustments recognised in the current year in relation to the current tax of prior years                    | <b>(20.10)</b>                       | <b>(9.06)</b>                        |
| Income tax expense in the Consolidated Statement of Profit and Loss                                         | <b>(15.05)</b>                       | <b>67.35</b>                         |

The tax rate used for the financial years 2022-23 and 2021-22 reconciliations above is the corporate tax rate of 25.17% payable by the corporate entities in India on taxable profits under the Indian tax law.

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### Note 49.2- Income tax recognised in other comprehensive income

| ₹ in Crore                                                                    |                                      |                                      |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                   | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Deferred tax</b>                                                           |                                      |                                      |
| Arising on income and expenses recognised in other comprehensive income:      |                                      |                                      |
| - Translation of foreign operations                                           | 3.09                                 | (0.30)                               |
| - Net gain on designated portion of hedging instruments                       | 2.80                                 | 0.60                                 |
| - Remeasurement of defined benefit obligations                                | 0.29                                 | (0.97)                               |
| <b>Total income tax recognised in other comprehensive income</b>              | <b>6.18</b>                          | <b>(0.67)</b>                        |
| Bifurcation of the income tax recognised in other comprehensive income into : |                                      |                                      |
| - Items that will not be reclassified to profit or loss                       | 0.29                                 | (0.97)                               |
| - Items that will be reclassified to profit or loss                           | 5.89                                 | 0.30                                 |
|                                                                               | <b>6.18</b>                          | <b>(0.67)</b>                        |

### NOTE 50 - EARNINGS PER SHARE

| Particulars                    | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | (₹ Per Share)                        | (₹ Per Share)                        |
| (a) Basic earnings per share   | 6.85                                 | 12.92                                |
| (b) Diluted earnings per share | 6.85                                 | 12.92                                |

### Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

| ₹ in Crore                                                                  |                                      |                                      |
|-----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                 | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Profit for the year attributable to the equity share holders of the Company | 176.03                               | 332.08                               |
| Earnings used in the calculation of basic/ diluted earnings per share       | 176.03                               | 332.08                               |

| Particulars                                                                                     | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
|-------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Weighted average number of equity shares for the purposes of basic / diluted earnings per share | 257,088,370                          | 257,088,370                          |

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### NOTE 51 - JOINTLY CONTROLLED OPERATIONS

Details of the Company's Jointly Controlled Operations are as under:

| Particulars                                                                               | Principal place of busines | Ownership Interest   |                      |
|-------------------------------------------------------------------------------------------|----------------------------|----------------------|----------------------|
|                                                                                           |                            | As at March 31, 2023 | As at March 31, 2022 |
| a) Jointly Controlled Operations                                                          |                            |                      |                      |
| i Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer note 51 (b)(i)] | Saudi                      | 51.10%               | 51.10%               |
| ii EJP KEC Joint Venture, South Africa                                                    | South Africa               | 50.00%               | 50.00%               |
| iii KEC – ASSB JV, Malaysia                                                               | Malaysia                   | 67.00%               | 67.00%               |
| iv KEC – ASIAKOM – UB JV                                                                  | India                      | 60.00%               | 60.00%               |
| v KEC – ASIAKOM JV                                                                        | India                      | 51.00%               | 51.00%               |
| vi KEC – DELCO – VARAHA JV                                                                | India                      | 80.00%               | 80.00%               |
| vii KEC – VARAHA – KHAZANA JV                                                             | India                      | 80.00%               | 80.00%               |
| viii KEC – VALECHA – DELCO JV                                                             | India                      | 51.00%               | 51.00%               |
| ix KEC – SIDHARTH JV                                                                      | India                      | 80.00%               | 80.00%               |
| x KEC – TRIVENI – KPIPL JV                                                                | India                      | 55.00%               | 55.00%               |
| xi KEC – UNIVERSAL JV                                                                     | India                      | 80.00%               | 80.00%               |
| xii KEC – DELCO – DUTSAN JV                                                               | India                      | 51.00%               | 51.00%               |
| xiii KEC – ANPR – KPIPL JV                                                                | India                      | 60.00%               | 60.00%               |
| xiv KEC – PLR – KPIPL JV                                                                  | India                      | 55.00%               | 55.00%               |
| xv KEC – BJCL JV                                                                          | India                      | 51.00%               | 51.00%               |
| xvi KEC – KIEL JV                                                                         | India                      | 90.00%               | 90.00%               |
| xvii KEC – ABEPL JV                                                                       | India                      | 90.00%               | 90.00%               |
| xviii KEC – TNR INFRA JV                                                                  | India                      | 51.00%               | 51.00%               |
| xix KEC – SMC JV                                                                          | India                      | 51.00%               | 51.00%               |
| xx KEC – WATERLEAU JV                                                                     | India                      | 51.00%               | 51.00%               |
| xxi KEC – CCECC JV (RAILWAY)                                                              | India                      | 74.00%               | 74.00%               |
| xxii KEC – CCECC JV (CIVIL)                                                               | India                      | 74.00%               | 74.00%               |
| xxiii CCECC – KEC JV (CIVIL)                                                              | India                      | 98.50%               | 98.50%               |
| xxiv LONGJIAN – KEC JV                                                                    | India                      | 98.50%               | 98.50%               |
| xxv MBPL – KEC JV                                                                         | India                      | 49.00%               | 49.00%               |
| xxvi VNC – KEC JV                                                                         | India                      | 49.00%               | 49.00%               |
| xxvii HCC – KEC CONSORTIUM                                                                | India                      | 49.00%               | 49.00%               |
| xxviii KEC – VNC CONSORTIUM                                                               | India                      | 50.00%               | 50.00%               |
| xxix KEC – SPML JV                                                                        |                            |                      |                      |
| a) KEC – SPML JV (Rayagada and Ganjam Project Civil)                                      | India                      | 70.00%               | 70.00%               |
| b) KEC – SPML JV (Nayagarh and Bargarh Project Civil)                                     | India                      | 95.00%               | -                    |
| xxx KEC-HMM INFRA JV                                                                      | India                      | 80.00%               | -                    |
| xxxI KEC – EMRAIL JV                                                                      | India                      | 74.00%               | -                    |

- b) (i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which hold 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation.

In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

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- ii) The Group account for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above. Accordingly, the Group has recognised its share in total income from operations ₹2,280.49 crore (for the year ended March 31, 2022 ₹1,346.18 crore), total expenditure (including tax) ₹ 2,209.20 crore (for the year ended March 31, 2022 ₹ 1,332.01 crore), total assets as at March 31, 2023 ₹ 2,083.08 crore (as at March 31, 2022 ₹ 1,251.99 crore) and total liabilities as at March 31, 2023 ₹1,805.99 crore (as at March 31, 2022 ₹ 1,063.23 crore) in Jointly Controlled Operations.
- iii) Apart from the Joint Venture (JV) agreements disclosed above in note no. 51 (a) The Group has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a "joint venture", these JVs are not jointly controlled by both the parties as per the requirements of "IND-AS 111 - Joint Arrangements". The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Group has recognised revenue, expenses, assets and liabilities related to its own share of work in standalone financial statements and respective financial statements of these JVs are not considered for the purpose of consolidation.
- iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

### NOTE 52 - REVENUE FROM CONTRACTS WITH CUSTOMERS

#### 52.1 Disaggregation of revenue from contracts with customers

The Group has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Group derives revenue from the transfer of goods and services 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract in the following major product lines and geographical regions:

| ₹ in Crore                               |                             |                 |                 |                 |             |               |                  |
|------------------------------------------|-----------------------------|-----------------|-----------------|-----------------|-------------|---------------|------------------|
| For the year ended March 31, 2023        | Transmission & Distribution | Railways        | Civil           | Cables          | Solar       | Oil and Gas   | Total            |
| <b>Segment revenue</b>                   |                             |                 |                 |                 |             |               |                  |
| - India                                  | 2,375.38                    | 3,916.47        | 4,313.15        | 1,469.71        | 4.74        | 511.29        | <b>12,590.74</b> |
| - UAE                                    | 718.09                      | -               | -               | 0.95            | 4.73        | -             | <b>723.77</b>    |
| - Brazil, Mexico & USA                   | 1,314.40                    | -               | -               | -               | -           | -             | <b>1,314.40</b>  |
| - Geographies other than above           | 4,934.91                    | -               | -               | 122.24          | -           | -             | <b>5,057.15</b>  |
| <b>Less: Inter-segment (SBU) revenue</b> |                             |                 |                 |                 |             |               |                  |
| - India                                  | 12.61                       | 256.09          | 1,009.90        | 460.66          | -           | 172.87        | <b>1,912.13</b>  |
| - UAE                                    | 192.87                      | -               | -               | -               | 4.73        | -             | <b>197.60</b>    |
| - Brazil, Mexico & USA                   | 41.17                       | -               | -               | -               | -           | -             | <b>41.17</b>     |
| - Geographies other than above           | 538.36                      | -               | -               | -               | -           | -             | <b>538.36</b>    |
| Revenue from external customers          | <b>8,557.77</b>             | <b>3,660.38</b> | <b>3,303.25</b> | <b>1,132.24</b> | <b>4.74</b> | <b>338.42</b> | <b>16,996.80</b> |
| <b>Timing of revenue recognition</b>     |                             |                 |                 |                 |             |               |                  |
| - At a point in time                     | 1,145.77                    | -               | 6.57            | 1,132.24        | 3.07        | -             | <b>2,287.65</b>  |
| - Over time                              | 7,412.00                    | 3,660.38        | 3,296.68        | -               | 1.67        | 338.42        | <b>14,709.15</b> |
|                                          | <b>8,557.77</b>             | <b>3,660.38</b> | <b>3,303.25</b> | <b>1,132.24</b> | <b>4.74</b> | <b>338.42</b> | <b>16,996.80</b> |

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| ₹ in Crore                               |                             |                 |                 |               |              |               |                  |
|------------------------------------------|-----------------------------|-----------------|-----------------|---------------|--------------|---------------|------------------|
| For the year ended March 31, 2022        | Transmission & Distribution | Railways        | Civil           | Cables        | Solar        | Oil and Gas   | Total            |
| <b>Segment revenue</b>                   |                             |                 |                 |               |              |               |                  |
| - India                                  | 2,530.68                    | 4,235.51        | 2,470.09        | 1,372.87      | 15.50        | 180.74        | <b>10,805.39</b> |
| - UAE                                    | 232.50                      | -               | -               | 0.43          | -            | -             | <b>232.93</b>    |
| - Brazil, Mexico & USA                   | 820.10                      | -               | -               | -             | -            | -             | <b>820.10</b>    |
| - Geographies other than above           | 3,614.18                    | -               | -               | 113.90        | 0.01         | -             | <b>3,728.09</b>  |
| <b>Less: Inter-segment (SBU) revenue</b> |                             |                 |                 |               |              |               |                  |
| - India                                  | 34.18                       | 381.06          | 582.42          | 628.13        | -            | 5.25          | <b>1,631.04</b>  |
| - UAE                                    | 44.84                       | -               | -               | -             | -            | -             | <b>44.84</b>     |
| - Brazil, Mexico & USA                   | 0.45                        | -               | -               | -             | -            | -             | <b>0.45</b>      |
| - Geographies other than above           | 396.39                      | -               | -               | -             | -            | -             | <b>396.39</b>    |
| Revenue from external customers          | <b>6,721.60</b>             | <b>3,854.45</b> | <b>1,887.67</b> | <b>859.07</b> | <b>15.51</b> | <b>175.49</b> | <b>13,513.79</b> |
| <b>Timing of revenue recognition</b>     |                             |                 |                 |               |              |               |                  |
| - At a point in time                     | 531.90                      | -               | 2.68            | 859.07        | 6.85         | -             | <b>1,400.50</b>  |
| - Over time                              | 6,189.70                    | 3,854.45        | 1,884.99        | -             | 8.66         | 175.49        | <b>12,113.29</b> |
|                                          | <b>6,721.60</b>             | <b>3,854.45</b> | <b>1,887.67</b> | <b>859.07</b> | <b>15.51</b> | <b>175.49</b> | <b>13,513.79</b> |

The Group recognised revenue amounting to ₹ 500.04 crore (for the year ended March 31, 2022, ₹ 351.62 crore) in the current reporting period that was included in the Amount due to customers for contract works balance i.e. contract liabilities as at March 31, 2022.

### 52.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2023 is ₹ 30,951 crore (for the year ended March 31, 2022, ₹ 23,716 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognised as revenue during next reporting period depending upon the progress on each contract. The remaining amount is expected to be recognised in subsequent years, largely in year 2. The amount disclosed above does not include variable consideration.

**52.3** There are no reconciliation items of revenue recognised from contracts with customers and contract price.

**52.4** In case of EPC projects, where the goods are procured from a third party, the Group makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Group is significantly involved in designing and manufacturing the procured material and/or there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

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### NOTE 53 - LEASES

| ₹ in Crore                                                                   |                         |                         |
|------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>(i) The Balance sheet shows the following amounts relating to leases:</b> |                         |                         |
| <b>Right of use assets</b> (Refer note 6)                                    |                         |                         |
| Buildings                                                                    | 62.99                   | 78.72                   |
| Plant & Machinery                                                            | 0.12                    | 0.56                    |
| Vehicles                                                                     | -                       | 0.06                    |
| Land                                                                         | 151.46                  | 151.98                  |
|                                                                              | <b>214.57</b>           | <b>231.32</b>           |
| <b>Lease liabilities</b>                                                     |                         |                         |
| Current (Refer note 32)                                                      | 25.75                   | 34.46                   |
| Non-current (Refer note 27)                                                  | 163.17                  | 167.44                  |
|                                                                              | <b>188.92</b>           | <b>201.90</b>           |

| Particulars                                                                                                       | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>(ii) Amounts recognised in statement of profit and loss</b>                                                    |                                      |                                      |
| <b>Depreciation charge on Right of use assets</b> (Refer note 6)                                                  |                                      |                                      |
| Buildings                                                                                                         | 14.13                                | 16.13                                |
| Plant & Machinery                                                                                                 | 0.46                                 | 1.15                                 |
| Vehicles                                                                                                          | 0.07                                 | 0.31                                 |
| Land                                                                                                              | 8.83                                 | 7.47                                 |
|                                                                                                                   | <b>23.49</b>                         | <b>25.06</b>                         |
| <b>(iii)</b> Interest expense included in finance cost                                                            | 10.27                                | 6.78                                 |
| <b>(iv)</b> Expense relating to short-term leases (included in other expenses)                                    | 57.22                                | 44.61                                |
| <b>(v)</b> Expense relating to leases of low-value assets that are not shown above as short-term leases           | -                                    | -                                    |
| <b>(vi)</b> Expense relating to variable lease payments not included in lease liability                           | -                                    | 0.01                                 |
| <b>(vii)</b> Amount recognised in profit and loss arising from rent concessions (Refer note 53.1) - (gain) / loss | -                                    | -                                    |

- (a) Total cash outflow for leases during current financial year is ₹ 30.09 crore (previous year ₹27.15 crore)
- (b) Additions to the right of use assets during the current financial year is ₹ 0.21 crore (previous year ₹78.71 crore)
- (c) There are no sale & leaseback transactions.
- (d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.
- (e) Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.
- (f) When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 5.87% (Previous year: 5.87%)

#### Note 53.1

The Group has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

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## NOTE 54 - CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity.

The capital structure of the Group consists of net debt (borrowings as detailed in Notes 26 and 31 offset by cash and bank balances in Notes 18 and 19) and total equity of the Group.

The Group is not subject to any externally imposed capital requirements.

The Group monitors capital using a gearing ratio, which is net debt divided by total equity.

The Group sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

### Gearing ratio

The gearing ratio at end of the reporting period is as follows :

| ₹ in Crore                           |              |                         |                         |
|--------------------------------------|--------------|-------------------------|-------------------------|
| Particulars                          |              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Debt *                               | A            | 3,404.76                | 3,076.82                |
| Cash and bank balances               | B            | 281.16                  | 207.63                  |
| Net debt (C )                        | C=A-B        | 3,123.60                | 2,869.19                |
| Total equity                         | D            | 3,771.42                | 3,619.93                |
| <b>Net debt to equity ratio ( E)</b> | <b>E=C/D</b> | <b>0.83</b>             | <b>0.79</b>             |

\* Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 26 and 31 and includes interest accrued thereon and lease liabilities as per Note 27 and 32.

During the year ended March 31, 2023, the Group has paid the final dividend of ₹4.00 per equity share for the year ended March 31, 2022 amounting to ₹ 102.83 crore.

The Board of directors, at their meeting held on May 03, 2023 recommended the final dividend of ₹3.00 per equity share for the year ended March 31, 2023, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 77.13 crore based on number of shares outstanding as at March 31, 2023.

## NOTE 55 - DISCLOSURE AS PER IND AS 107

### A Fair Value Measurement

#### I. Category-wise classification of financial assets and financial liabilities

| ₹ in Crore                                                |                      |       |                |                      |       |                |
|-----------------------------------------------------------|----------------------|-------|----------------|----------------------|-------|----------------|
| Particulars                                               | As at March 31, 2023 |       |                | As at March 31, 2022 |       |                |
|                                                           | FVPL                 | FVOCI | Amortised Cost | FVPL                 | FVOCI | Amortised Cost |
| <b>Financial assets</b>                                   |                      |       |                |                      |       |                |
| Non-current investment                                    |                      |       |                |                      |       |                |
| - Investment in equity instruments                        | -                    | *     | -              | -                    | *     | -              |
| - Investment in commercial paper                          | -                    | -     | -              | 12.64                | -     | -              |
| Trade receivables                                         | -                    | -     | 7,255.36       | -                    | -     | 5,573.79       |
| Cash and bank balances                                    | -                    | -     | 344.16         | -                    | -     | 261.94         |
| Loans                                                     | -                    | -     | -              | -                    | -     | -              |
| Other financial assets                                    |                      |       |                |                      |       |                |
| - Derivative instruments                                  |                      |       |                |                      |       |                |
| i) Foreign currency forward contracts                     | 3.12                 | 3.57  | -              | 15.84                | 4.93  | -              |
| ii) Over the counter (OTC) commodity derivative contracts | -                    | 8.27  | -              | -                    | 7.55  | -              |
| - Others                                                  | -                    | -     | 225.86         | -                    | -     | 126.45         |

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| ₹ in Crore                                                |                      |       |                |                      |       |                |
|-----------------------------------------------------------|----------------------|-------|----------------|----------------------|-------|----------------|
| Particulars                                               | As at March 31, 2023 |       |                | As at March 31, 2022 |       |                |
|                                                           | FVPL                 | FVOCI | Amortised Cost | FVPL                 | FVOCI | Amortised Cost |
| <b>Financial liabilities</b>                              |                      |       |                |                      |       |                |
| Borrowings ( including interest accrued)                  | -                    | -     | 3,215.84       | -                    | -     | 2,874.92       |
| Trade payables                                            | -                    | -     | 8,388.33       | -                    | -     | 6,847.33       |
| Other financial liabilities                               |                      |       |                |                      |       |                |
| - Derivative instruments                                  |                      |       |                |                      |       |                |
| i) Foreign currency forward contracts                     | 3.91                 | 7.64  | -              | 1.81                 | 0.72  | -              |
| ii) Over the counter (OTC) commodity derivative contracts | -                    | 4.36  | -              | -                    | 0.34  | -              |
| - Others                                                  | -                    | -     | 205.79         | -                    | -     | 228.42         |

\* less than rounding off norms adopted by the group.

‘ FVPL - Fair Value Through Profit or Loss

‘ FVOCI - Fair Value Through Other Comprehensive Income

#### II. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

| ₹ in Crore                               |                      |                 |                      |                 |
|------------------------------------------|----------------------|-----------------|----------------------|-----------------|
| Particulars                              | As at March 31, 2023 |                 | As at March 31, 2022 |                 |
|                                          | Fair Value           | Carrying Amount | Fair Value           | Carrying Amount |
| <b>Non-current financial assets</b>      |                      |                 |                      |                 |
| Trade receivables                        | 359.30               | 359.30          | 467.69               | 467.69          |
| Other Financial Assets                   | 76.20                | 76.20           | 41.03                | 41.03           |
| <b>Non current financial liabilities</b> |                      |                 |                      |                 |
| Borrowings                               | 493.16               | 493.16          | 393.26               | 393.26          |
| Lease liabilities                        | 163.17               | 163.17          | 167.44               | 167.44          |

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

#### III. Assets and liabilities which are measured at FVPL or FVOCI

This note provides information about how the Group determines fair values of various financial assets and financial liabilities. Fair value of the Group's financial assets and financial liabilities are measured on a recurring basis at the end of each reporting period.

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The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

₹ in Crore

| Financial assets/ financial liabilities                                                                                                                                   | Fair values as at |                   | Fair value hierarchy | Valuation technique(s) and key input(s)                                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                           | March 31, 2023    | March 31, 2022    |                      |                                                                                                                                                   |
| 1) Investment in commercial paper                                                                                                                                         | Asset- Nil        | Asset- ₹ 12.64    | Level 2              | Use of quoted market prices                                                                                                                       |
| 2) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)                                                           | Asset ₹ 3.12      | Asset- ₹ 15.84    | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 3) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)                                                           | Liability- ₹ 3.9  | Liability- ₹ 1.81 | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 4) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)                        | Asset - ₹ 3.57    | Asset- ₹ 4.93     | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 5) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)                        | Liability- ₹ 7.64 | Liability ₹ 0.72  | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a INR funding rate. |
| 6) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Asset - ₹ 8.27    | Asset ₹ 7.55      | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at a USD funding rate. |
| 7) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Liability ₹ 4.36  | Liability- ₹ 0.34 | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at a USD funding rate.     |

### B Financial risk management

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

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### 55B.1 Market risk

The Group seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Group has Risk Management Policies to mitigate the risks in commodity and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Group does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates [refer Notes 55B.1(a) and 55B.1(b) below] and commodity prices (refer Note 55C below). The Group enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the price risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors .

#### (a) Foreign currency risk management

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

Following is the foreign currency exposure of the Group :

| Particulars                            | USD               | BRL             | EUR             | SAR             | Others          | Total             |
|----------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| <b>As at March 31, 2023</b>            |                   |                 |                 |                 |                 |                   |
| Assets                                 | 2,516.57          | 225.81          | 500.34          | 729.48          | 1,222.93        | <b>5,195.13</b>   |
| Less: Hedged through forward contracts | 227.48            | -               | -               | -               | 262.21          | <b>489.69</b>     |
| <b>Net Assets (i)</b>                  | <b>2,289.09</b>   | <b>225.81</b>   | <b>500.34</b>   | <b>729.48</b>   | <b>960.72</b>   | <b>4,705.44</b>   |
| Liabilities                            | (1,579.05)        | (710.95)        | (23.03)         | (341.53)        | (652.69)        | <b>(3,307.25)</b> |
| Less: Hedged through forward contracts | -                 | -               | -               | -               | (4.12)          | <b>(4.12)</b>     |
| <b>Net Liabilities (ii)</b>            | <b>(1,579.05)</b> | <b>(710.95)</b> | <b>(23.03)</b>  | <b>(341.53)</b> | <b>(648.57)</b> | <b>(3,303.13)</b> |
| <b>Net exposure (i)+(ii)</b>           | <b>710.04</b>     | <b>(485.14)</b> | <b>477.31</b>   | <b>387.95</b>   | <b>312.15</b>   | <b>1,402.31</b>   |
| <b>As at March 31, 2022</b>            |                   |                 |                 |                 |                 |                   |
| Assets                                 | 2,189.30          | 167.81          | 633.18          | 244.69          | 1,380.18        | <b>4,615.16</b>   |
| Less: Hedged through forward contracts | 433.79            | -               | -               | -               | 163.33          | <b>597.12</b>     |
| <b>Net Assets (i)</b>                  | <b>1,755.51</b>   | <b>167.81</b>   | <b>633.18</b>   | <b>244.69</b>   | <b>1,216.85</b> | <b>4,018.04</b>   |
| Liabilities                            | (1,703.80)        | (691.28)        | (205.03)        | (2.81)          | (723.43)        | <b>(3,326.35)</b> |
| Less: Hedged through forward contracts | (2.18)            | -               | -               | -               | (0.63)          | <b>(2.81)</b>     |
| <b>Net Liabilities (ii)</b>            | <b>(1,701.62)</b> | <b>(691.28)</b> | <b>(205.03)</b> | <b>(2.81)</b>   | <b>(722.80)</b> | <b>(3,323.54)</b> |
| <b>Net exposure (i)+(ii)</b>           | <b>53.89</b>      | <b>(523.47)</b> | <b>428.15</b>   | <b>241.88</b>   | <b>494.05</b>   | <b>694.50</b>     |

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### Sensitivity for above net exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of foreign operations whose Functional currency is other than INR.

5% appreciation / depreciation in the foreign currency will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

₹ in Crore

| Exposure to currencies | Change in rate | Impact on profit before tax          |                                      | Impact on equity        |                         |
|------------------------|----------------|--------------------------------------|--------------------------------------|-------------------------|-------------------------|
|                        |                | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| USD                    | +5%            | 25.59                                | (5.80)                               | 9.91                    | 8.49                    |
|                        | -5%            | (25.59)                              | 5.80                                 | (9.91)                  | (8.49)                  |
| BRL                    | +5%            | -                                    | -                                    | (24.26)                 | (26.17)                 |
|                        | -5%            | -                                    | -                                    | 24.26                   | 26.17                   |
| EUR                    | +5%            | 24.09                                | 22.13                                | (0.22)                  | (0.72)                  |
|                        | -5%            | (24.09)                              | (22.13)                              | 0.22                    | 0.72                    |
| SAR                    | +5%            | (0.22)                               | (0.30)                               | 19.62                   | 12.40                   |
|                        | -5%            | 0.22                                 | 0.30                                 | (19.62)                 | (12.40)                 |
| Others                 | +5%            | 13.59                                | 48.35                                | 2.02                    | (2.24)                  |
|                        | -5%            | (13.59)                              | (48.35)                              | (2.02)                  | 2.24                    |

### (b) Interest rate risk management

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. The Group's exposure to changes in interest rates relates primarily to the Group's outstanding floating rate debt. While most of the Group's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR.

Group's rupee borrowings are linked to variability in Bank MCLR rate, repo rate and T bill rates.

The Group's exposures to interest rates changes at the end of the reporting period are as follows :

₹ in Crore

| Particulars               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------|-------------------------|-------------------------|
| Variable rate instruments | 1,260.32                | 1,152.01                |
| Fixed rate instruments    | 4,047.19                | 3,862.51                |
|                           | <b>5,307.51</b>         | <b>5,014.52</b>         |

### Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's :

Profit for the year ended March 31, 2023 would decrease/increase by ₹6.30 crore (for the year ended March 31, 2022 : decrease/increase by ₹5.76 crore ). This is mainly attributable to the Group's exposure to interest rates on its variable rate borrowings.

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### (c) Commodity price risk

The Group is exposed to movement in metal commodity prices of Copper, Aluminium, Zinc and Lead. Most of the Group's contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. The Group has a well defined hedging policy approved by Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimizes the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Group either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly.

### 55B.2 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Group's short-term, medium-term and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

₹ in Crore

| Particulars                  | Less than<br>1 year | 1-3 Years     | 3-5 Years     | More than<br>5 year | Total            | Carrying<br>Amount |
|------------------------------|---------------------|---------------|---------------|---------------------|------------------|--------------------|
| <b>As at March 31, 2023</b>  |                     |               |               |                     |                  |                    |
| Interest bearing liabilities | 2,775.39            | 398.15        | 165.84        | -                   | 3,339.38         | <b>3,215.85</b>    |
| Lease liabilities            | 22.05               | 52.61         | 38.67         | 166.06              | 279.39           | <b>188.92</b>      |
| Trade payables               | 8,388.33            | -             | -             | -                   | 8,388.33         | <b>8,388.33</b>    |
| Other financial liabilities  | 32.78               | -             | -             | -                   | 32.78            | <b>32.78</b>       |
| <b>Total</b>                 | <b>11,218.55</b>    | <b>450.76</b> | <b>204.51</b> | <b>166.06</b>       | <b>12,039.88</b> | <b>11,825.87</b>   |
| <b>As at March 31, 2022</b>  |                     |               |               |                     |                  |                    |
| Interest bearing liabilities | 2,481.66            | 347.64        | 45.62         | -                   | 2,874.92         | <b>2,874.92</b>    |
| Lease liabilities            | 37.24               | 51.87         | 40.26         | 175.36              | 304.73           | <b>201.90</b>      |
| Trade payables               | 6,847.33            | -             | -             | -                   | 6,847.33         | <b>6,847.33</b>    |
| Other financial liabilities  | 29.39               | -             | -             | -                   | 29.39            | <b>29.39</b>       |
|                              | <b>9,395.62</b>     | <b>399.51</b> | <b>85.88</b>  | <b>175.36</b>       | <b>10,056.37</b> | <b>9,953.54</b>    |

The Group has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 9,180.70 crore as at March 31, 2023 (₹ 8,737.69 crore as at March 31, 2022).

### 55B.3 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Group's major customers includes government bodies and public sector undertakings. Further, many of the International projects are funded by the multilateral agencies such as World Bank, African Development Bank, Asian Development Bank, etc. For private customers, the Group evaluates the creditworthiness based on publicly available financial information and the Group's historical experiences. The Group's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. Group doesn't have significant financing component in the contracts with customers.

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The Group directly reduces the gross carrying amount of a financial asset when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for doubtful accounts, estimated by the Group and based, in part, on the age of specific receivable balance and the current and expected collection trends. When assessing the credit risk associated with its receivables, the Group also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Group's exposure to credit risk. As such, in addition to the age of its Financial Assets, the Group also considers the age of its contracts in progress, as well as the existence of any deferred revenue or down payments on contracts on the same project or with the same client.

The Group has used practical expedient by computing expected credit loss allowance for trade receivable and contract assets by taking into consideration payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit loss experiences within this period for each Strategic Business Unit (SBU). The historical loss rates are adjusted to reflect current and forward looking information taking into account the macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Refer note 11, 12, 17 and 21 for ECL provisioning and its movement on financial assets carried at amortised cost.

Company estimates the following provision matrix at the reporting date.

| Particulars        | Expected Credit Loss ( ECL)% |                  |
|--------------------|------------------------------|------------------|
|                    | March 31, 2023               | March 31, 2022   |
| Not Due            | 0.04% to 1.00%               | 0.05% to 0.75%   |
| From 0 to 6 Months | 0.15% to 3.75%               | 0.10 to 0.75%    |
| 6 Months to 1 Year | 0.35% to 15.50%              | 0.50% to 13.00%  |
| 1 Year to 2 year   | 0.90% to 50.00%              | 1.5% to 42.70%   |
| 2 year to 3 year   | 10.00% to 80.00%             | 3.60% to 77.50%  |
| More than 3 year   | 25.00% to 100.00%            | 3.60% to 100.00% |

**Concentration risk:** As at the year ended March 31, 2023 only one customer is exceeding 10% of the Group's total trade receivables, which was one as at March 31, 2022.

In addition the Group is exposed to credit risk in relation to financial guarantees given by the Group on behalf of its jointly controlled operations (net of Company's share). The Group's maximum exposure in this respect is the maximum amount the Group could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2023 is ₹ 245.10 crores (as at March 31, 2022; ₹ 84.33 crore). These financial guarantees have been issued to the banks / customers on behalf of the jointly controlled operations under the agreements entered into by the jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Group considers the likelihood of any claim under the guarantee is remote.

### Cash and cash equivalents:

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

### Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

### Derivatives:

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

### Other financial assets:

Other financial assets are neither past due nor impaired.

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### 55C Derivative Financial instruments

The Group has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Group mainly uses forward contracts to manage the foreign currency risk.

(a) The following table details the non designated foreign currency (FC) forward contracts, outstanding at the end of the reporting period.

| Outstanding contracts | Foreign currency (FC in Crore) |                      | Nominal amounts (₹ in Crore) |                      | Change in fair value assets / (liabilities) (₹ in Crore) |                      |
|-----------------------|--------------------------------|----------------------|------------------------------|----------------------|----------------------------------------------------------|----------------------|
|                       | As at March 31, 2023           | As at March 31, 2022 | As at March 31, 2023         | As at March 31, 2022 | As at March 31, 2023                                     | As at March 31, 2022 |
| <b>Buy USD/INR</b>    |                                |                      |                              |                      |                                                          |                      |
| Less than 3 months    | -                              | 0.03                 | -                            | 2.16                 | -                                                        | (0.01)               |
| <b>Sell USD/INR</b>   |                                |                      |                              |                      |                                                          |                      |
| Less than 3 Months    | -                              | 1.66                 | -                            | 125.87               | -                                                        | 1.13                 |
| 3 to 6 months         | 2.37                           | 1.10                 | 194.62                       | 83.42                | 2.24                                                     | 0.44                 |
| More than 6 Months    | 0.40                           | 8.23                 | 32.87                        | 623.67               | 0.16                                                     | 2.90                 |
| <b>Sell EURO/ USD</b> |                                |                      |                              |                      |                                                          |                      |
| Less than 3 Months    | -                              | 0.86                 | -                            | 72.54                | -                                                        | 1.30                 |
| 3 to 6 months         | -                              | -                    | -                            | -                    | -                                                        | -                    |
| More than 6 Months    | -                              | 1.64                 | -                            | 138.03               | -                                                        | 4.13                 |
| <b>Sell EURO/ INR</b> |                                |                      |                              |                      |                                                          |                      |
| Less than 3 Months    | 0.65                           | 1.24                 | 57.97                        | 104.48               | (1.46)                                                   | 3.58                 |
| 3 to 6 months         | 0.80                           | -                    | 71.49                        | -                    | 0.65                                                     | -                    |
| More than 6 Months    | 1.49                           | 0.91                 | 132.74                       | 76.73                | (2.19)                                                   | 1.10                 |
| <b>Buy EURO/ INR</b>  |                                |                      |                              |                      |                                                          |                      |
| Less than 3 Months    | 0.24                           | 0.01                 | 21.78                        | 0.66                 | 0.06                                                     | (0.00)               |
| 3 to 6 months         | 0.05                           | -                    | 4.12                         | -                    | 0.01                                                     | -                    |
| <b>Buy JPY/INR</b>    |                                |                      |                              |                      |                                                          |                      |
| Less than 3 months    | 18.88                          | -                    | 11.65                        | -                    | (0.26)                                                   | -                    |
| <b>BUY JPY/USD</b>    |                                |                      |                              |                      |                                                          |                      |
| Less than 3 months    | -                              | 0.62                 | -                            | 0.39                 | -                                                        | (0.91)               |
| 3 to 6 months         | -                              | 0.57                 | -                            | 0.35                 | -                                                        | (0.62)               |
| <b>Buy USD/ BRL</b>   |                                |                      |                              |                      |                                                          |                      |
| Less than 3 Months    | 0.19                           | 0.11                 | 15.42                        | 8.10                 | 0.86                                                     | 0.99                 |
|                       |                                |                      |                              |                      | <b>0.07</b>                                              | <b>14.03</b>         |

The line-items in the balance sheet that include the above instruments are “Other financial assets” and “Other financial liabilities”.

For the year ended March 31, 2023, the aggregate amount of realised gain under foreign currency forward contracts recognised in the Consolidated Statement of Profit and Loss is ₹10.46 crore (for the year ended March 31, 2022 : ₹ 61.18 crore).

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(b) The Group has designated following forward contracts as cash flow hedges which are outstanding as under:

| Outstanding contracts | Foreign currency (FC in Crore) |                      | Nominal amounts (₹ in Crore) |                      | Change in fair value assets / (liabilities) (₹ in Crore) |                      |
|-----------------------|--------------------------------|----------------------|------------------------------|----------------------|----------------------------------------------------------|----------------------|
|                       | As at March 31, 2023           | As at March 31, 2022 | As at March 31, 2023         | As at March 31, 2022 | As at March 31, 2023                                     | As at March 31, 2022 |
| <b>Sell USD/INR</b>   |                                |                      |                              |                      |                                                          |                      |
| Less than 3 Months    | 3.98                           | 0.60                 | 326.93                       | 45.47                | (6.08)                                                   | 0.73                 |
| 3 to 6 Months         | 2.81                           |                      | 230.99                       |                      | (0.53)                                                   |                      |
| More than 6 Months    | 0.50                           | 1.10                 | 41.08                        | 83.37                | 0.23                                                     | 0.93                 |
| <b>Buy USD/INR</b>    |                                |                      |                              |                      |                                                          |                      |
| Less than 3 months    | 1.20                           | 0.80                 | 98.60                        | 60.63                | (0.17)                                                   | (0.35)               |
| <b>Sell EUR/INR</b>   |                                |                      |                              |                      |                                                          |                      |
| Less than 3 months    | -                              | 0.40                 | -                            | 33.64                | -                                                        | 3.19                 |
| More than 6 Months    | 1.80                           | 1.00                 | 160.84                       | 84.10                | 1.62                                                     | (0.29)               |
| <b>Total</b>          |                                |                      |                              |                      | <b>(4.93)</b>                                            | <b>4.21</b>          |

The line-items in the balance sheet that include the above instruments are “Other Financial Assets” and “Other financial Liabilities”

The effect of cash flow hedge in the Consolidated Statement of Profit and Loss and Other Comprehensive Income is as follows:

₹ in Crore

| Year                  | Risk Hedged                | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in statement of profit and loss (loss)/ gain | Amount reclassified from cash flow hedging reserve to statement of profit and (loss) / gain | Closing Balance | Line item affected in statement of profit and loss because of the reclassification |
|-----------------------|----------------------------|-----------------|----------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------|
| <b>March 31, 2023</b> | Foreign exchange risk      | 4.17            | (17.51)                                                                                | (0.08)                                                                        | (8.24)                                                                                      | (5.02)          | Revenue                                                                            |
|                       | Less Deferred tax on above | 1.05            | (4.41)                                                                                 | (0.02)                                                                        | (2.07)                                                                                      | (1.27)          |                                                                                    |
|                       | <b>Net Balance</b>         | <b>3.12</b>     | <b>(13.10)</b>                                                                         | <b>(0.06)</b>                                                                 | <b>(6.17)</b>                                                                               | <b>(3.75)</b>   |                                                                                    |
| March 31, 2022        | Foreign exchange risk      | 11.70           | 5.62                                                                                   | 0.03                                                                          | 13.11                                                                                       | 4.18            | Revenue                                                                            |
|                       | Less Deferred tax on above | 2.94            | 1.41                                                                                   | 0.01                                                                          | 3.30                                                                                        | 1.04            |                                                                                    |
|                       | <b>Net Balance</b>         | <b>8.76</b>     | <b>4.21</b>                                                                            | <b>0.02</b>                                                                   | <b>9.81</b>                                                                                 | <b>3.14</b>     |                                                                                    |

Amount lying in Cash flow hedge reserve will be reclassified to Consolidated Statement of Profit and Loss account within 12 months.

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| (c) Outstanding commodity contracts :                                                                           |                            |                                                                                               |           |        |                                                                                |                                                                                                 |                             |        |                 |                                                                                    |                            |                                                   |        |        |
|-----------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------------------------------------------------------------------------|-----------|--------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------|--------|-----------------|------------------------------------------------------------------------------------|----------------------------|---------------------------------------------------|--------|--------|
| Cash flow hedges<br>(Buy Commodity Contracts)                                                                   |                            | Foreign currency (USD in Crore)                                                               |           |        |                                                                                |                                                                                                 | Nominal Amount (₹ in Crore) |        |                 |                                                                                    |                            | Fair value assets / (liabilities)<br>(₹ in Crore) |        |        |
|                                                                                                                 |                            | Type                                                                                          | Aluminium | Copper | Zinc                                                                           | Lead                                                                                            | Aluminium                   | Copper | Zinc            | Lead                                                                               | Aluminium                  | Copper                                            | Zinc   | Lead   |
| As at March 31, 2023                                                                                            | Less than 3 months         | Buy                                                                                           | 2.65      | 1.31   | 0.45                                                                           | 0.03                                                                                            | 213.30                      | 105.42 | 35.97           | 2.08                                                                               | 2.01                       | 1.48                                              | (0.41) | (0.05) |
|                                                                                                                 | 3 to 6 months              | Buy                                                                                           | 1.33      | 0.30   | 0.43                                                                           | -                                                                                               | 107.00                      | 24.09  | 34.83           | -                                                                                  | (0.17)                     | 0.50                                              | 0.44   | -      |
|                                                                                                                 | More than 6 months         | Sell                                                                                          | (0.25)    | -      | 0.09                                                                           | -                                                                                               | (20.10)                     | -      | 6.95            | -                                                                                  | 0.08                       | -                                                 | 0.06   | -      |
| As at March 31, 2022                                                                                            | Less than 3 months         | Buy                                                                                           | 0.39      | 1.22   | -                                                                              | 0.07                                                                                            | 29.07                       | 90.58  | -               | 5.20                                                                               | 0.64                       | 4.74                                              | -      | 0.24   |
|                                                                                                                 | 3 to 6 months              | Buy                                                                                           | 0.05      | 0.17   | -                                                                              | 0.05                                                                                            | 3.70                        | 12.95  | -               | 3.44                                                                               | 0.21                       | 1.14                                              | -      | 0.26   |
| The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows: |                            |                                                                                               |           |        |                                                                                |                                                                                                 |                             |        |                 |                                                                                    |                            |                                                   |        |        |
| Year                                                                                                            | Risk hedged                | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) |           |        | Hedge ineffectiveness recognised in statement of profit and loss gain / (loss) | Amount reclassified from cash flow hedging reserve to statement of profit and loss gain/ (loss) |                             |        | Closing Balance | Line item affected in statement of profit and loss because of the reclassification |                            |                                                   |        |        |
| March 31, 2023                                                                                                  | Commodity price risk       | 6.99                                                                                          | (58.68)   |        |                                                                                | (1.23)                                                                                          | (55.60)                     |        |                 | 5.14                                                                               | Cost of materials consumed |                                                   |        |        |
|                                                                                                                 | Less Deferred Tax on above | 1.76                                                                                          | (14.80)   |        |                                                                                | (0.31)                                                                                          | (13.99)                     |        |                 | 1.26                                                                               |                            |                                                   |        |        |
|                                                                                                                 | Net Balance                | 5.23                                                                                          | (43.88)   |        |                                                                                | (0.92)                                                                                          | (41.61)                     |        |                 | 3.88                                                                               |                            |                                                   |        |        |
| March 31, 2022                                                                                                  | Commodity price risk       | 1.84                                                                                          | 36.68     |        |                                                                                | 0.38                                                                                            | 31.15                       |        |                 | 6.99                                                                               | Cost of materials consumed |                                                   |        |        |
|                                                                                                                 | Less Deferred Tax on above | 0.46                                                                                          | 9.23      |        |                                                                                | 0.10                                                                                            | 7.84                        |        |                 | 1.75                                                                               |                            |                                                   |        |        |
|                                                                                                                 | Net Balance                | 1.38                                                                                          | 27.45     |        |                                                                                | 0.28                                                                                            | 23.31                       |        |                 | 5.24                                                                               |                            |                                                   |        |        |

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

| Year                  | Risk hedged                | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) |                                                                                               | Hedge ineffectiveness recognised in statement of profit and loss gain / (loss) |                                                                                               | Amount reclassified from cash flow hedging reserve to statement of profit and loss gain/ (loss) |                                                                                               | Closing Balance |                                                                                               | Line item affected in statement of profit and loss because of the reclassification |                                                                                               |
|-----------------------|----------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
|                       |                            | Opening Balance                                                                               | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Opening Balance                                                                | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Opening Balance                                                                                 | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Opening Balance                                                                    | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) |
| <b>March 31, 2023</b> | Commodity price risk       | 6.99                                                                                          | (58.68)                                                                                       | (1.23)                                                                         | (55.60)                                                                                       | 5.14                                                                                            | Cost of materials consumed                                                                    |                 |                                                                                               |                                                                                    |                                                                                               |
|                       | Less Deferred Tax on above | 1.76                                                                                          | (14.80)                                                                                       | (0.31)                                                                         | (13.99)                                                                                       | 1.26                                                                                            |                                                                                               |                 |                                                                                               |                                                                                    |                                                                                               |
|                       | <b>Net Balance</b>         | <b>5.23</b>                                                                                   | <b>(43.88)</b>                                                                                | <b>(0.92)</b>                                                                  | <b>(41.61)</b>                                                                                | <b>3.88</b>                                                                                     |                                                                                               |                 |                                                                                               |                                                                                    |                                                                                               |
| <b>March 31, 2022</b> | Commodity price risk       | 1.84                                                                                          | 36.68                                                                                         | 0.38                                                                           | 31.15                                                                                         | 6.99                                                                                            | Cost of materials consumed                                                                    |                 |                                                                                               |                                                                                    |                                                                                               |
|                       | Less Deferred Tax on above | 0.46                                                                                          | 9.23                                                                                          | 0.10                                                                           | 7.84                                                                                          | 1.75                                                                                            |                                                                                               |                 |                                                                                               |                                                                                    |                                                                                               |
|                       | <b>Net Balance</b>         | <b>1.38</b>                                                                                   | <b>27.45</b>                                                                                  | <b>0.28</b>                                                                    | <b>23.31</b>                                                                                  | <b>5.24</b>                                                                                     |                                                                                               |                 |                                                                                               |                                                                                    |                                                                                               |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

## NOTE 56 - EMPLOYEE BENEFIT PLANS

### Brief description of the plans

#### 1 Defined contribution plans

##### (A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Group makes yearly contributions until retirement or resignation of the employee. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

##### (B) Provident Fund

The Group makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore, Vadodara & employees of a subsidiary KEC SPUR Infrastructure Private Limited. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

##### (C) Employees' State Insurance Corporation

The Group makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

##### (D) Foreign Defined Contribution Plan

All eligible employees at Overseas subsidiaries are entitled under Foreign Defined Pension Fund. The Group recognises such contributions as an expense when incurred. The Group has no further obligations beyond its yearly contribution.

##### (E) Provident Fund related to KEC International, Malaysia SDN BHD

The Company makes contribution to local authorities in Malaysia in relation to the Malaysian citizens who are on the rolls of KEC International, Malaysia SDN BHD. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

#### 2 Defined Benefit Plans

##### (A) Gratuity

##### (i) Company, its Jointly Controlled Operations in India & KEC SPUR Infrastructure Private Limited

The Company, its jointly controlled operations (JCO) (i.e. CCECC-KEC JV, Longjian-KEC JV, KEC CCECC JV & VNC - KEC JV) & subsidiary in India (i.e. KEC SPUR Infrastructure Private Limited - KEC Spur) has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of the Gratuity scheme of the Company/JCOs in India/KEC Spur or as per payment of the Gratuity Act, 1972 whichever is higher. Vesting occurs upon completion of four years & 240 days of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules. Besides this, if the Company is covered by the Payment of Gratuity Act, 1972 then the Company is bound to pay the statutory minimum gratuity as prescribed under this Act.

##### (ii) Jointly Controlled operation in Saudi (Al Sharif JV)

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan i.e. End Service Benefit plan, (akin to gratuity) covering eligible employees. The benefits payable are as under:

|                               |                                                                                                    |
|-------------------------------|----------------------------------------------------------------------------------------------------|
| For Service Less Than 5 years | 1/2 * Service * Applicable salary                                                                  |
| For Service more Than 5 years | First Five Years: 1/2 * Service * Applicable Salary<br>Beyond 5 Years: Service * Applicable Salary |

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2023.

# Notes

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## (iii) Overseas subsidiaries - SAE Towers México, S. de R.L. de C.V. (SAE Towers Mexico)

The subsidiaries have an unfunded retirement benefit and severance benefit plan, as per the requirement of Local Federal Labor Law. The benefit consists of amount to be paid to employees in case of death, disability and separation from the subsidiaries, according to the Articles 49, 50 and 162 of the Local Federal Labor Law.

## (iv) Overseas subsidiary - KEC International, Malaysia SDN BHD (KEC Malaysia)

The defined benefit plan i.e. Gratuity Plan, provides for lump sum payment to vested employees on resignation/ termination or retirement and on death while in employment, an amount equivalent to 15 days salary for each completed year of service or part thereof in excess of six months in terms of gratuity scheme provided by the subsidiary company or as per law of Malaysia whichever is higher. Vesting occurs upon completion of 10 years of service.

## (v) Overseas subsidiary - KEC Towers LLC & KEC EPC LLC

The overseas subsidiary at Dubai i.e. KEC Towers LLC & KEC EPC LLC have an obligation towards an unfunded defined benefit retirement plan (akin to gratuity) covering eligible employees. The benefits are payable on completion of 1 year of service & are as under:

|                               |                                                      |
|-------------------------------|------------------------------------------------------|
| For Service Less Than 5 years | 21 /30 * applicable salary * no. of years of service |
| For Service more Than 5 years | 1* applicable Salary * no. of years of service       |

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2023.

## (B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees, other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The above defined plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

|                    |                                                                                                                                                                                                                                                                                       |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment risk    | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.                                                   |
| Interest rate risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.                                                                                                            |
| Longevity risk     | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability. |
| Salary risk        | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.                                                       |

### Details of defined contribution plan

The Group has recognised following amounts in the statement of profit and loss:

|                                                    | ₹ in Crore                           |                                      |
|----------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                        | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| Superannuation Fund                                | 1.86                                 | 0.91                                 |
| Provident Fund                                     | 5.31                                 | 1.60                                 |
| Employees' Pension Scheme                          | 8.86                                 | 8.55                                 |
| Employees' State Insurance Corporation             | 0.12                                 | 0.14                                 |
| Admin charges - PF, ESIC                           | 0.96                                 | 0.73                                 |
| Foreign Defined Contribution Plan (Provident fund) | 2.18                                 | 2.26                                 |

## Notes

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### Details of defined benefit plans

#### (A) Gratuity

₹ in Crore

| Particulars                                                                      | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
|----------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>I Components of defined benefit cost</b>                                      |                                      |                                      |
| 1 Current service cost                                                           | 8.71                                 | 6.89                                 |
| 2 Past service cost                                                              | 0.14                                 | -                                    |
| 3 Interest cost on defined benefit obligation (Net)                              | 0.34                                 | (0.35)                               |
| <b>A Total expenses included in Statement of Profit and Loss (P&amp;L)</b>       | <b>9.19</b>                          | <b>6.54</b>                          |
| 4 Actuarial changes arising from changes in demographic assumptions              | 1.85                                 | (0.04)                               |
| 5 Actuarial changes arising from changes in financial assumptions                | (4.10)                               | (2.26)                               |
| 6 Actuarial changes arising from changes in experience adjustments               | 2.21                                 | (1.61)                               |
| 7 Return on Plan Assets (excluding interest income)                              | 0.79                                 | (0.25)                               |
| <b>B Total recognized in Other Comprehensive Income (OCI)</b>                    | <b>0.75</b>                          | <b>(4.16)</b>                        |
| <b>C Total defined benefit cost recognized in P&amp;L and OCI</b>                | <b>9.94</b>                          | <b>2.38</b>                          |
| <b>II Actual Contribution and Benefits Payments for the year</b>                 |                                      |                                      |
| 1 Actual Benefits Payments                                                       | (6.86)                               | (4.31)                               |
| 2 Actual Contributions                                                           | 3.93                                 | 2.30                                 |
| <b>III Net asset/(liability) recognized in the Balance Sheet</b>                 |                                      |                                      |
| 1 Present Value of Defined Benefit Obligations                                   | (66.26)                              | (60.51)                              |
| 2 Fair Value of Plan Assets                                                      | 49.92                                | 50.17                                |
| 3 Exchange fluctuation on account of conversion of Jointly Controlled operations | (3.84)                               | (2.53)                               |
| 4 Net asset / (liability) recognized in the Balance Sheet                        | (20.18)                              | (12.87)                              |
| <b>IV Change in Present Value of Defined Benefit Obligation during the year</b>  |                                      |                                      |
| 1 Present Value of Defined Benefit Obligation as at the beginning of the year    | 60.51                                | 58.43                                |
| 2 Plan Liability acquired during the year                                        | -                                    | 0.34                                 |
| 3 Current Service Cost                                                           | 8.71                                 | 6.89                                 |
| 4 Past Service Cost                                                              | 0.14                                 | -                                    |
| 5 Interest Cost                                                                  | 3.80                                 | 3.07                                 |
| 6 Benefits paid including direct payment                                         | (6.86)                               | (4.31)                               |
| 7 Actuarial changes arising from changes in demographic assumptions              | 1.85                                 | (0.04)                               |
| 8 Actuarial changes arising from changes in financial assumptions                | (4.10)                               | (2.26)                               |
| 9 Actuarial changes arising from changes in experience adjustments               | 2.21                                 | (1.61)                               |
| 10 Present Value of Defined Benefit Obligations as at the end of the year        | 66.26                                | 60.51                                |
| <b>V Change in Fair Value of Plan Assets during the year</b>                     |                                      |                                      |
| 1 Plan Assets as at the beginning of the year                                    | 50.17                                | 48.15                                |
| 2 Plan Assets acquired during the year                                           | -                                    | 0.32                                 |
| 3 Interest Income                                                                | 3.47                                 | 3.45                                 |
| 4 Actual Company Contributions                                                   | 3.93                                 | 2.30                                 |
| 5 Benefits paid                                                                  | (6.86)                               | (4.31)                               |
| 6 Expected return on Plan Assets (excluding interest income)                     | (0.79)                               | 0.26                                 |
| 7 Plan Assets as at the end of the year                                          | 49.92                                | 50.17                                |

## Notes

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| Particulars                                                                                     | As at<br>March 31, 2023                                               | As at<br>March 31, 2022 |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------|
| <b>VI-A Actuarial Assumptions (Considered for the Company)</b>                                  |                                                                       |                         |
| 1 Discount Rate                                                                                 | 7.40%                                                                 | 6.90%                   |
| 2 Expected Return on plan assets                                                                | 7.40%                                                                 | 6.90%                   |
| 3 Salary escalation Rate                                                                        | 8.00%                                                                 | 8.00%                   |
| 4 Mortality Table                                                                               | <b>Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult</b> |                         |
| 5 Disability                                                                                    | <b>5% of Mortality Rate</b>                                           |                         |
| 6 Withdrawal ( Rate of Employee Turnover) Upto 30 years                                         | 23.00%                                                                | 17.00%                  |
| 31-44 years                                                                                     | 13.00%                                                                | 12.00%                  |
| 45 years and above                                                                              | 6.00%                                                                 | 11.00%                  |
| <b>VI-B Actuarial Assumptions (Considered for Jointly Controlled Operation in Al Sharif JV)</b> |                                                                       |                         |
| 1 Discount Rate                                                                                 | 5.10%                                                                 | 2.75%                   |
| 2 Salary escalation Rate                                                                        | 7.00%                                                                 | 7.00%                   |
| 3 Mortality Table                                                                               | <b>Implicit in Withdrawal</b>                                         |                         |
| 4 Disability                                                                                    | <b>Implicit in Withdrawal</b>                                         |                         |
| 5 Withdrawal ( Rate of Employee Turnover) Managers (M0 to M6)                                   | 10.00%                                                                | 10.00%                  |
| Others                                                                                          | 10.00%                                                                | 15.00%                  |
| <b>VI-C Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV)</b>    |                                                                       |                         |
| 1 Discount Rate                                                                                 | 7.50%                                                                 | 7.30%                   |
| 2 Salary escalation Rate                                                                        | 8.00%                                                                 | 8.00%                   |
| 3 Mortality Table                                                                               | <b>Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult</b> |                         |
| 4 Disability                                                                                    | <b>5% of Mortality Rate</b>                                           |                         |
| 5 Withdrawal ( Rate of Employee Turnover) Upto 30 years                                         | 7.50%                                                                 | 7.00%                   |
| 31-44 years                                                                                     | 7.50%                                                                 | 7.00%                   |
| 45 years and above                                                                              | 7.50%                                                                 | 7.00%                   |
| <b>VI-D Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV)</b> |                                                                       |                         |
| 1 Discount Rate                                                                                 | 7.60%                                                                 | 7.50%                   |
| 2 Salary escalation Rate                                                                        | 8.00%                                                                 | 8.00%                   |
| 3 Mortality Table                                                                               | <b>Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult</b> |                         |
| 4 Disability                                                                                    | <b>5% of Mortality Rate</b>                                           |                         |
| 5 Withdrawal ( Rate of Employee Turnover) Upto 30 years                                         | 7.50%                                                                 | 7.00%                   |
| 31-44 years                                                                                     | 7.50%                                                                 | 7.00%                   |
| 45 years and above                                                                              | 7.50%                                                                 | 7.00%                   |
| <b>VI-E Actuarial Assumptions (Considered for Jointly Controlled Operation VNC-KEC JV)</b>      |                                                                       |                         |
| 1 Discount Rate                                                                                 | 7.60%                                                                 | -                       |
| 2 Salary escalation Rate                                                                        | 8.00%                                                                 | -                       |
| 3 Mortality Table                                                                               | <b>Indian Assured Lives Mortality (IALM)</b>                          |                         |
| 4 Disability                                                                                    | <b>5% of Mortality Rate</b>                                           |                         |
| 5 Withdrawal ( Rate of Employee Turnover) Upto 30 years                                         | 17.00%                                                                | -                       |
| 31-44 years                                                                                     | 12.00%                                                                | -                       |
| 45 years and above                                                                              | 11.00%                                                                | -                       |
| <b>VI-F Actuarial Assumptions (Considered for Jointly Controlled Operation KEC-CCECC JV)</b>    |                                                                       |                         |
| 1 Discount Rate                                                                                 | 7.50%                                                                 | -                       |
| 2 Salary escalation Rate                                                                        | 8.00%                                                                 | -                       |
| 3 Mortality Table                                                                               | <b>Indian Assured Lives Mortality (IALM)</b>                          |                         |
| 4 Disability                                                                                    | <b>5% of Mortality Rate</b>                                           |                         |
| 5 Withdrawal ( Rate of Employee Turnover) Upto 30 years                                         | 17.00%                                                                | -                       |
| 31-44 years                                                                                     | 12.00%                                                                | -                       |
| 45 years and above                                                                              | 11.00%                                                                | -                       |

## Notes

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| Particulars                                                                                    |                                                                                                                                                                      | As at<br>March 31, 2023                                               | As at<br>March 31, 2022 |
|------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|-------------------------|
| <b>VI-G Actuarial Assumptions (Considered for KEC SPUR Infrastructure Private Limited)</b>     |                                                                                                                                                                      |                                                                       |                         |
| 1 Discount Rate                                                                                |                                                                                                                                                                      | 7.20%                                                                 | 7.20%                   |
| 2 Expected Return on plan assets                                                               |                                                                                                                                                                      | 7.20%                                                                 | 7.20%                   |
| 3 Salary escalation Rate                                                                       |                                                                                                                                                                      | 8.00%                                                                 | 8.00%                   |
| 4 Mortality Table                                                                              |                                                                                                                                                                      | <b>Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult</b> |                         |
|                                                                                                |                                                                                                                                                                      | <b>5% of Mortality rate</b>                                           |                         |
| 5 Disability                                                                                   |                                                                                                                                                                      |                                                                       |                         |
| 6 Withdrawal ( Rate of Employee Turnover)                                                      | Upto 30 years                                                                                                                                                        | 10.00%                                                                | 10.00%                  |
|                                                                                                | 31-44 years                                                                                                                                                          | 10.00%                                                                | 10.00%                  |
|                                                                                                | 45 years and above                                                                                                                                                   | 10.00%                                                                | 10.00%                  |
| <b>VI-H Actuarial Assumptions (Considered for overseas subsidiary at Mexico)</b>               |                                                                                                                                                                      |                                                                       |                         |
| 1 Discount Rate                                                                                |                                                                                                                                                                      | 9.16%                                                                 | 7.96%                   |
| 2 Salary escalation Rate                                                                       |                                                                                                                                                                      | 5.50%                                                                 | 5.60%                   |
| 3 Mortality Table                                                                              |                                                                                                                                                                      | <b>EMSSA 09</b>                                                       |                         |
| 4 Disability Table                                                                             |                                                                                                                                                                      | <b>ACTIMSS</b>                                                        |                         |
| 5 Withdrawal ( Rate of Employee Turnover)                                                      |                                                                                                                                                                      | 30.00%                                                                | 30.00%                  |
| <b>VI-I Actuarial Assumptions (Considered for overseas subsidiary at Malaysia)</b>             |                                                                                                                                                                      |                                                                       |                         |
| 1 Discount Rate                                                                                |                                                                                                                                                                      | 4.10%                                                                 | 3.70%                   |
| 2 Salary escalation Rate                                                                       |                                                                                                                                                                      | 0.00%                                                                 | 0.00%                   |
| 3 Mortality Table                                                                              |                                                                                                                                                                      | <b>Mortality studies of Malaysian Assured Lives from 2011 to 2015</b> |                         |
|                                                                                                |                                                                                                                                                                      | <b>5% of Mortality Rate</b>                                           |                         |
| 4 Disability                                                                                   |                                                                                                                                                                      |                                                                       |                         |
| 5 Withdrawal ( Rate of Employee Turnover)                                                      | Managers                                                                                                                                                             | 10.00%                                                                | 10.00%                  |
|                                                                                                | Others                                                                                                                                                               | 15.00%                                                                | 15.00%                  |
| <b>VI-J Actuarial Assumptions (Considered for overseas subsidiary - KEC Towers LLC, Dubai)</b> |                                                                                                                                                                      |                                                                       |                         |
| 1 Discount Rate                                                                                |                                                                                                                                                                      | 5.20%                                                                 | 3.70%                   |
| 2 Salary escalation Rate                                                                       |                                                                                                                                                                      | 6.00%                                                                 | 6.00%                   |
| 3 Mortality Table                                                                              |                                                                                                                                                                      | <b>Implicit in withdrawal</b>                                         |                         |
| 4 Disability                                                                                   |                                                                                                                                                                      | <b>Implicit in withdrawal</b>                                         |                         |
| 5 Withdrawal ( Rate of Employee Turnover)                                                      | Involuntary                                                                                                                                                          | 0.00%                                                                 | 0.00%                   |
|                                                                                                | Voluntary                                                                                                                                                            | 5.00%                                                                 | 5.00%                   |
| <b>VI-K Actuarial Assumptions (Considered for overseas subsidiary - EPC LLC, Dubai)</b>        |                                                                                                                                                                      |                                                                       |                         |
| 1 Discount Rate                                                                                |                                                                                                                                                                      | 4.90%                                                                 | -                       |
| 2 Salary escalation Rate                                                                       |                                                                                                                                                                      | 7.00%                                                                 | -                       |
| 3 Mortality Table                                                                              |                                                                                                                                                                      | <b>Indian Assured Lives Mortality ( ALM) (2006-08) (Modified) Ult</b> |                         |
|                                                                                                |                                                                                                                                                                      | <b>5% of Mortality Rate</b>                                           |                         |
| 4 Disability                                                                                   |                                                                                                                                                                      |                                                                       |                         |
| 5 Withdrawal ( Rate of Employee Turnover)                                                      | Involuntary                                                                                                                                                          | 12.00%                                                                | -                       |
|                                                                                                | Voluntary                                                                                                                                                            | 12.00%                                                                | -                       |
| <b>VII</b>                                                                                     | The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors. |                                                                       |                         |
| <b>VIII</b>                                                                                    | <b>The major categories of Plan Assets of the Company as a percentage of the total plan assets</b>                                                                   |                                                                       |                         |
|                                                                                                | Equity                                                                                                                                                               | 4.43%                                                                 | 4.59%                   |
|                                                                                                | Debt                                                                                                                                                                 | 53.12%                                                                | 42.40%                  |
|                                                                                                | Money Market Investments                                                                                                                                             | 42.45%                                                                | 53.00%                  |
| <b>IX</b>                                                                                      | <b>The major categories of Plan Assets of the subsidiary KEC SPUR Infrastructure Private Limited as a percentage of the total plan assets</b>                        |                                                                       |                         |
|                                                                                                | Equity                                                                                                                                                               | 0.00%                                                                 | 0.00%                   |
|                                                                                                | Debt                                                                                                                                                                 | 100.00%                                                               | 100.00%                 |
|                                                                                                | Money Market Investments                                                                                                                                             | 0.00%                                                                 | 0.00%                   |
|                                                                                                | Mutual Fund                                                                                                                                                          | 0.00%                                                                 | 0.00%                   |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

| Particulars                                                                                                                                                          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>X Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2024 - ₹6.06 crore</b>                                              |                         |                         |
| <b>XI Contribution expected to be paid to the Plan of the Subsidiary, KEC SPUR Infrastructure Private Limited during the year ended March 31, 2024 - ₹0.05 crore</b> |                         |                         |
| <b>XII Weighed Average duration of the Plan</b>                                                                                                                      |                         |                         |
| Considered for the Company                                                                                                                                           | 6 years                 | 6 years                 |
| Considered for Joint Operation in Al Sharif JV                                                                                                                       | 7 years                 | 7 years                 |
| Considered for Jointly Controlled Operation - CCECC-KEC JV                                                                                                           | 10 years                | 11 years                |
| Considered for Jointly Controlled Operation - Longjian-KEC JV                                                                                                        | 11 years                | 12 years                |
| Considered for Jointly Controlled Operation - VNC-KEC JV                                                                                                             | 8 years                 | -                       |
| Considered for Jointly Controlled Operation - KEC - CCECC JV                                                                                                         | 9 years                 | -                       |
| Considered for Subsidiary - KEC SPUR Infrastructure Private Limited                                                                                                  | 6 years                 | 9 years                 |
| Considered for Subsidiary - KEC International, Malaysia SDN BHD                                                                                                      | 11 years                | 12 years                |
| Considered for Subsidiary - KEC Towers LLC                                                                                                                           | 16 years                | 18 years                |
| Considered for Subsidiary - KEC EPC LLC                                                                                                                              | 7 years                 | -                       |

₹ in Crore

| Maturity profile of defined benefit obligation | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|------------------------------------------------|-------------------------|-------------------------|
| 1 Year 1                                       | 7.57                    | 8.00                    |
| 2 Year 2                                       | 11.09                   | 13.27                   |
| 3 Year 3                                       | 9.80                    | 9.39                    |
| 4 Year 4                                       | 10.77                   | 8.81                    |
| 5 Year 5                                       | 11.75                   | 9.07                    |
| 6 Next 5 years                                 | 59.92                   | 47.95                   |

| Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation) | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| A. Discount rate                                                                                                    |                         |                         |
| Discount rate - 50 basis points                                                                                     | 71.12                   | 64.94                   |
| Discount rate + 50 basis points                                                                                     | 66.89                   | 61.33                   |
| B. Salary increase rate                                                                                             |                         |                         |
| Salary rate - 50 basis points                                                                                       | 67.03                   | 61.45                   |
| Salary rate + 50 basis points                                                                                       | 70.86                   | 64.72                   |
| <b>Demographic assumptions sensitivity analysis</b>                                                                 |                         |                         |
| C. Withdrawal Rate                                                                                                  |                         |                         |
| Withdrawal Rate - 100 basis points                                                                                  | 66.28                   | 61.21                   |
| Withdrawal Rate + 100 basis points                                                                                  | 65.27                   | 60.15                   |

### Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumptions may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

XIII The following table shows a breakdown of the defined benefit obligation and plan assets of the Group:

| Particulars                     | As at March 31, 2023 |              |              |                 |            |              |                       |                     |                |         |          |       | As at March 31, 2022 |           |              |              |                 |              |                   |                     | (₹ in crore) |                       |         |          |       |                   |           |              |              |                     |              |                   |                     |                |         |          |       |          |  |  |  |
|---------------------------------|----------------------|--------------|--------------|-----------------|------------|--------------|-----------------------|---------------------|----------------|---------|----------|-------|----------------------|-----------|--------------|--------------|-----------------|--------------|-------------------|---------------------|--------------|-----------------------|---------|----------|-------|-------------------|-----------|--------------|--------------|---------------------|--------------|-------------------|---------------------|----------------|---------|----------|-------|----------|--|--|--|
|                                 | Gratuity             |              |              |                 |            |              |                       |                     |                |         |          |       | Gratuity             |           |              |              |                 |              |                   |                     |              |                       |         |          |       |                   |           |              |              |                     |              |                   |                     |                |         |          |       |          |  |  |  |
|                                 | AI Sharif JV         |              |              |                 |            |              | CCECC-Longjian-KEC JV |                     |                |         |          |       | Company Sharif JV    |           |              |              | AI Sharif JV    |              |                   |                     |              | CCECC-Longjian-KEC JV |         |          |       | SAE Towers Mexico |           |              |              | KEC Towers Malaysia |              |                   |                     | KEC Towers LLC |         |          |       | KEC Spur |  |  |  |
|                                 | Company              | AI Sharif JV | CCECC-KEC JV | Longjian-KEC JV | VNC KEC JV | KEC CCECC JV | SAE Towers Mexico     | KEC Towers Malaysia | KEC Towers LLC | EPC LLC | KEC Spur | Total | Company              | Sharif JV | AI Sharif JV | CCECC-KEC JV | Longjian-KEC JV | KEC CCECC JV | SAE Towers Mexico | KEC Towers Malaysia |              | KEC Towers LLC        | EPC LLC | KEC Spur | Total | Company           | Sharif JV | AI Sharif JV | CCECC-KEC JV | Longjian-KEC JV     | KEC CCECC JV | SAE Towers Mexico | KEC Towers Malaysia | KEC Towers LLC | EPC LLC | KEC Spur | Total |          |  |  |  |
| (A) Present value of obligation | 54.22                | 10.24        | 0.31         | 0.41            | 0.05       | 0.13         | 3.18                  | 0.04                | 1.01           | 0.12    | 0.39     | 70.10 | 49.84                | 9.23      | 0.32         | 0.32         | 0.32            | 2.40         | 0.03              | 0.57                | 0.33         | 63.04                 |         |          |       |                   |           |              |              |                     |              |                   |                     |                |         |          |       |          |  |  |  |
| (B) Fair value of plan assets   | 49.44                | -            | -            | -               | -          | -            | -                     | -                   | -              | -       | 0.48     | 49.92 | 49.80                | -         | -            | -            | -               | -            | -                 | -                   | -            | -                     | -       |          |       |                   |           |              |              |                     |              |                   |                     |                |         |          |       |          |  |  |  |
| (C) Total liability = (A) - (B) | 4.78                 | 10.24        | 0.31         | 0.41            | 0.05       | 0.13         | 3.18                  | 0.04                | 1.01           | 0.12    | (0.09)   | 20.18 | 0.04                 | 9.23      | 0.32         | 0.32         | 0.32            | 2.40         | 0.03              | 0.57                | (0.04)       | 12.87                 |         |          |       |                   |           |              |              |                     |              |                   |                     |                |         |          |       |          |  |  |  |

## (B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Consolidated Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

| Particulars                                  | For the year ended |  | For the year ended |      |
|----------------------------------------------|--------------------|--|--------------------|------|
|                                              | March 31, 2023     |  | March 31, 2022     |      |
| Company's contribution to the provident fund | 9.81               |  |                    | 8.65 |

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

| Particulars                        | As at                                 |       | As at                |          |
|------------------------------------|---------------------------------------|-------|----------------------|----------|
|                                    | March 31, 2023                        |       | March 31, 2022       |          |
| a. Approach used                   | Deterministic                         | 7.40% | Deterministic        | 6.90%    |
| b. Discount Rate                   |                                       |       |                      |          |
| c. Attrition Rate                  |                                       |       |                      |          |
| Upto 30 years                      | 23.00%                                |       | 17.00%               |          |
| 31 - 44 years                      | 13.00%                                |       | 12.00%               |          |
| 45 years and above                 | 6.00%                                 |       | 11.00%               |          |
| d. Weighted Average Yield          | 6.90%                                 |       | 7.17%                |          |
| e. Weighted Average YTM            | 6.90%                                 |       | 7.17%                |          |
| f. Reinvestment Period on Maturity | 6 years                               |       | 6 years              |          |
| g. Mortality Rate                  | Indian Assured Lives Mortality (IALM) |       | (2006-08) (modified) | Ultimate |

### 3 Long term/short term employee benefits (Compensated Absences)

The long/short term employee benefits cover the Group's liability for sick and earned leave.

The amount of the provision is ₹39.53 crore (as at 31st March, 2022 ₹37.31 crore).

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

## NOTE 57 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

### (A) Details of related parties with whom transactions have taken place

#### Key Management Personnel (KMP)

Mr. H. V. Goenka- Chairman  
Mr. Vimal Kejriwal - Managing Director and CEO  
Mr. Rajeev Aggarwal - Chief Financial Officer  
Mr. A. T. Vaswani - Non-Executive Director  
Mr. D. G. Piramal - Non-Executive Director  
Mr. G.L. Mirchandani - Non-Executive Director  
Ms. Nirupama Rao - Non-Executive Director  
Mr. R. D. Chandak - Non-Executive Director  
Mr. S. M. Trehan - Non-Executive Director  
Mr.Vinayak Chatterjee - Non-Executive Director  
Mr. Vikram Gandhi - Non-Executive Director  
Mr. M. S. Unnikrishnan - Non-Executive Director

#### Post - employment benefit plan

KEC International Limited Employees' Group Gratuity Scheme  
KEC International Limited - Provident Fund  
KEC International Limited Superannuation Scheme

#### Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited  
B. N. Elias & Co. LLP  
Palacino Properties LLP  
RPG Life Sciences Limited  
RPG Enterprises Limited  
Raychem RPG Private Limited  
Ceat Speciality Tyres Limited  
Harrisons Malayalam Limited  
Spencers and Company Limited  
Zensar Technologies Limited  
Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)  
Summit Securities Limited (holds 10.96 percent Equity Shares of the Company)

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

## NOTE 57 - RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

## (B) Transactions with the Related Parties

| Transactions                          | For the year ended March 31, 2023 |                                                                                  |                                | For the year ended March 31, 2022 |                          |                                                                                  |
|---------------------------------------|-----------------------------------|----------------------------------------------------------------------------------|--------------------------------|-----------------------------------|--------------------------|----------------------------------------------------------------------------------|
|                                       | Key Management Personnel          | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total                             | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist |
| <b>Sale of Products</b>               | -                                 | 0.63                                                                             | -                              | 0.63                              | -                        | 1.00                                                                             |
| CEAT Limited                          | -                                 | 0.42                                                                             | -                              | 0.42                              | -                        | -                                                                                |
| Raychem RPG Private limited           | -                                 | 0.21                                                                             | -                              | 0.21                              | -                        | 1.00                                                                             |
| <b>Construction contracts revenue</b> | -                                 | 6.30                                                                             | -                              | 6.30                              | -                        | -                                                                                |
| RPG Life Sciences Limited             | -                                 | 6.00                                                                             | -                              | 6.00                              | -                        | -                                                                                |
| CEAT Limited                          | -                                 | 0.30                                                                             | -                              | 0.30                              | -                        | -                                                                                |
| <b>Sale of services</b>               | -                                 | 0.10                                                                             | -                              | 0.10                              | -                        | 0.06                                                                             |
| CEAT Limited                          | -                                 | 0.10                                                                             | -                              | 0.10                              | -                        | 0.06                                                                             |
| <b>Services received</b>              | -                                 | 37.13                                                                            | -                              | 37.13                             | -                        | 35.70                                                                            |
| Raychem RPG Private limited           | -                                 | ★                                                                                | -                              | ★                                 | -                        | 0.02                                                                             |
| CEAT Limited                          | -                                 | 4.90                                                                             | -                              | 4.90                              | -                        | 5.90                                                                             |
| RPG Enterprises Limited               | -                                 | 32.23                                                                            | -                              | 32.23                             | -                        | 29.77                                                                            |
| Breach Candy Hospital Trust           | -                                 | ★                                                                                | -                              | ★                                 | -                        | -                                                                                |
| Harrisons Malayalam Limited           | -                                 | ★                                                                                | -                              | ★                                 | -                        | 0.01                                                                             |
| <b>Rent Income</b>                    | -                                 | 0.29                                                                             | -                              | 0.29                              | -                        | 0.28                                                                             |
| CEAT Limited                          | -                                 | 0.02                                                                             | -                              | 0.02                              | -                        | 0.01                                                                             |
| RPG Life Sciences Limited             | -                                 | 0.06                                                                             | -                              | 0.06                              | -                        | 0.06                                                                             |
| Swallow Associates LLP                | -                                 | -                                                                                | -                              | -                                 | -                        | 0.01                                                                             |
| Summit Securities Limited             | -                                 | 0.06                                                                             | -                              | 0.06                              | -                        | 0.05                                                                             |
| RPG Enterprises Limited               | -                                 | 0.15                                                                             | -                              | 0.15                              | -                        | 0.15                                                                             |
| <b>Purchase of goods</b>              | -                                 | 10.00                                                                            | -                              | 10.00                             | -                        | 16.14                                                                            |
| Harrisons Malayalam Limited           | -                                 | 0.03                                                                             | -                              | 0.03                              | -                        | -                                                                                |
| Raychem RPG Private limited           | -                                 | 9.97                                                                             | -                              | 9.97                              | -                        | 16.14                                                                            |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

| Transactions                                                            | For the year ended March 31, 2023 |                                                                                  |                                | For the year ended March 31, 2022 |                          |                                                                                  |
|-------------------------------------------------------------------------|-----------------------------------|----------------------------------------------------------------------------------|--------------------------------|-----------------------------------|--------------------------|----------------------------------------------------------------------------------|
|                                                                         | Key Management Personnel          | Entities where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total                             | Key Management Personnel | Entities where control / significant influence by KMPs and their relatives exist |
| <b>Rent &amp; maintenance charges paid</b>                              | -                                 | 4.59                                                                             | -                              | 4.59                              | -                        | 4.42                                                                             |
| Palacio Properties LLP                                                  | -                                 | 0.28                                                                             | -                              | 0.28                              | -                        | 0.28                                                                             |
| Spencer and Company Limited                                             | -                                 | 4.31                                                                             | -                              | 4.31                              | -                        | 4.14                                                                             |
| <b>Compensation to Key Management Personnel</b>                         | 8.69                              | -                                                                                | -                              | 8.69                              | 8.17                     | -                                                                                |
| <b>Mr.Vimal Kejriwal - Managing Director &amp; CEO</b>                  | 8.28                              | -                                                                                | -                              | 8.28                              | 7.80                     | -                                                                                |
| short-term employee benefits (including Bonus and value of perquisites) | 0.41                              | -                                                                                | -                              | 0.41                              | 0.37                     | -                                                                                |
| post-employment benefits # \$                                           | 4.15                              | -                                                                                | -                              | 4.15                              | 3.86                     | -                                                                                |
| <b>Mr. Rajeev Aggarwal - Chief Financial Officer</b>                    | 4.04                              | -                                                                                | -                              | 4.04                              | 3.76                     | -                                                                                |
| short-term employee benefits (including Bonus and value of perquisites) | 0.11                              | -                                                                                | -                              | 0.11                              | 0.10                     | -                                                                                |
| post-employment benefits # \$                                           | 4.14                              | -                                                                                | -                              | 4.14                              | 7.80                     | -                                                                                |
| <b>Sitting fees &amp; Commission paid to Non-Executive Directors</b>    | 2.41                              | -                                                                                | -                              | 2.41                              | 6.16                     | -                                                                                |
| Mr. H. V. Goenka                                                        | 0.23                              | -                                                                                | -                              | 0.23                              | 0.24                     | -                                                                                |
| Mr. A. T. Vaswani                                                       | 0.17                              | -                                                                                | -                              | 0.17                              | 0.18                     | -                                                                                |
| Mr. D. G. Piramal                                                       | 0.17                              | -                                                                                | -                              | 0.17                              | 0.17                     | -                                                                                |
| Mr. G.L. Mirchandani                                                    | 0.18                              | -                                                                                | -                              | 0.18                              | 0.17                     | -                                                                                |
| Ms. Nirupama Rao                                                        | 0.24                              | -                                                                                | -                              | 0.24                              | 0.24                     | -                                                                                |
| Mr. R. D. Chandak                                                       | 0.24                              | -                                                                                | -                              | 0.24                              | 0.24                     | -                                                                                |
| Mr. S. M. Trehan                                                        | 0.17                              | -                                                                                | -                              | 0.17                              | 0.06                     | -                                                                                |
| Mr. Vinayak Chatterjee                                                  | 0.16                              | -                                                                                | -                              | 0.16                              | 0.16                     | -                                                                                |
| Mr. Vikram Gandhi                                                       | 0.17                              | -                                                                                | -                              | 0.17                              | 0.18                     | -                                                                                |
| Mr. M. S. Unnikrishnan                                                  | -                                 | 0.16                                                                             | -                              | 0.16                              | -                        | -                                                                                |
| <b>Purchase of Fixed Assets</b>                                         | -                                 | 0.16                                                                             | -                              | 0.16                              | -                        | -                                                                                |
| Zensar Technologies Limited                                             | -                                 | 0.16                                                                             | -                              | 0.16                              | -                        | -                                                                                |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

| Transactions                                                      | For the year ended March 31, 2023                                                |                                |                                                                                  |                          | For the year ended March 31, 2022                                                |       |                                                                                  |                                |
|-------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------|-------|----------------------------------------------------------------------------------|--------------------------------|
|                                                                   | Entities where control / significant influence by KMPs and their relatives exist |                                | Entities where control / significant influence by KMPs and their relatives exist |                          | Entities where control / significant influence by KMPs and their relatives exist |       | Entities where control / significant influence by KMPs and their relatives exist |                                |
|                                                                   | Key Management Personnel                                                         | Post - employment benefit plan | Total                                                                            | Key Management Personnel | Post - employment benefit plan                                                   | Total | Key Management Personnel                                                         | Post - employment benefit plan |
| <b>Payments made/expenses incurred on behalf of related party</b> | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| RPG Life Sciences Limited                                         | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| RPG Enterprises Limited                                           | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| Summit Securities Limited                                         | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| Zensar Technologies Limited                                       | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| CEAT Limited                                                      | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| Raychem RPG Private limited                                       | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| <b>Payments made/expenses incurred by related party</b>           | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| CEAT Limited                                                      | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| <b>Contribution made</b>                                          | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| KEC International Limited Employee's Gratuity Fund                | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| KEC International Limited Provident Fund                          | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |
| KEC International Limited Superannuation Fund                     | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | -     | -                                                                                | -                              |

★ less than rounding off norms adopted by the Group  
# excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Group..  
\$ Including PF and other benefits.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

| Transactions                                               | For the year ended March 31, 2023                                                |                                |                                                                                  |                          | For the year ended March 31, 2022                                                |        |                                                                                  |                                |
|------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------|--------------------------|----------------------------------------------------------------------------------|--------|----------------------------------------------------------------------------------|--------------------------------|
|                                                            | Entities where control / significant influence by KMPs and their relatives exist |                                | Entities where control / significant influence by KMPs and their relatives exist |                          | Entities where control / significant influence by KMPs and their relatives exist |        | Entities where control / significant influence by KMPs and their relatives exist |                                |
|                                                            | Key Management Personnel                                                         | Post - employment benefit plan | Total                                                                            | Key Management Personnel | Post - employment benefit plan                                                   | Total  | Key Management Personnel                                                         | Post - employment benefit plan |
| <b>Amount receivable/ (payable)</b>                        | (3.44)                                                                           | 2.38                           | (1.06)                                                                           | (7.10)                   | 16.55                                                                            | (0.04) | 9.41                                                                             | -                              |
| RPG Life Sciences Limited                                  | -                                                                                | 0.37                           | 0.37                                                                             | -                        | -                                                                                | -      | -                                                                                | -                              |
| Raychem RPG Private limited                                | -                                                                                | (0.53)                         | (0.53)                                                                           | -                        | (0.73)                                                                           | -      | (0.73)                                                                           | -                              |
| Palacino Properties LLP                                    | -                                                                                | 0.09                           | 0.09                                                                             | -                        | 0.09                                                                             | -      | 0.09                                                                             | -                              |
| B. N. Elias & Co. LLP                                      | -                                                                                | 0.01                           | 0.01                                                                             | -                        | 0.01                                                                             | -      | 0.01                                                                             | -                              |
| CEAT Limited                                               | -                                                                                | 0.10                           | 0.10                                                                             | -                        | 4.73                                                                             | -      | 4.73                                                                             | -                              |
| Spencers and Company Limited                               | -                                                                                | 2.70                           | 2.70                                                                             | -                        | 2.70                                                                             | -      | 2.70                                                                             | -                              |
| Harrisons Malayalam Limited                                | -                                                                                | -                              | -                                                                                | -                        | 9.85                                                                             | -      | 9.85                                                                             | -                              |
| RPG Enterprises Limited                                    | -                                                                                | (0.36)                         | (0.36)                                                                           | -                        | (0.10)                                                                           | -      | (0.10)                                                                           | -                              |
| KEC International Limited Employees' Group Gratuity Scheme | -                                                                                | -                              | -                                                                                | -                        | -                                                                                | (0.04) | (0.04)                                                                           | -                              |
| Mr. H. V. Goenka                                           | (2.36)                                                                           | -                              | (2.36)                                                                           | (6.10)                   | -                                                                                | -      | (6.10)                                                                           | -                              |
| Mr. A. T. Vaswani                                          | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Mr. D. G. Piramal                                          | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Mr. G.L. Mirchandani                                       | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Ms. Nirupama Rao                                           | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Mr. R. D. Chandak                                          | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Mr. S. M. Trehan                                           | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Mr. Vinayak Chatterjee                                     | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.04)                   | -                                                                                | -      | (0.04)                                                                           | -                              |
| Mr. Vikram Gandhi                                          | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |
| Mr. M. S. Unnikrishnan                                     | (0.12)                                                                           | -                              | (0.12)                                                                           | (0.12)                   | -                                                                                | -      | (0.12)                                                                           | -                              |

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 58 - CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

#### (i) Contingent Liabilities #

Claims against the Company not acknowledged as debt:

| (₹ in crore) |                                                                                                                                                                         |                                                           |                      |                      |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------|----------------------|
| Sr. No.      | Particulars                                                                                                                                                             | Relating to various years comprise in the period          | As at March 31, 2023 | As at March 31, 2022 |
| 1            | Sales Tax /Value Added Tax* (Tax/Penalty/Interest)                                                                                                                      | 1994-2021                                                 | 30.40                |                      |
|              |                                                                                                                                                                         | 1994-2018                                                 |                      | 32.18                |
| 2            | Excise Duty * (Tax/Penalty/Interest)                                                                                                                                    | 2008-2018                                                 | 11.86                |                      |
|              |                                                                                                                                                                         | 2003-2018                                                 |                      | 16.55                |
| 3            | Service Tax * (Tax/Penalty/ Interest)                                                                                                                                   | 2008-2016                                                 | 4.05                 |                      |
|              |                                                                                                                                                                         | 2008-2016                                                 |                      | 4.05                 |
| 4            | Entry Tax* (Tax/Penalty/Interest)                                                                                                                                       | 2010-2012                                                 | 0.31                 |                      |
|              |                                                                                                                                                                         | 2009-2012                                                 |                      | 0.50                 |
| 5            | Goods & Services Tax (Tax/Penalty/Interest)                                                                                                                             | 2018-2021                                                 | 0.12                 |                      |
|              |                                                                                                                                                                         | 2018-2021                                                 |                      | 0.14                 |
| 6            | (i) Income Tax matters of the Company mainly on disallowance of depreciation and Tax levied on guarantees given to Associated Enterprises, etc.                         | A.Y 2015-16<br>A.Y 2016-17<br>A.Y 2017-18<br>A.Y. 2018-19 | 42.05                |                      |
|              |                                                                                                                                                                         | A.Y 2014-15<br>A.Y 2015-16<br>A.Y 2016-17<br>A.Y 2017-18  |                      | 51.00                |
|              | (ii) Income Tax matters at overseas unit/s of the Company**                                                                                                             | 2002-2021<br>2002-2019                                    | 17.64                | 11.94                |
|              | (iii) Income Tax matters of a jointly controlled operation (Company's share)**                                                                                          | 2013-2017<br>2013-2017                                    | 4.39                 | 4.39                 |
| 7            | Customs Duty^                                                                                                                                                           | 1995-1996<br>1995-1996                                    | 0.60                 | 0.60                 |
| 8            | Civil Suits^^                                                                                                                                                           |                                                           | 27.24                | 9.46                 |
| 9            | Guarantees excluding financial guarantees :-<br>Surety bonds obtained by Company's Subsidiaries in Brazil, Mexico and the United States for certain customer contracts. |                                                           | 612.78               | 394.51               |

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

\*These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax / Value added tax, also relate to the issue of submission of relevant forms and the Group's claim of exemption for MVAT on export sales and services.

\*\* These claims mainly relate to the issues of appropriate jurisdiction for tax applicability at overseas locations..

^ These claims mainly relate to the issues of clearance of goods from customs within time limit.

^^ These suits includes Civil suits as well as Industrial relations & labour laws cases..

# Excluding financial guarantees referred to in Note 55B.3

#### (ii) Commitments

| (₹ in crore) |                                                                                                                          |                 |                      |                      |
|--------------|--------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------|----------------------|
| Sr. No.      | Particulars                                                                                                              |                 | As at March 31, 2023 | As at March 31, 2022 |
| 1            | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) |                 | 58.96                | 28.56                |
| 2            | Derivative related commitments                                                                                           | Refer notes 55C |                      |                      |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 59 - SEGMENT REPORTING

The Group is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC business. Information is reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the Group as a whole. The CODM reviews the Group's performance on the analysis of profit before tax at an overall level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108 "Operating Segments".

#### Information about geographical areas are as under :

| (₹ in crore)                 |                                 |                      |                      |                      |
|------------------------------|---------------------------------|----------------------|----------------------|----------------------|
| Particulars                  | Revenue from External customers |                      | Non-current assets   |                      |
|                              | As at March 31, 2023            | As at March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| India                        | 10,869.99                       | 9,340.03             | 1,160.98             | 1,042.94             |
| United Arab Emirates (UAE)   | 533.52                          | 201.23               | 255.77               | 244.82               |
| Brazil, Mexico and USA       | 1,311.27                        | 850.31               | 515.57               | 511.48               |
| Geographies other than above | 4,566.93                        | 3,350.69             | 147.86               | 129.90               |
| <b>Total</b>                 | <b>17,281.71</b>                | <b>13,742.26</b>     | <b>2,080.18</b>      | <b>1,929.14</b>      |

#### Information about major customers

During the year ended March 31, 2023, revenue arising from any single customer in India is not contributing to more than 10% of the Group's revenue. (previous year ended March 31, 2022 is ₹ 1,560.36 crore)

No other customer outside India, individually contributed 10% or more to the Group's revenue for the year ended March 31, 2023 and for the year ended March 31, 2022.

**NOTE 60** - The Company, on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) for purchase consideration of ₹ 56.93 Crores. Consequently, KEC Spur Infrastructure Private Limited became wholly owned subsidiary of the Company from the aforesaid date.

The amalgamation has been accounted for using the acquisition method prescribed under Ind AS 103 – 'Business Combinations', and accordingly, the identifiable assets (both tangible and intangible) acquired and liabilities assumed are recorded at their acquisition date fair values as determined by an independent valuer. Excess of purchase consideration over the fair value of identified assets acquired and liabilities assumed has been recognised as Customer contracts and Goodwill.

The following table presents the purchase price allocation

| (₹ in crore)                      |                           |
|-----------------------------------|---------------------------|
| Particulars                       | Purchase price allocation |
| Fair value of Net Assets acquired | 26.05                     |
| Customer contracts                | 4.44                      |
| Goodwill                          | 26.44                     |
| <b>Total purchase price</b>       | <b>56.93</b>              |

### NOTE 61 – DISCLOSURE PURSUANT TO IND AS 1 – “PRESENTATION OF FINANCIAL STATEMENTS”

The details of amounts which are expected by the Group to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

| (₹ in crore)         |                      |                      |
|----------------------|----------------------|----------------------|
| Particulars          | As at March 31, 2023 | As at March 31, 2022 |
| Trade Receivables    | 707.96               | 1,192.87             |
| Contract Assets      | 280.56               | 396.45               |
| Contract Liabilities | 417.81               | 353.38               |
| Trade Payables       | 223.98               | 238.76               |

# Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

NOTE 62 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO DIVISION II TO SCHEDULE III TO THE COMPANIES ACT, 2013

## NOTE 62.1

As at March 31, 2023

| Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group') | Net Assets i.e. Total Assets - Total Liabilities |                     | Share in Profit or Loss             |                     | Share in Other Comprehensive Income (OCI) |                     | Share in Total Comprehensive Income (TCI) |                     |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------------|---------------------|-------------------------------------------|---------------------|
|                                                                                                                                   | As % of Consolidated Net Assets                  | Amount (₹ in Crore) | As % of Consolidated Profit or Loss | Amount (₹ in Crore) | As % of Consolidated OCI                  | Amount (₹ in Crore) | As % of Consolidated TCI                  | Amount (₹ in Crore) |
|                                                                                                                                   | 2                                                | 3                   | 4                                   | 5                   | 6                                         | 7                   | 8                                         | 9                   |
| 1                                                                                                                                 |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| Parent                                                                                                                            |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| KEC International Limited                                                                                                         | 105.10                                           | 3,963.83            | 102.40                              | 180.25              | 39.60                                     | 30.80               | 83.16                                     | 211.05              |
| (Including jointly controlled operations)                                                                                         |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| Subsidiaries                                                                                                                      |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| Indian                                                                                                                            |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| 1 KEC Power India Private Limited                                                                                                 | 0.01                                             | 0.38                | 0.01                                | 0.01                | -                                         | -                   | 0.01                                      | 0.01                |
| 2 KEC Spur Infrastructure Private Limited                                                                                         | 2.31                                             | 86.96               | 25.06                               | 44.12               | 0.12                                      | 0.10                | 17.42                                     | 44.22               |
| Foreign                                                                                                                           |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| 1 RPG Transmission Nigeria Limited, Nigeria                                                                                       | 0.00                                             | 0.17                | (0.00)                              | (0.00)              | 0.00                                      | 0.00                | 0.00                                      | 0.00                |
| 2 KEC Global FZ – LLC - Ras UL Khaimah, UAE                                                                                       | -                                                | -                   | 0.14                                | 0.24                | (0.62)                                    | (0.48)              | (0.09)                                    | (0.24)              |
| 3 KEC Investment Holdings, Mauritius                                                                                              | 0.00                                             | 0.03                | (0.11)                              | (0.19)              | -                                         | -                   | (0.08)                                    | (0.19)              |
| 4 KEC Global Mauritius, Mauritius                                                                                                 | 0.00                                             | 0.03                | (0.07)                              | (0.13)              | (0.55)                                    | (0.43)              | (0.22)                                    | (0.56)              |
| 5 KEC International (Malaysia) SDN BHD                                                                                            | 0.75                                             | 28.32               | 8.53                                | 15.02               | (0.70)                                    | (0.55)              | 5.70                                      | 14.47               |
| 6 KEC Towers LLC                                                                                                                  | 5.76                                             | 217.30              | 35.25                               | 62.06               | 4.18                                      | 3.25                | 25.73                                     | 65.31               |
| 7 SAE Towers Holdings LLC, Delaware (USA)                                                                                         | 13.85                                            | 522.31              | (113.14)                            | (199.15)            | 58.06                                     | 45.15               | (60.69)                                   | (154.00)            |
| (Refer below note)                                                                                                                |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| Sub Total:                                                                                                                        | 127.78                                           | 4,819.33            | 58.07                               | 102.23              | 100.09                                    | 77.84               | 70.95                                     | 180.07              |
| Consolidation Adjustment                                                                                                          | (27.78)                                          | (1,047.91)          | 41.93                               | 73.80               | (0.09)                                    | (0.07)              | 29.05                                     | 73.73               |
|                                                                                                                                   | 100.00                                           | 3,771.42            | 100.00                              | 176.03              | 100.00                                    | 77.77               | 100.00                                    | 253.80              |

### Footnote :

The information has been furnished based on the Audited Consolidated Financial Statements of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statements of SAE Group are as under:

As at March 31, 2023

| Name of the entity in Consolidated Financial Statements of SAE Group | Net Assets i.e. Total Assets - Total Liabilities |                     | Share in Profit or Loss                          |                     | Share in Other Comprehensive Income (OCI) |                     | Share in Total Comprehensive Income (TCI) |                     |
|----------------------------------------------------------------------|--------------------------------------------------|---------------------|--------------------------------------------------|---------------------|-------------------------------------------|---------------------|-------------------------------------------|---------------------|
|                                                                      | As % of Consolidated Net Assets of KEC Group     | Amount (₹ in Crore) | As % of Consolidated Profit or Loss of KEC Group | Amount (₹ in Crore) | As % of Consolidated OCI of KEC Group     | Amount (₹ in Crore) | As % of Consolidated TCI of KEC Group     | Amount (₹ in Crore) |
|                                                                      | 2                                                | 3                   | 4                                                | 5                   | 6                                         | 7                   | 8                                         | 9                   |
| 1                                                                    |                                                  |                     |                                                  |                     |                                           |                     |                                           |                     |
| 1 SAE Towers Holdings LLC, Delaware (USA)                            | 40.51                                            | 1,527.96            | -                                                | -                   | 58.06                                     | 45.15               | 17.79                                     | 45.15               |
| 2 SAE Towers Ltd, Delaware (USA)                                     | 0.57                                             | 21.37               | 0.30                                             | 0.53                | -                                         | -                   | 0.21                                      | 0.53                |
| 3 SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)           | 0.00                                             | 0.00                | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| 4 SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)           | 0.00                                             | 0.01                | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| 5 SAE Towers Construc ao Ltda, Brazil                                | -                                                | -                   | -                                                | -                   | -                                         | -                   | (0.01)                                    | -                   |
| 6 SAE Towers Brazil Torres de Transmiss o Ltda, Brazil               | 0.14                                             | 5.34                | (123.07)                                         | (216.64)            | -                                         | -                   | (85.36)                                   | (216.64)            |
| 7 SAE Towers Mexico S de RL de CV, Mexico                            | 3.41                                             | 128.59              | 10.73                                            | 18.89               | -                                         | -                   | 7.44                                      | 18.89               |
| 8 SAE Prestadora de Servi os Mexico, S de RL de CV, Mexico           | 0.43                                             | 16.24               | 0.16                                             | 0.28                | -                                         | -                   | 0.11                                      | 0.28                |
| 9 KEC Engineering & Construction Servi os S de RL de CV (Mexico)     | (0.08)                                           | (2.99)              | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| Less: Net effect of Intra group elimination                          | (31.13)                                          | (1,174.21)          | (1.26)                                           | (2.21)              | -                                         | -                   | (0.87)                                    | (2.21)              |
|                                                                      | 13.85                                            | 522.31              | (113.14)                                         | (199.15)            | 58.06                                     | 45.15               | (60.69)                                   | (154.00)            |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

| Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies (together 'Group') | Net Assets i.e. Total Assets - Total Liabilities |                     | Share in Profit or Loss             |                     | Share in Other Comprehensive Income (OCI) |                     | Share in Total Comprehensive Income (TCI) |                     |
|-----------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------|-------------------------------------|---------------------|-------------------------------------------|---------------------|-------------------------------------------|---------------------|
|                                                                                                                                   | As % of Consolidated Net Assets                  |                     | As % of Consolidated Profit or Loss |                     | As % of Consolidated OCI                  |                     | As % of Consolidated TCI                  |                     |
|                                                                                                                                   | Amount (₹ in Crore)                              | Amount (₹ in Crore) | Amount (₹ in Crore)                 | Amount (₹ in Crore) | Amount (₹ in Crore)                       | Amount (₹ in Crore) | Amount (₹ in Crore)                       | Amount (₹ in Crore) |
|                                                                                                                                   | 2                                                | 3                   | 4                                   | 5                   | 6                                         | 7                   | 8                                         | 9                   |
| <b>Parent</b>                                                                                                                     |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| <b>KEC International Limited</b>                                                                                                  | 106.51                                           | 3,855.57            | 130.82                              | 434.44              | 13.32                                     | 4.13                | 120.80                                    | 438.57              |
| (Including jointly controlled operations)                                                                                         |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| <b>Subsidiaries</b>                                                                                                               |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| <b>Indian</b>                                                                                                                     |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| 1 KEC Power India Private Limited                                                                                                 | 0.01                                             | 0.37                | 0.00                                | 0.01                | -                                         | -                   | 0.00                                      | 0.01                |
| 2 KEC Spur Infrastructure Private Limited                                                                                         | 1.18                                             | 42.74               | 5.02                                | 16.69               | -                                         | -                   | 4.60                                      | 16.69               |
| <b>Foreign</b>                                                                                                                    |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| 1 RPG Transmission Nigeria Limited, Nigeria                                                                                       | 0.00                                             | 0.18                | (0.00)                              | (0.00)              | (0.03)                                    | (0.01)              | (0.00)                                    | (0.01)              |
| 2 KEC Global FZ – LLC - Ras UL Khaimah, UAE                                                                                       | (0.01)                                           | (0.21)              | (0.04)                              | (0.12)              | (0.02)                                    | (0.01)              | (0.04)                                    | (0.13)              |
| 3 KEC Investment Holdings, Mauritius                                                                                              | 0.00                                             | 0.06                | (0.08)                              | (0.27)              | -                                         | -                   | (0.07)                                    | (0.27)              |
| 4 KEC Global Mauritius, Mauritius                                                                                                 | 0.08                                             | 2.78                | (0.00)                              | (0.00)              | 0.40                                      | 0.12                | 0.03                                      | 0.12                |
| 5 KEC International (Malaysia) SDN BHD                                                                                            | 0.38                                             | 13.85               | 1.44                                | 4.78                | (1.11)                                    | (0.34)              | 1.22                                      | 4.44                |
| 6 KEC Towers LLC                                                                                                                  | 4.20                                             | 151.99              | 6.39                                | 21.23               | 9.44                                      | 2.92                | 6.65                                      | 24.15               |
| 7 SAE Towers Holdings LLC, Delaware (USA)                                                                                         | 13.46                                            | 487.14              | (72.70)                             | (241.45)            | 78.00                                     | 24.16               | (59.87)                                   | (217.29)            |
| (Refer below note)                                                                                                                |                                                  |                     |                                     |                     |                                           |                     |                                           |                     |
| <b>Sub Total:</b>                                                                                                                 | <b>125.82</b>                                    | <b>4,554.47</b>     | <b>70.85</b>                        | <b>235.31</b>       | <b>100.00</b>                             | <b>30.97</b>        | <b>73.33</b>                              | <b>266.28</b>       |
| Consolidation Adjustment                                                                                                          | (25.82)                                          | (934.54)            | 29.15                               | 96.77               | -                                         | -                   | 26.67                                     | 96.77               |
|                                                                                                                                   | <b>100.00</b>                                    | <b>3,619.93</b>     | <b>100.00</b>                       | <b>332.08</b>       | <b>100.00</b>                             | <b>30.97</b>        | <b>100.00</b>                             | <b>363.05</b>       |

**Footnote :**

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC and its subsidiaries (SAE Group). The requisite additional information for SAE Group based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

## NOTE 62.2

As at March 31, 2022

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

| Name of the entity in Consolidated Financial Statements of SAE Group     | Net Assets i.e. Total Assets - Total Liabilities |                     | Share in Profit or Loss                          |                     | Share in Other Comprehensive Income (OCI) |                     | Share in Total Comprehensive Income (TCI) |                     |
|--------------------------------------------------------------------------|--------------------------------------------------|---------------------|--------------------------------------------------|---------------------|-------------------------------------------|---------------------|-------------------------------------------|---------------------|
|                                                                          | As % of Consolidated Net Assets of KEC Group     |                     | As % of Consolidated Profit or Loss of KEC Group |                     | As % of Consolidated OCI of KEC Group     |                     | As % of Consolidated TCI of KEC Group     |                     |
|                                                                          | Amount (₹ in Crore)                              | Amount (₹ in Crore) | Amount (₹ in Crore)                              | Amount (₹ in Crore) | Amount (₹ in Crore)                       | Amount (₹ in Crore) | Amount (₹ in Crore)                       | Amount (₹ in Crore) |
|                                                                          | 2                                                | 3                   | 4                                                | 5                   | 6                                         | 7                   | 8                                         | 9                   |
| <b>Parent</b>                                                            |                                                  |                     |                                                  |                     |                                           |                     |                                           |                     |
| <b>SAE Towers Holdings LLC, Delaware (USA)</b>                           | 33.91                                            | 1,227.47            | -                                                | -                   | 77.98                                     | 24.16               | 6.65                                      | 24.16               |
| <b>SAE Towers Brazil Subsidiary Company LLC, Delaware (USA)</b>          | 0.00                                             | 0.00                | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| <b>SAE Towers Mexico Subsidiary Company LLC, Delaware (USA)</b>          | 0.00                                             | 0.02                | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| <b>SAE Towers Mexico S de RL de CV, Mexico</b>                           | 2.78                                             | 100.79              | 0.07                                             | 0.22                | -                                         | -                   | 0.06                                      | 0.22                |
| <b>SAE Towers Brazil Torres de Transmission Ltda, Brazil</b>             | 0.74                                             | 26.83               | (71.85)                                          | (238.61)            | -                                         | -                   | (65.73)                                   | (238.61)            |
| <b>SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico</b>         | 0.37                                             | 13.51               | (0.29)                                           | (0.97)              | -                                         | -                   | (0.27)                                    | (0.97)              |
| <b>SAE Towers Ltd, Delaware (USA)</b>                                    | 0.53                                             | 19.21               | 0.13                                             | 0.44                | -                                         | -                   | 0.12                                      | 0.44                |
| <b>SAE Engenharia E Construc ao Ltda, Brazil</b>                         | -                                                | -                   | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| <b>KEC Engineering &amp; Construction Services S de RL de CV, Mexico</b> | (0.07)                                           | (2.54)              | -                                                | -                   | -                                         | -                   | -                                         | -                   |
| Less: Net effect of Intra group elimination                              | (24.81)                                          | (898.15)            | (0.76)                                           | (2.53)              | -                                         | -                   | (0.70)                                    | (2.53)              |
|                                                                          | <b>13.45</b>                                     | <b>487.14</b>       | <b>(72.70)</b>                                   | <b>(241.45)</b>     | <b>77.98</b>                              | <b>24.16</b>        | <b>(59.87)</b>                            | <b>(217.30)</b>     |

As at March 31, 2022

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 63 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

| ₹ in crore |                                                                  |                         |
|------------|------------------------------------------------------------------|-------------------------|
| Sr. No.    | Particulars                                                      | As at<br>March 31, 2023 |
|            |                                                                  | As at<br>March 31, 2022 |
| (a)        | Gross amount required to be spent by the Company during the year | 14.04                   |
| (b)        | Amount approved by Board to be spent during the year             | 14.04                   |
| (c)        | Amount spent during the year (in cash) on:                       |                         |
| (i)        | Construction/acquisition of any asset                            | -                       |
| (ii)       | on purposes other than (i) above*                                | 9.70                    |
|            |                                                                  | 10.67                   |

\*Includes ₹ 9.62 crore (Previous year ₹ 10.11 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ Nil (Previous year ₹ 0.56 crore) towards direct CSR spent by the Company and ₹ 0.08 crore (Previous year ₹ Nil) towards Impact assessment.

#### A. Details of ongoing CSR Projects under Section 135(6) of the Act

| ₹ in crore                   |                                 |                                             |                                 |                                   |                              |
|------------------------------|---------------------------------|---------------------------------------------|---------------------------------|-----------------------------------|------------------------------|
| Balance as at April 01, 2022 |                                 | Amount required to be spent during the year | Amount spent during the year    |                                   | Balance as at March 31, 2023 |
| With the Company             | In separate CSR Unspent Account |                                             | From the Company's bank account | From Separate CSR Unspent Account |                              |
| 3.13                         | -                               | 13.71                                       | 9.37                            | 3.13                              | 4.34*                        |
|                              |                                 |                                             |                                 |                                   | -                            |

| ₹ in crore                   |                                 |                                             |                                 |                                   |                              |
|------------------------------|---------------------------------|---------------------------------------------|---------------------------------|-----------------------------------|------------------------------|
| Balance as at April 01, 2021 |                                 | Amount required to be spent during the year | Amount spent during the year    |                                   | Balance as at March 31, 2022 |
| With the Company             | In separate CSR Unspent Account |                                             | From the Company's bank account | From Separate CSR Unspent Account |                              |
| 4.27                         | -                               | 12.77                                       | 9.64                            | 4.28**                            | 3.13*                        |
|                              |                                 |                                             |                                 |                                   | -                            |

\* ₹ 4.34 crore as at March 31, 2023 (Previous year ₹ 3.13 crore) were transferred to separate "CSR Unspent Account" before their respective due dates pursuant to the provisions of the Companies Act, 2013.

\*\* Includes interest of ₹ 0.01 crore earned on unspent CSR amount.

#### A. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

| ₹ in crore                           |                                                                               |                                             |                              |                                      |
|--------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------|------------------------------|--------------------------------------|
| Balance unspent as at April 01, 2022 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2023 |
| -                                    | -                                                                             | 0.33                                        | 0.33                         | -                                    |
| Balance unspent as at April 01, 2021 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2022 |
| -                                    | -                                                                             | 1.03                                        | 1.03                         | -                                    |

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

**NOTE 64** - During the quarter ended September 30, 2021, the Group has recorded a charge of ₹ 43.64 crore net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

**NOTE 65** - The Company has issued unsecured Commercial Papers from time to time. These Commercial Papers are having a Credit Rating of CRISIL A1+ and IND A1+ and are Listed on BSE Limited. During the year ended March 31, 2023, the Company has repaid interest and principal of all Commercial Papers on their respective due dates. Refer note. 31.2.

#### NOTE 66 -

- (a) The Company is executing a few projects in Afghanistan, which are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. The Company does not expect any material financial impact due to this event as the projects are funded by international funding agencies (Asian Development Bank, USAID and World Bank). As at March 31, 2023, the Company has a net exposure of ₹ 252 crore (translated at period end exchange rate) including Afghanistan branch exposure of ₹ 79.20 crore, after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency. The Company is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s) except bank guarantees in respect of one project which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects under execution, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking, making or receiving payment under the bank guarantees.

- (b) The following note has been included in the financial statement of Afghanistan branch, which is reproduced as under:

"The KEC International Ltd- Afghanistan Branch (the "Company") is executing few projects in Afghanistan. These projects are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. These Projects are funded by international funding agencies such as Asian Development Bank, USAID, and World Bank. Therefore, the Company does not expect any material financial impact.

The Company has a net exposure of USD 90,87,881 (equivalent to INR.79.20 crores) after netting off advances, liabilities (including contract liabilities) and insurance cover as at Mar 31,2023. The Company is in regular discussion with the funding agencies and the customers for releasing payment against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event."

**NOTE 67** - The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, the Group can adequately source the funding required at mentioned branches and Jointly Controlled Operation.

**NOTE 68** - During the previous year ended March 31, 2022, the Company had received ₹ 0.50 crore towards government grant from Government of Rajasthan for setting up an Oxygen plant under Special package for Medical oxygen. The Company has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.02 crore under other income (Refer note 40). The balance amount of grant is shown as "Deferred Grant" in non-current liability ₹ 0.45 crores (Refer note 30) and other current liability of ₹ 0.02 crore (Refer note 36). The Company doesn't have any unfulfilled conditions and other contingencies attached to the same.

#### NOTE 69 - DETAILS OF BENAMI PROPERTY HELD:

No proceedings have been initiated on or are pending against any of the entities in the Group for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

#### NOTE 70 - WILFUL DEFAULTER:

None of the entities in the Group have been declared wilful defaulter by any bank or financial institution or government or any government authority.

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

### NOTE 71 - RELATIONSHIP WITH STRUCK OFF COMPANIES:

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year. Balance outstanding with struck off companies given below:

| ₹ in crore |                                                         |                                                   |                                          |                                          |                                          |
|------------|---------------------------------------------------------|---------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| Sr. No.    | Name of the struck off company                          | Nature of transaction with the struck off company | Relationship with the struck off company | Balance outstanding as at March 31, 2023 | Balance outstanding as at March 31, 2022 |
| 1          | King'Sbourn Globel Export India Private Limited         | Trade payables                                    | NA                                       | 0.03                                     | 0.06                                     |
| 2          | Anamika Infratech Private Limited                       | Trade payables                                    | NA                                       | 0.03                                     | -                                        |
| 3          | Om Sairam Engicon Private Limited                       | Trade payables                                    | NA                                       | 0.01                                     | 0.01                                     |
| 4          | Koushalya Power Construction Private Limited            | Trade payables                                    | NA                                       | 0.01                                     | 0.02                                     |
| 5          | Srs Software Solutions Private Limited                  | Trade payables                                    | NA                                       | 0.00                                     | 0.00                                     |
| 6          | Popular Stock And Share Services Private Limited        | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 7          | Ushdev Securities Limited                               | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 8          | Gnk Investments Private Limited                         | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 9          | Badri Sarraf Finance And Mutual Benefit Company Limited | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 10         | Pegasus Mercantile Private Limited                      | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 11         | Highlands Garments Private Limited                      | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 12         | Aggarwal Securities Private Limited                     | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 13         | Lakhan Pal Brothers Private Limited                     | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |

### NOTE 72 - DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The Group has not traded or invested in crypto currency or virtual currency during the current or previous year.

### NOTE 73 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Group has complied with the number of layers prescribed under the Companies Act, 2013.

### NOTE 74 - UNDISCLOSED INCOME:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

### NOTE 75 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET:

The Group has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year

### NOTE 76 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were taken

## Notes

forming part of the Consolidated Financial Statements as at and for the year ended March 31, 2023

**NOTE 77** - The Group has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries), or
- Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Group has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**NOTE 78** - The Group has approved its financial statements in its board meeting dated May 03, 2023.

Signatures to Notes 1 to 78 which form an integral part of the consolidated financial statements.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

**SARAH GEORGE**

Partner

Membership Number: 045255

Place: Mumbai

Date: May 03, 2023

**For and on behalf of the Board of Directors**

**H.V. GOENKA**

Chairman

DIN: 00026726

**RAJEEV AGGARWAL**

Chief Financial Officer

**AMIT KUMAR GUPTA**

Company Secretary

Place: Mumbai

Date: May 03, 2023

**VIMAL KEJRIWAL**

Managing Director & CEO

DIN: 00026981

**A.T. VASWANI**

Audit Committee Chairman and Director

DIN: 00057953

## FORM AOC - 1

Annexure pursuant to first proviso to sub section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014

## Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

## PART "A": SUBSIDIARIES

| Sr. No. | Name of Subsidiary Company                                 | Reporting Currency | Share Capital | Reserves & surplus | Total Assets | Total Liabilities (excluding Capital and Reserves) | Investments (except in case of Investment in the Subsidiaries) | Turnover ** | Profit/ (Loss) before Taxation ** | Provision for Taxation ** | Profit/ (Loss) after Taxation ** | Proposed Dividend (excluding dividend paid) | % of Shareholding (either directly or through subsidiaries) |
|---------|------------------------------------------------------------|--------------------|---------------|--------------------|--------------|----------------------------------------------------|----------------------------------------------------------------|-------------|-----------------------------------|---------------------------|----------------------------------|---------------------------------------------|-------------------------------------------------------------|
|         |                                                            |                    |               |                    |              |                                                    |                                                                |             |                                   |                           |                                  |                                             |                                                             |
| 1       | SAE Towers Holdings LLC, USA*                              | INR                | 1,424.47      | 103.58             | 1,580.94     | 52.89                                              | -                                                              | -           | -                                 | -                         | -                                | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | 173,356.19    | 12,605.98          | 192,399.01   | 6,436.85                                           | -                                                              | -           | -                                 | -                         | -                                | -                                           |                                                             |
| 2       | SAE Towers Ltd, USA*                                       | INR                | 16.44         | 4.93               | 25.03        | 3.66                                               | -                                                              | 456.87      | 0.53                              | -                         | 0.54                             | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | 2,001.00      | 600.04             | 3,046.04     | 445.00                                             | -                                                              | 56,974.30   | 66.25                             | -                         | 66.25                            | -                                           |                                                             |
| 3       | SAE Towers Brazil Subsidiary Company LLC, USA*             | INR                | -             | 0.00               | 0.00         | -                                                  | -                                                              | -           | -                                 | -                         | -                                | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | -             | 0.00               | 0.00         | -                                                  | -                                                              | -           | -                                 | -                         | -                                | -                                           |                                                             |
| 4       | SAE Towers Mexico Subsidiary Holding Company LLC, USA*     | INR                | -             | 0.01               | 0.01         | -                                                  | -                                                              | -           | -                                 | -                         | -                                | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | -             | 1.82               | 1.82         | -                                                  | -                                                              | -           | -                                 | -                         | -                                | -                                           |                                                             |
| 5       | SAE Towers Construcacao Ltda, Brazil*                      | INR                | -             | -                  | -            | -                                                  | -                                                              | -           | -                                 | -                         | -                                | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | -             | -                  | -            | -                                                  | -                                                              | -           | -                                 | -                         | -                                | -                                           |                                                             |
| 6       | SAE Towers Brasil Torres de Transmissao Ltda, Brazil*      | INR                | 513.09        | (507.75)           | 854.29       | 848.96                                             | -                                                              | 827.21      | (323.86)                          | (107.22)                  | (216.64)                         | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | 62,442.62     | (61,793.03)        | 103,966.53   | 103,316.95                                         | -                                                              | 103,159.28  | (40,319.10)                       | (13,348.27)               | (26,970.83)                      | -                                           |                                                             |
| 7       | SAE Towers Mexico S de RL de CV, Mexico*                   | INR                | 181.42        | (52.83)            | 438.41       | 309.81                                             | -                                                              | 489.44      | 23.20                             | 4.31                      | 18.89                            | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | 22,078.75     | (6,428.91)         | 53,353.79    | 37,703.95                                          | -                                                              | 61,036.06   | 2,887.72                          | 536.18                    | 2,351.55                         | -                                           |                                                             |
| 8       | SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico* | INR                | -             | 16.24              | 21.15        | 4.92                                               | -                                                              | -           | (0.01)                            | (0.30)                    | 0.28                             | -                                           | 100%                                                        |
|         |                                                            | USD(000)           | -             | 1,976.10           | 2,574.50     | 598.40                                             | -                                                              | -           | (1.74)                            | (36.86)                   | 35.12                            | -                                           |                                                             |

| Sr. No. | Name of Subsidiary Company                                     | Reporting Currency | Share Capital | Reserves & surplus | Total Assets | Total Liabilities (excluding Capital and Reserves) | Investments (except in case of Investment in the Subsidiaries) | Turnover ** | Profit/ (Loss) before Taxation ** | Provision for Taxation ** | Profit/ (Loss) after Taxation ** | Proposed Dividend (excluding dividend paid) | % of Shareholding (either directly or through subsidiaries) |
|---------|----------------------------------------------------------------|--------------------|---------------|--------------------|--------------|----------------------------------------------------|----------------------------------------------------------------|-------------|-----------------------------------|---------------------------|----------------------------------|---------------------------------------------|-------------------------------------------------------------|
|         |                                                                |                    |               |                    |              |                                                    |                                                                |             |                                   |                           |                                  |                                             |                                                             |
| 9       | KEC Engineering & Construction Services S de RL de CV, Mexico* | INR                | -             | (2.99)             | (2.96)       | 0.04                                               | -                                                              | -           | -                                 | -                         | -                                | -                                           | 100%                                                        |
|         |                                                                | USD(000)           | -             | (364.39)           | (359.94)     | 4.44                                               | -                                                              | -           | -                                 | -                         | -                                | -                                           |                                                             |
| 10      | KEC Investment Holdings, Mauritius                             | INR                | 876.71        | 15.91              | 892.69       | 0.07                                               | -                                                              | -           | (204.59)                          | -                         | (204.59)                         | -                                           | 100%                                                        |
|         |                                                                | USD(000)           | 106,694.31    | 1,936.11           | 108,639.14   | 8.72                                               | -                                                              | -           | (25,470.62)                       | -                         | (25,470.62)                      | -                                           |                                                             |
| 11      | KEC Global Mauritius, Mauritius                                | INR                | 0.12          | (0.09)             | 0.07         | 0.04                                               | -                                                              | -           | (0.13)                            | -                         | (0.13)                           | -                                           | 100%                                                        |
|         |                                                                | USD(000)           | 19.53         | (17.03)            | 7.15         | 4.65                                               | -                                                              | -           | (16.69)                           | -                         | (16.69)                          | -                                           |                                                             |
| 12      | KEC International (Malaysia) SDN.BHD, Malaysia                 | INR                | 1.73          | 26.59              | 109.61       | 81.29                                              | -                                                              | 101.09      | 19.48                             | 4.46                      | 15.02                            | -                                           | 100%                                                        |
|         |                                                                | MYR(000)           | 1,021.74      | 14,191.08          | 58,888.45    | 43,675.62                                          | -                                                              | 54,716.79   | 9,908.29                          | 2,385.04                  | 7,523.25                         | -                                           |                                                             |
| 13      | RPQ Transmission Nigeria Limited, Nigeria                      | INR                | 0.21          | (0.03)             | 0.18         | 0.00                                               | -                                                              | -           | (0.00)                            | -                         | (0.00)                           | -                                           | 100%                                                        |
|         |                                                                | Naira(000)         | 10,000.00     | (210.39)           | 9,789.61     | -                                                  | -                                                              | -           | (50.00)                           | -                         | (50.00)                          | -                                           |                                                             |
| 14      | KEC Global FZ – LLC, Ras UL Khaimah, UAE                       | INR                | -             | -                  | -            | -                                                  | -                                                              | -           | 0.24                              | -                         | 0.24                             | -                                           | 100%                                                        |
|         |                                                                | AED(000)           | -             | -                  | -            | -                                                  | -                                                              | -           | (85.21)                           | -                         | (85.21)                          | -                                           |                                                             |
| 15      | Al-Sharif Group and KEC Ltd. Co, Saudi Arabia (Refer note 3)   | INR                | 3.65          | 250.23             | 864.77       | 610.89                                             | -                                                              | 864.22      | 82.10                             | 12.48                     | 69.62                            | -                                           | 51.10%                                                      |
|         |                                                                | SAR(000)           | 3,000.00      | 167,694.61         | 565,330.55   | 394,635.94                                         | -                                                              | 570,087.75  | 55,654.43                         | 8,203.12                  | 47,451.32                        | -                                           |                                                             |
| 16      | KEC Towers LLC, Dubai, UAE                                     | INR                | 126.04        | 59.04              | 596.12       | 411.04                                             | -                                                              | 450.46      | 29.61                             | -                         | 29.61                            | -                                           | 100%                                                        |
|         |                                                                | AED(000)           | 63,173.50     | 19,688.7           | 265,142.18   | 182,279.99                                         | -                                                              | 207,986.75  | 9,007.09                          | -                         | 9,007.09                         | -                                           |                                                             |
| 17      | KEC EPC LLC, Dubai, UAE (Refer note 1)                         | INR                | 0.62          | 32.22              | 304.42       | 271.58                                             | -                                                              | 426.91      | 32.45                             | -                         | 32.45                            | -                                           | 100%                                                        |
|         |                                                                | AED(000)           | 300.00        | 10,858.80          | 131,920.90   | 120,762.11                                         | -                                                              | 190,823.13  | 14,251.08                         | -                         | 14,251.08                        | -                                           |                                                             |
| 18      | KEC Power India Private Limited, India                         | INR                | 0.22          | 0.16               | 0.39         | 0.01                                               | -                                                              | -           | 0.02                              | 0.01                      | 0.01                             | -                                           | 100%                                                        |

₹ in Crore

| Sr. No. | Name of Subsidiary Company                                                                                     | Reporting Currency | Share Capital | Reserves & surplus | Total Assets | Total Liabilities (excluding Capital and Reserves) | Investments (except in case of Investment in the Subsidiaries) | Turnover ** | Profit/ (Loss) before Taxation ** | Provision for Taxation ** | Profit/ (Loss) after Taxation ** | Proposed Dividend (excluding dividend paid) | % of Shareholding (either directly or through subsidiaries) |
|---------|----------------------------------------------------------------------------------------------------------------|--------------------|---------------|--------------------|--------------|----------------------------------------------------|----------------------------------------------------------------|-------------|-----------------------------------|---------------------------|----------------------------------|---------------------------------------------|-------------------------------------------------------------|
| 19      | KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) (Refer note 2) | INR                | 0.30          | 86.66              | 423.15       | 336.19                                             | -                                                              | 481.06      | 59.12                             | 15.00                     | 44.12                            | -                                           | 100%                                                        |

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:

1 USD = ₹ 82.165

1 AED = ₹ 22.376

1 NAIIRA = ₹ 0.1783

1 SAR = ₹ 21.892

1 MYR = ₹ 18.614

\* Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC

\*\* Average exchange rates for the year considered for conversion (actual entry rate during the year)

**Footnotes:**

- KEC EPC LLC, Step down Subsidiary, was incorporated on October 06, 2021.
- The Company on October 13, 2021 acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) thereby making it a wholly owned subsidiary of the Company.
- KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Ltd. Co.', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which holds 48.90% in Al Sharif JV. Al Sharif JV is "Subsidiary" of the Company under the Companies Act, 2013. In terms of Indian Accounting Standard (Ind AS- 111) the financials of Al Sharif JV continues to be forming part of standalone accounts due to Joint Operation Control between the shareholders.
- The liquidation process of KEC Global FZ, LLC has been completed and the said entity has been de-registered effective March 8, 2023.
- There are no subsidiaries which have been incorporated or sold during the year.

**PART "B" : ASSOCIATES AND JOINT VENTURES**

₹ in Crore

| Name of Associates / joint ventures                                           | RP Goenka Group of Companies<br>Employees Welfare Association |
|-------------------------------------------------------------------------------|---------------------------------------------------------------|
| 1. Latest audited balance sheet date                                          | 31/03/2023                                                    |
| 2. Shares of Associate / joint ventures held by the company on the year end   |                                                               |
| No.                                                                           | -                                                             |
| Amount of Investment in Associates / joint ventures                           | -                                                             |
| Extend of Holding %                                                           | 49                                                            |
| 3. Description of how there is significant influence                          | By virtue of shareholding                                     |
| 4. Reason why the associate / joint ventures is not consolidated              | Refer foot note no-1                                          |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | -                                                             |
| 6. Profit / Loss for the year                                                 | -                                                             |
| i. Considered in Consolidation                                                | No                                                            |
| ii. Not considered in Consolidation                                           | -                                                             |

The figures reported above are without considering elimination

**Footnotes:**

- As there are significant restrictions on the ability of the associate to transfer funds to the Group in the form of cash dividends, the carrying value of the Group's interest in the Associate are not considered in the consolidated financial statements.
- There are no associates or joint ventures which have been incorporated, liquidated or sold during the year.

**For and on behalf of the Board of Directors**

**H.V. GOENKA**

Chairman  
DIN: 00026726

**RAJEEV AGGARWAL**

Chief Financial Officer

**VIMAL KEJRIWAL**

Managing Director & CEO  
DIN: 00026981

**AMIT KUMAR GUPTA**

Company Secretary

**A.T. VASWANI**

Audit Committee Chairman and Director  
DIN: 00057953

Place: Mumbai

Date: May 03, 2023

# Independent Auditor's Report

To the Members of KEC International Limited

## REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

### OPINION

- We have audited the accompanying standalone financial statements of KEC International Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's 40 branches located at Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burundi, Burkina Faso, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda and Zambia and financial statements / financial information of 31 jointly controlled operations consolidated on a proportionate basis (refer Notes 3.3 and 50 to the attached standalone financial statements) (hereinafter referred to as "standalone financial statements").
- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on audited financial statements / financial information of branches and jointly controlled operations, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

### BASIS FOR OPINION

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's responsibilities for the audit of the standalone financial statements" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical

responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraphs 16 and 17 of the Other Matters Paragraph below, is sufficient and appropriate to provide a basis for our opinion.

### EMPHASIS OF MATTER

- We draw attention to Note 64(a) of the standalone financial statements, regarding the Company's net exposure of ₹ 252 crores (including exposure of ₹ 79.20 crores in the Afghanistan branch) after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency from its transmission line projects in Afghanistan as at March 31, 2023, which are currently on hold due to Force Majeure event. The timing of the recovery of the said exposure is dependent upon the geopolitical environment in Afghanistan and negotiations with international funding agencies. Our opinion is not modified in respect of this matter.
- Audit report on the Financial Statements of the Afghanistan branch issued by an independent firm of chartered accountants vide its report dated April 26, 2023 include an emphasis of matter paragraph which is reproduced by us as under:

"We draw attention to Note xviii of the Financial Statements, regarding Afghanistan Branch net exposure of USD 90,87,881 (equivalent to INR. 79.20 crores) to its transmission line Projects as at March, 2023, which are currently on hold due to Force Majeure event. Timeline of the recovery of said exposure is dependent upon the geopolitical environment in Afghanistan and negotiation with international funding agencies. Further, the bank guarantees issued in respect of these ongoing projects are also currently not enforceable due to the force majeure event. Our Conclusion is not modified in respect of this matter."

Note xviii as described above is reproduced as Note 64(b) to the standalone financial statements for the year ended March 31, 2023.

Our opinion is not modified in respect of this matter.

### KEY AUDIT MATTERS

- Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key audit matter

#### Estimation of contract cost and revenue recognition

(Refer notes 38 and 51 to the standalone financial statements)

Contract revenue amounting to ₹ 13,813.01 crores for engineering, procurement and construction contracts which usually extends over a period of 2-3 years, contract prices are fixed / subject to price variance clauses.

The contract revenue is measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

This method requires the Company to perform an initial assessment of total estimated cost and further, reassess the total construction cost at each reporting period to determine the appropriate percentage of completion.

We considered the estimation of construction contract cost as a key audit matter given the involvement of significant management judgement which has a consequential impact on revenue recognition.

#### Recoverability of Trade Receivables

(Refer to Notes 10 and 15 to the standalone financial statement)

Trade receivables amounting to ₹ 6,962.91 crores (including retention receivables) is a significant balance in the Company's standalone financial statements as at March 31, 2023 and assumptions used for estimating the credit loss on receivables is an area which is influenced by management's judgment.

The Company makes an assessment of the estimated credit losses basis credit risk, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward looking estimates, with the customer.

Given the relative significance of these receivables to the standalone financial statements and judgement involved as well as the nature and extent of audit procedures involved to assess the recoverability of receivables, we determined this to be a key audit matter.

### How our audit addressed the key audit matter

Our procedures over the recognition of construction revenue included the following:

- Understood and evaluated the design and tested operating effectiveness of key internal financial controls, including those related to contracted revenue and review and approval of estimated project cost by the authorised representatives.
- For sample of contracts, we obtained the percentage of completion calculations, agreed key contractual terms back to signed contracts, tested the mathematical accuracy of the cost to complete calculations and re-performed the calculation of revenue recognized during the year based on the percentage of completion.
- For costs incurred to date, we tested samples to appropriate supporting documentation and performed cut off procedures.
- To test the forecasted cost to complete, for sample of contracts, we obtained the breakdown of forecasted costs and tested elements of the forecast by obtaining executed purchase orders and agreements, evaluating reasonableness of management's judgements / and assumptions using past trends and comparing the estimated costs to the actual costs incurred for the completed projects.
- Assessed the adequacy of presentation and related disclosures in the standalone financial statements.

Based on the procedures performed above, we considered manner of estimation of contract cost and recognition of revenue to be reasonable.

Our procedures towards recoverability of trade receivables involved the following:

- Understood and evaluated the accounting policy of the Company.
- Evaluated the design and tested the operating effectiveness of key controls in relation to determination of estimated credit loss.
- Inquired with senior management regarding status of collectability of the receivables.
- Assessed and challenged the information used by the Management to determine the expected credit losses by considering credit risk of the customer, project status, past history, ongoing litigations and disputes, if any, existing market conditions and forward looking estimates, with the customer.

Based on the procedures performed above, no significant deviations were observed in respect of management's assessment of recoverability of trade receivables.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | How our audit addressed the key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Assessment of carrying value of investments in a subsidiary</b><br><br>(Refer to Note 9 to the standalone financial statement)<br><br>The Company has an investment of ₹ 1,056.49 crores in KEC Investment Holding, Mauritius, whose wholly owned subsidiary SAE Tower holdings LLC ("SAE") is making losses over the past few years and the carrying value of the investment is higher than the net assets of SAE.<br><br>This is an indicator of a potential impairment of the investment.<br><br>The management's assessment of impairment depends on the value in use of SAE derived by business plans, anticipating the future market conditions and cash flows, key assumptions such as estimated long term growth rates, weighted average cost of capital and estimated operating margins.<br><br>In addition, there is significant scope for judgement in determining the assumptions underlying the forecasted results.<br><br>Given the relative significance of this investment to the standalone financial statements and the nature and extent of audit procedures involved in assessing the carrying value of this investment, we determined this to be a key audit matter. | Our procedures over the assessment of carrying value of investment in a subsidiary included the following: <ul style="list-style-type: none"> <li>Evaluated the design and tested the operating effectiveness of key controls in relation to the assessment of the carrying value of investment.</li> <li>Assessed and challenged the information used by Management for assessing impairment if any, in the carrying value of investment.</li> <li>Compared the growth rates used in the Model with historical information, economic and industry forecasts.</li> <li>Evaluated the competency and capabilities of the management's external valuation expert performing the impairment assessment of the carrying value of investment.</li> <li>Involved auditor's valuation expert to assist in assessing the reasonableness of the valuation approach and methodology including the independent assessment of the underlying assumptions relating to weighted average cost of capital and terminal value growth rate.</li> <li>Checked the mathematical accuracy of the impairment model.</li> <li>Obtained results of work performed by the component auditor of the subsidiary in their impairment testing including consistency of the future cash flow projections and assumptions used in the component's valuation model.</li> <li>Assessed the adequacy of presentation and disclosures made in the financial statements.</li> </ul> Based on the above procedures performed, we observed the management's impairment assessment related to investments in a subsidiary to be reasonable. |

7. The following Key Audit Matters were included in the audit report dated April 17, 2023, issued by an independent firm, containing an unmodified audit opinion on the standalone financial statements of Sri Lanka, a branch of the Parent Company issued by an independent firm of Chartered Accountants reproduced by us as under:

| Key audit matter                                                                                                                                                                                                                                                                     | How the other auditor addressed the key audit matter                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Estimation of Contract Cost and Consequential Revenue Recognition :</b><br><br>We considered that estimation of construction contract cost is a key audit matter given the involvement of significant management judgement which has consequential impact on revenue recognition. | For sample of contracts, we obtained the percentage of completion calculations, and we noticed that the manner of estimation of contract cost to be reasonable. |

## OTHER INFORMATION

8. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

9. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

11. 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.

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the branches and jointly controlled operations which are included in the Company to express an opinion on the standalone financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the standalone financial statements of which we are the independent auditors. For the other entities included in the standalone financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. 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.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
17. The financial statements/ financial information of 7 branches and 1 jointly controlled operation located outside India, included in the standalone financial results, which constitute total assets of ₹ 567 crores and net liabilities of ₹ 97 crores as at March 31, 2023, total revenue from operations of ₹ 325 crores, total net loss after tax of ₹ 33 crores, total comprehensive loss (comprising of loss and other comprehensive loss) of ₹ 34 crores and net cash outflows amounting to ₹ 11 crores for the year then ended, have been prepared in accordance with accounting principles generally accepted in their respective countries and have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements/ financial information of such branches/ jointly controlled operation located outside India from the accounting principles generally accepted in their respective countries to the accounting principles generally accepted in India. We have audited the conversion adjustments, if any, made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such branches and jointly controlled operation located outside India, is based on the report of such other auditors and the conversion adjustments prepared by the management of the Company and audited by us. Material uncertainty related to going concern has been reported by two branches and one jointly controlled operation on account of loss incurred during the year by these branches and jointly controlled operation which are not material in relation to the operations of the Company.
- Our opinion on the standalone financial statements, and our 'Report on Other Legal and Regulatory Requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.
- REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**
18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches.
- (c) The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch

## OTHER MATTERS

16. We did not audit the financial statements/ financial information of 33 branches and 30 jointly controlled operations included in the standalone financial results of the Company, whose financial statements / financial information reflect total assets of ₹ 3,896 crores and net assets of ₹ 287 crores as at March 31, 2023, total revenues of ₹ 3,715 crores, total net loss after tax of ₹ 187 crores, total comprehensive loss (comprising of loss and other comprehensive income) of ₹ 149 crores for the year ended March 31, 2023 and net cash outflows amounting to ₹ 1 crore for the year ended March 31, 2023. The financial statements / financial information of these branches and jointly controlled operations have been audited by branch auditors and other auditors whose reports have been furnished to us by the Management, and our opinion on the standalone financial results in so far as it relates to the amounts and disclosures included in respect of these branches and jointly controlled operations, is based solely on the reports of such branch auditors and other auditors.

auditors have been sent to us and have been properly dealt with by us in preparing this report.

- (d) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches and the financial information/ financial statements received from the jointly controlled operations.
- (e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (f) On the basis of the written representations received from the directors as on April 1, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and its 40 branches, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
- i. The standalone financial statements disclose the impact, if any, of pending litigations on the standalone financial position of the Company, its branches and jointly controlled operations – Refer note 57 to the standalone financial statements.
- ii. Provision has been made in the standalone financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer note 36 to the standalone financial statements.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year.
- iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to these standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly, lend or invest in other persons or entities

identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 9 to the standalone financial statements);

(b) The management has represented that, to the best of its knowledge and belief, as disclosed in the notes to these standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (Refer note 9 to the standalone financial statements); and

(c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. The dividend declared and paid during the year by the Company is in compliance with Section 123 of the Act.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 (as amended), which provides for books of account to have the feature of audit trail, edit log and related matters in the accounting software used by the Company, is applicable to the Company only with effect from financial year beginning April 1, 2023, the reporting under clause (g) of Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), is currently not applicable.

20. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016  
Chartered Accountants

**Sarah George**  
Partner

Place: Mumbai  
Date: May 03, 2023

Membership Number: 045255  
UDIN: 23045255BGYVVM1375

# Annexure A to Independent Auditor's Report

Referred to in paragraph 19 (g) of the Independent Auditor's Report of even date to the members of KEC International Limited on the standalone financial statements as of and for the year ended March 31, 2023

## REPORT ON THE INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE ACT

1. We have audited the internal financial controls with reference to standalone financial statements of KEC International Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date, which includes the internal financial controls over financial reporting of the Company's 40 branches.

## MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to standalone financial statements and their operating effectiveness. Our audit

of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

## MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

## INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO STANDALONE FINANCIAL STATEMENTS

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements

to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## OPINION

8. In our opinion, the Company including 40 branches has, in all material respects, an adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

## OTHER MATTER

9. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to standalone financial statements insofar as it relates to 40 Branches of the Company, is based on the corresponding reports of the auditors of such Branches of the Company. Our opinion is not modified in respect of this matter.

## For Price Waterhouse Chartered Accountants LLP

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sarah George**

Partner

Place: Mumbai

Date: May 03, 2023

Membership Number: 045255

UDIN: 23045255BGYVVM1375

## Annexure B to Independent Auditor's Report

Referred to in paragraph 18 of the Independent Auditors' Report of even date to the members of KEC International Limited on the standalone financial statements as of and for the year ended March 31, 2023

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
- (B) The Company is maintaining proper records showing full particulars of Intangible Assets.
- (b) The Property, Plant and Equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 5 to the standalone financial statements, are held in the name of the Company, except for the following :

| Description of property                                | Gross carrying value<br>(₹ in Crores) | Held in the name of                 | Whether promoter, director or their relative or employee | Period held - indicate range, where appropriate | Reason for not being held in the name of the Company                                                                                                                                                                                                                                                                                                                                           |
|--------------------------------------------------------|---------------------------------------|-------------------------------------|----------------------------------------------------------|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Freehold land at Jabalpur                              | 0.81                                  | SAE (I) Limited                     | No                                                       | October 01, 2007*                               | The title has been transferred to and vested in the Company pursuant to schemes of amalgamation/arrangement in the earlier years. Third party has claimed title of the property and the said matter is sub judice before the Court.                                                                                                                                                            |
| Freehold land at Mysore                                | 24.24                                 | RPG Telecom Limited                 | No                                                       | March 01, 2010*                                 | The title has been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in earlier years. The Company has paid property maintenance charges to Karnataka Industrial Area Development Board (KIADB) as per the terms of sale deed and initiated the process for change of name from RPG Telecom Limited to KEC International Limited in their records. |
| Freehold land at Village Dhanot, Taluka Kalol, Gujarat | -                                     | i. Asian Cables Corporation Limited | No                                                       | March 01, 2010*                                 | The title has been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in earlier years. Applications for change of name in the revenue record were rejected by Sub-Divisional Officer (SDO) for want of payment of stamp duty.                                                                                                                      |
|                                                        |                                       | ii. CETEX Petrochemicals Limited    | No                                                       | March 31, 2005*                                 |                                                                                                                                                                                                                                                                                                                                                                                                |
|                                                        |                                       |                                     |                                                          |                                                 | The Company has filed a revision application before the Appropriate Authority challenging the order passed by the SDO.                                                                                                                                                                                                                                                                         |
| Building at Bezzola Complex, Chembur                   | 9.72                                  | Harrisons Malayalam Limited         | No                                                       | July 13, 2016                                   | <p>The title has been transferred to and vested in the Company, pursuant to the agreement for sale in earlier years.</p> <p>The registration of the Sale deed is pending on account of certain procedural formalities at the end of Harrisons Malayalam Limited's Banker.</p>                                                                                                                  |

\* The dates stated in column refers to transfer and vesting date pursuant to the appointed date as per the Schemes of Amalgamation/Arrangement with the companies stated in column "Held in the name of".

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.
- (e) Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in its standalone financial statements does not arise.
- ii. (a) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory and have been appropriately dealt with in the books of account.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks, which are in agreement with the unaudited books of account as set out below (Also refer Note 30 to the standalone financial statements).
- iii. (a) The Company has made investments in one company, granted unsecured loan to one company and stood guarantee to four companies. The aggregate amount of guarantees during the year, and balance outstanding at the balance sheet date with respect to such loans and guarantees to the subsidiaries and a jointly controlled operation are as per the table given below:

| (₹ in Crore)          |             |           |                 |
|-----------------------|-------------|-----------|-----------------|
| Particulars           | All Parties | Promoters | Related Parties |
| Aggregate of loans    |             |           |                 |
| - Repayable on demand | 4.00        | -         | 4.00            |
| Percentage of loans   | 100%        | -         | 100%            |

- iv. The Company is engaged in providing infrastructural facilities as specified in Schedule VI to the Act and accordingly, the provisions of Section 186, except sub section (1), of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186(1) of the Act in respect of the loans and investments made and guarantees provided by it.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits referred in Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

| Particulars                                                          | Loans<br>(₹ In Crore) | Guarantees*<br>(₹ In Crore) |
|----------------------------------------------------------------------|-----------------------|-----------------------------|
| Aggregate amount provided during the year#                           |                       |                             |
| - Subsidiaries                                                       | 4.00                  | 933.01                      |
| - Jointly Controlled Operation                                       | -                     | 1,082.03                    |
| Balance outstanding as at balance sheet date in respect of the above |                       |                             |
| - Subsidiaries                                                       | -                     | 933.01                      |
| - Jointly Controlled Operation                                       | -                     | 1082.03                     |

# Excludes impact of revaluation of foreign currency loans

\* converted at closing rate

(Also refer Note 9, 18 and 54 to the standalone financial statements)

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect goods and service tax, provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues of provident fund, employees' state insurance, cess which have not been deposited on account of any dispute. The particulars of other statutory dues referred to in sub-clause (a) as at March 31, 2023 which have not been deposited on account of a dispute, are as follows:

| Name of the statute                                      | Nature of dues                | Amount<br>(₹ in Crores) | Period to which the<br>amount relates | Forum where the dispute is<br>pending                      |
|----------------------------------------------------------|-------------------------------|-------------------------|---------------------------------------|------------------------------------------------------------|
| The Central Sales Tax Act, 1956 and Local Sales Tax Acts | Sales tax and value added tax | 20.95                   | 1999-2000 to 2017-2018                | Appellate Authority – up to Commissioner's level           |
|                                                          |                               | 21.23                   | 2006-2007 to 2015-2016                | Revisionary Board of Madhya Pradesh & West Bengal          |
|                                                          |                               | 1.99                    | 2007 -2008 to 2014-2015               | Appellate Tribunal                                         |
|                                                          |                               | 2.14                    | 1994-1995 to 2014-2015                | Rajasthan Tax Board, Ajmer                                 |
| The Finance Act, 1994                                    | Service Tax                   | 2.58                    | 2012 - 2013                           | Kerala High Court                                          |
|                                                          |                               | 36.48                   | 2014-2015 to 2017-2018                | Appellate Authority                                        |
|                                                          |                               | 7.31                    | 2007 -2008 to 2015 -2016              | Customs Excise and Service Tax Appellate Tribunal (CESTAT) |
|                                                          |                               | 145.33                  | 2004-2005 to 2008-2009                | Supreme Court                                              |
| The Customs Act, 1962                                    | Custom Duty                   | 0.60                    | 1995-1996                             | High Court                                                 |
| The Central Excise Act, 1944                             | Excise Duty                   | 0.71                    | 2008 -2009 to 2014-2015               | Appellate Authority – up to Commissioner's level           |
|                                                          |                               | 8.74                    | 2003 -2004 to 2016-2017               | Customs Excise and Service Tax Appellate Tribunal (CESTAT) |
|                                                          |                               | 0.13                    | 2008 - 2009                           | Supreme Court                                              |
| The Income- Tax Act, 1961                                | Income Tax                    | 0.38                    | 2016-17                               | Income Tax Appellate Tribunal                              |
| Entry Tax Act, 1976, Madhya Pradesh                      | Entry Tax                     | 0.20                    | 2009 -2010 to 2015 -2016              | Appellate Authority – up to Commissioner's level           |
| Entry Tax, Gurgaon                                       | Entry Tax                     | 1.25                    | 2013-14 to 2016-17                    | West Bengal High Court                                     |
| Goods and Services Tax                                   | Goods and Services Tax        | 4.58                    | 2017 -2018 to 2021- 2022              | Appellate Authority                                        |

- viii. According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

- ix. (a) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.

- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared Wilful Defaulter by any bank or financial institution or government or any government authority.

- (c) In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained. (Also refer Note 76 to the standalone financial statements).

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries.

- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.

- (b) The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.

- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.

- (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause. In respect of certain complaints, for which preliminary findings of the investigations have been provided to us by management, our consideration of the complaints having any bearing on our audit is limited to such preliminary findings.

- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.

- xiv. (a) In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.

- (b) Some of the Internal Audit Reports of the Company are in progress and accordingly, we have considered the Internal Audit Reports completed and made available to us for the purpose of our audit.

- xv. The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.

- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.

- (b) The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.

- (d) Based on the information and explanations provided by the management of the Company, the Group has 3 CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.

- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year

Following matters have been reported by the auditors of the respective components under the report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2020 (CARO) on the financial statements of respective components of the Company which have been reproduced under this clause by us as under:

| Sr. No. | Name of component                               | Date of report | Matters reproduced                                                                                                                                                      |
|---------|-------------------------------------------------|----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1       | KEC International Limited - Algeria Branch      | April 19, 2023 | The branch has incurred cash losses of DZD 459,524.58 in the financial year and of DZD 748,563.79 in the immediately preceding financial year.                          |
| 2       | KEC International Limited - Afghanistan Branch  | April 26, 2023 | The branch has incurred cash losses of USD 29.63 Lakhs in the financial year and of USD 15.74 Lakhs in the immediately preceding financial year.                        |
| 3       | KEC International Limited - Cameroon Branch     | April 19, 2023 | The branch has incurred cash losses of XAF 6,453,564 in the financial year and of XAF 94,749,766 in the immediately preceding financial year.                           |
| 4       | KEC International Limited - Egypt Branch        | April 19, 2023 | The branch has not incurred cash losses in the financial year, however incurred cash losses of EGP 2,258,865.23 in the immediately preceding financial year.            |
| 5       | KEC International Limited - Ethiopia Branch     | April 19, 2023 | The branch has incurred cash losses of ETB 1,515,922 in the financial year and of ETB 434,927 in the immediately preceding financial year.                              |
| 6       | KEC International Limited - Georgia Branch      | April 25, 2023 | The branch has incurred cash losses of GEL 1,201,781 in the financial year and of GEL.[0] in the immediately preceding financial year.                                  |
| 7       | KEC International Limited - Jordan Branch       | April 08, 2023 | The branch has incurred cash losses of JoD.(795,084) in the financial year and of JoD. (2,032,729) in the immediately preceding financial year.                         |
| 8       | KEC International Limited - Kenya Branch        | April 17, 2023 | The branch has incurred cash profits of Kshs. 175,196,540/- in the financial year and cash losses of Kshs. 27,583,665 in the immediately preceding financial year.      |
| 9       | KEC International Limited - Kuwait Branch       | April 19, 2023 | The branch has incurred cash losses of KWD 11,682.760 in the financial year and of KWD 56.616 in the immediately preceding financial year.                              |
| 10      | KEC International Limited - Lebanon Branch      | April 19, 2023 | The branch has incurred cash losses of LBP 2,485,425 in the financial year and no cash losses in the immediately preceding financial year.                              |
| 11      | KEC International Limited - Libya Branch        | April 22, 2023 | The branch has incurred cash losses of LYD 368,820.022 in the financial year and of LYD 283,643.618 in the immediately preceding financial year.                        |
| 12      | KEC International Limited - Moldova Branch      | April 25, 2023 | The branch has incurred cash losses of in the financial year and of MDL 117,300 in the immediately preceding financial year.                                            |
| 13      | KEC International Limited - Morocco Branch      | April 24, 2023 | The branch has incurred cash losses of MAD 7,505,585 in the financial year and of MAD 2,223,121 in the immediately preceding financial year.                            |
| 14      | KEC International Limited - Mozambique Branch   | April 27, 2023 | The branch has incurred cash losses of MZN 646,031,682 in the financial year and of MZN 8,681,671 in the immediately preceding financial year.                          |
| 15      | KEC International Limited - Nepal Branch        | April 18, 2023 | The branch has not incurred any cash losses in the financial year, however it has incurred cash losses of ₹ 56,68,120 in the immediately preceding financial year.      |
| 16      | KEC International Limited - Nicaragua Branch    | April 26, 2023 | The branch has incurred cash losses of NIO NIL in the financial year and of NIO 6,90,79,025 in the immediately preceding financial year.                                |
| 17      | KEC International Limited - Senegal Branch      | April 25, 2023 | The branch has incurred cash losses of XOF [15,88,05,242] in the financial year and of XOF [0] in the immediately preceding financial year.                             |
| 18      | KEC International Limited - South Africa Branch | April 26, 2023 | The branch has incurred cash losses of ZAR 2,706,475 in the financial year and of ZAR 131,227,570 in the immediately preceding financial year.                          |
| 19      | KEC International Limited - Togo Branch         | April 24, 2023 | The branch has incurred cash losses of XOF 2,387,273,503 in the financial year and of XOF 564,729,613 in the immediately preceding financial year.                      |
| 20      | KEC International Limited - Tunisia Branch      | April 19, 2023 | The branch has incurred cash losses of TND 43,310.188 in the financial year and of TND 55,584.638 in the immediately preceding financial year.                          |
| 21      | KEC International Limited - UAE Branches        | April 27, 2023 | The Branches have incurred cash losses of AED 67,030,860 during the financial year ended March 31, 2023 and AED 39,191,292 in the immediately preceding financial year. |
| 22      | KEC International Limited - Uganda Branch       | April 17, 2023 | The branch has incurred cash losses of UGX. [5,898,346,676] in the financial year and of UGX. [4,373,373,939] in the immediately preceding financial year.              |
| 23      | KEC International Limited - Zambia Branch       | April 19, 2023 | The branch has incurred cash losses of ZMW 13,628.68 in the financial year and of ZMW 15,031,451.48 in the immediately preceding financial year.                        |

xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause (xviii) is not applicable.

xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 65 to the standalone financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.

xx. (a) In respect of other than ongoing projects, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.

(b) The Company has transferred the amount of Corporate Social Responsibility remaining unspent under sub-section (5) of Section 135 of the Act pursuant to ongoing project(s) to a special account in compliance with the provision of sub-section (6) of Section 135 of the Act. (Also refer Note 60 to the financial statements)

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Standalone Financial Statements. Accordingly, no comment in respect of the said clause has been included in this report.

**For Price Waterhouse Chartered Accountants LLP**

Firm Registration Number: 012754N/N500016

Chartered Accountants

**Sarah George**

Partner

Place: Mumbai

Date: May 03, 2023

Membership Number: 045255

UDIN: 23045255BGYVVM1375

# Balance Sheet

as on March 31, 2023

| Particulars                                                     | Note No. | ₹ in Crore              |                         |
|-----------------------------------------------------------------|----------|-------------------------|-------------------------|
|                                                                 |          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>ASSETS</b>                                                   |          |                         |                         |
| <b>(1) Non-Current Assets</b>                                   |          |                         |                         |
| (a) Property, plant and equipment                               | 5        | 683.40                  | 646.24                  |
| (b) Right-of-use assets                                         | 6        | 66.12                   | 79.98                   |
| (c) Capital work-in-progress                                    | 7        | 8.39                    | 2.21                    |
| (d) Intangible assets                                           | 8        | 29.71                   | 40.31                   |
|                                                                 |          | <b>787.62</b>           | <b>768.74</b>           |
| (e) Financial assets                                            |          |                         |                         |
| (i) Investments                                                 | 9        | 1,076.06                | 964.45                  |
| (ii) Trade receivables                                          | 10       | 359.30                  | 467.69                  |
| (iii) Other financial assets                                    | 11       | 76.20                   | 41.03                   |
|                                                                 |          | <b>1,511.56</b>         | <b>1,473.17</b>         |
| (f) Non-current tax assets (net)                                | 12       | 268.03                  | 179.43                  |
| (g) Other non-current assets                                    | 13       | 203.91                  | 193.88                  |
| <b>Total Non-Current Assets</b>                                 |          | <b>2,771.12</b>         | <b>2,615.22</b>         |
| <b>(2) Current Assets</b>                                       |          |                         |                         |
| (a) Inventories                                                 | 14       | 766.61                  | 706.42                  |
| (b) Financial assets                                            |          |                         |                         |
| (i) Trade receivables                                           | 15       | 6,520.37                | 4,713.10                |
| (ii) Cash and cash equivalents                                  | 16       | 122.55                  | 156.50                  |
| (iii) Bank balances other than (ii) above                       | 17       | 58.10                   | 53.96                   |
| (iv) Loans                                                      | 18       | 12.35                   | 26.90                   |
| (v) Other financial assets                                      | 19       | 147.17                  | 93.53                   |
|                                                                 |          | <b>6,860.54</b>         | <b>5,043.99</b>         |
| (c) Contract assets                                             | 20       | 5,937.34                | 5,876.10                |
| (d) Current tax assets (net)                                    | 21       | 21.68                   | 14.74                   |
| (e) Other current assets                                        | 22       | 918.92                  | 925.56                  |
| <b>Total Current Assets</b>                                     |          | <b>14,505.09</b>        | <b>12,566.81</b>        |
| <b>Total Assets</b>                                             |          | <b>17,276.21</b>        | <b>15,182.03</b>        |
| <b>EQUITY AND LIABILITIES</b>                                   |          |                         |                         |
| <b>Equity</b>                                                   |          |                         |                         |
| (a) Equity share capital                                        | 23       | 51.42                   | 51.42                   |
| (b) Other equity                                                | 24       | 3,912.39                | 3,804.11                |
| <b>Total Equity</b>                                             |          | <b>3,963.81</b>         | <b>3,855.53</b>         |
| <b>Liabilities</b>                                              |          |                         |                         |
| <b>(1) Non-Current Liabilities</b>                              |          |                         |                         |
| (a) Financial liabilities                                       |          |                         |                         |
| (i) Borrowings                                                  | 25       | 232.87                  | 195.62                  |
| (ii) Lease liabilities                                          | 26       | 21.04                   | 31.76                   |
|                                                                 |          | <b>253.91</b>           | <b>227.38</b>           |
| (b) Provisions                                                  | 27       | 17.41                   | 8.98                    |
| (c) Deferred tax liabilities (net)                              | 28       | 6.62                    | 43.74                   |
| (d) Other non-current liabilities                               | 29       | 0.45                    | 0.47                    |
| <b>Total Non-Current Liabilities</b>                            |          | <b>278.39</b>           | <b>280.57</b>           |
| <b>(2) Current Liabilities</b>                                  |          |                         |                         |
| (a) Financial liabilities                                       |          |                         |                         |
| (i) Borrowings                                                  | 30       | 2,489.62                | 2,243.16                |
| (ii) Lease liabilities                                          | 31       | 10.76                   | 12.53                   |
| (iii) Trade payables                                            | 32       |                         |                         |
| - total outstanding dues of micro and small enterprises         |          | 164.52                  | 153.73                  |
| - total outstanding dues other than micro and small enterprises |          | 7,676.04                | 6,100.85                |
| (iv) Other financial liabilities                                | 33       | 35.15                   | 31.84                   |
|                                                                 |          | <b>10,376.09</b>        | <b>8,542.11</b>         |
| (b) Contract liabilities                                        | 34       | 2,314.58                | 2,245.17                |
| (c) Other current liabilities                                   | 35       | 180.74                  | 101.36                  |
| (d) Provisions                                                  | 36       | 85.86                   | 81.80                   |
| (e) Current tax liabilities (net)                               | 37       | 76.74                   | 75.49                   |
| <b>Total Current Liabilities</b>                                |          | <b>13,034.01</b>        | <b>11,045.93</b>        |
| <b>Total Equity and Liabilities</b>                             |          | <b>17,276.21</b>        | <b>15,182.03</b>        |

The above Balance Sheet should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016**SARAH GEORGE**Partner  
Membership Number: 045255**For and on behalf of the Board of Directors****RAJEEV AGGARWAL**

Chief Financial Officer

**AMIT KUMAR GUPTA**

Company Secretary

**H.V. GOENKA**Chairman  
DIN: 00026726**VIMAL KEJRIWAL**Managing Director & CEO  
DIN: 00026981**A.T. VASWANI**Audit Committee Chairman and Director  
DIN: 00057953Place: Mumbai  
Date: May 03, 2023Place: Mumbai  
Date: May 03, 2023

# Statement of Profit and Loss

for the year ended March 31, 2023

| Particulars                                                                            | Note No. | ₹ in Crore                        |                                   |
|----------------------------------------------------------------------------------------|----------|-----------------------------------|-----------------------------------|
|                                                                                        |          | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| <b>I Revenue from operations</b>                                                       | 38       | 15,413.23                         | 12,573.27                         |
| <b>II Other income</b>                                                                 | 39       | 36.71                             | 19.00                             |
| <b>III Total Income (I+II)</b>                                                         |          | <b>15,449.94</b>                  | <b>12,592.27</b>                  |
| <b>IV Expenses</b>                                                                     |          |                                   |                                   |
| (i) Cost of materials consumed                                                         | 40       | 6,189.27                          | 5,248.64                          |
| (ii) Changes in inventories of finished goods and work-in-progress                     | 41       | 8.17                              | (0.13)                            |
| (iii) Erection and sub-contracting expenses                                            | 42       | 6,140.61                          | 4,370.17                          |
| (iv) Employee benefits expense                                                         | 43       | 996.91                            | 849.83                            |
| (v) Finance costs                                                                      | 44       | 433.91                            | 269.30                            |
| (vi) Depreciation and amortisation expense                                             | 45       | 126.96                            | 123.32                            |
| (vii) Other expenses                                                                   | 46       | 1,228.39                          | 975.44                            |
| <b>Total expenses</b>                                                                  |          | <b>15,124.22</b>                  | <b>11,836.57</b>                  |
| <b>V Profit before exceptional items and tax (III-IV)</b>                              |          | <b>325.72</b>                     | <b>755.70</b>                     |
| VI Exceptional Items                                                                   | 47       | 75.57                             | 142.84                            |
| <b>VII Profit after exceptional items and before tax (V - VI)</b>                      |          | <b>250.15</b>                     | <b>612.86</b>                     |
| <b>VIII Tax expense :</b>                                                              | 48       |                                   |                                   |
| (i) Current tax                                                                        |          | 100.77                            | 190.24                            |
| (ii) Deferred tax                                                                      |          | (30.87)                           | (11.82)                           |
|                                                                                        |          | <b>69.90</b>                      | <b>178.42</b>                     |
| <b>IX Profit for the year (VII-VIII)</b>                                               |          | <b>180.25</b>                     | <b>434.44</b>                     |
| <b>X Other Comprehensive Income</b>                                                    |          |                                   |                                   |
| <b>A Items that will not be reclassified to profit or loss</b>                         |          |                                   |                                   |
| (i) Remeasurement of defined benefit obligations                                       | 55       | (1.28)                            | 4.01                              |
| (ii) Income tax relating to these items                                                | 48.2     | 0.36                              | (0.92)                            |
| <b>B Items that will be reclassified to profit or loss</b>                             |          |                                   |                                   |
| (i) Exchange differences on translation of financial statements of foreign operations. | 24       | 36.99                             | 3.12                              |
| (ii) Net gain/(losses) on cash flow hedges                                             | 24       | (11.16)                           | (2.38)                            |
| (iii) Income tax relating to these items                                               | 48.2     | 5.89                              | 0.30                              |
| <b>Total Other Comprehensive Income</b>                                                |          | <b>30.80</b>                      | <b>4.13</b>                       |
| <b>XI Total Comprehensive Income for the year (IX + X)</b>                             |          | <b>211.05</b>                     | <b>438.57</b>                     |
| <b>XII Earnings per equity share (of ₹ 2 each)</b>                                     |          |                                   |                                   |
| (i) Basic (in ₹)                                                                       | 49       | 7.01                              | 16.90                             |
| (ii) Diluted (in ₹)                                                                    |          | 7.01                              | 16.90                             |

The above Statement of Profit and Loss should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016**SARAH GEORGE**Partner  
Membership Number: 045255Place: Mumbai  
Date: May 03, 2023**For and on behalf of the Board of Directors****H.V. GOENKA**Chairman  
DIN: 00026726**RAJEEV AGGARWAL**

Chief Financial Officer

**AMIT KUMAR GUPTA**

Company Secretary

Place: Mumbai  
Date: May 03, 2023**VIMAL KEJRIWAL**Managing Director & CEO  
DIN: 00026981**A.T. VASWANI**Audit Committee Chairman and Director  
DIN: 00057953

## for the year ended March 31, 2023

The above Statement of changes in equity should be read in conjunction with the accompanying notes.

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

Place: Mumbai  
Date: May 03, 2023

## for the year ended March 31, 2023

₹ in Crore

# Cash Flow Statement

for the year ended March 31, 2023

| ₹ in Crore                                                                                  |                                      |                                      |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                 | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| <b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>                                               |                                      |                                      |
| Proceeds from other than short-term borrowings                                              | 200.00                               | 22.38                                |
| Repayment of lease liabilities                                                              | (14.79)                              | (14.77)                              |
| Net increase in short-term borrowings                                                       | 55.91                                | 627.10                               |
| Finance costs paid                                                                          | (446.99)                             | (239.50)                             |
| Dividend paid                                                                               | (102.85)                             | (102.53)                             |
|                                                                                             | <b>(308.72)</b>                      | <b>292.68</b>                        |
| <b>NET CASH FLOW (USED IN)/GENERATED FROM FINANCING ACTIVITIES (C)</b>                      | <b>(308.72)</b>                      | <b>292.68</b>                        |
| <b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>                         | <b>(30.09)</b>                       | <b>35.74</b>                         |
| Cash and cash equivalents at the beginning of the year (Refer note 16)                      | 156.50                               | 133.06                               |
| Effect of exchange differences on restatement of foreign currency Cash and cash equivalents | (3.86)                               | (12.30)                              |
| <b>Cash and cash equivalents at the end of the year (Refer note 16)</b>                     | <b>122.55</b>                        | <b>156.50</b>                        |
| <b>Supplemental Information</b>                                                             |                                      |                                      |
| <b>Non Cash Transactions from Investing and Financing Activities:</b>                       |                                      |                                      |
| Acquisition of Right-of-Use assets                                                          | 0.21                                 | 44.92                                |

## Reconciliation of liabilities arising from financing activities:

| Particulars                                                            | As at<br>March 31, 2022 | Cash<br>flows | Movement<br>in lease<br>liabilities | Foreign<br>exchange<br>movement | Interest<br>movement<br>during the year | As at<br>March 31, 2023 |
|------------------------------------------------------------------------|-------------------------|---------------|-------------------------------------|---------------------------------|-----------------------------------------|-------------------------|
| Long term borrowings (including current maturity and accrued interest) | 197.20                  | 200.00        | -                                   | 3.69                            | 0.21                                    | <b>401.10</b>           |
| Short term borrowings                                                  | 2,244.03                | 55.91         | -                                   | 24.12                           | (0.30)                                  | <b>2,323.76</b>         |
| Lease liabilities                                                      | 44.29                   | (14.79)       | (0.17)                              | 0.00                            | 2.47                                    | <b>31.80</b>            |
| <b>Total liabilities from financing activities</b>                     | <b>2,485.52</b>         | <b>241.12</b> | <b>(0.17)</b>                       | <b>27.81</b>                    | <b>2.38</b>                             | <b>2,756.66</b>         |

| Particulars                                                            | As at<br>March 31, 2021 | Cash<br>flows | Movement<br>in lease<br>liabilities | Foreign<br>exchange<br>movement | Interest<br>movement<br>during the year | As at<br>March 31, 2022 |
|------------------------------------------------------------------------|-------------------------|---------------|-------------------------------------|---------------------------------|-----------------------------------------|-------------------------|
| Long term borrowings (including current maturity and accrued interest) | 172.85                  | 22.38         | -                                   | 1.29                            | 0.68                                    | <b>197.20</b>           |
| Short term borrowings                                                  | 1,600.32                | 627.10        | -                                   | 16.94                           | (0.33)                                  | <b>2,244.03</b>         |
| Lease liabilities                                                      | 13.57                   | (14.77)       | 43.76                               | 0.02                            | 1.71                                    | <b>44.29</b>            |
| <b>Total liabilities from financing activities</b>                     | <b>1,786.74</b>         | <b>634.71</b> | <b>43.76</b>                        | <b>18.25</b>                    | <b>2.06</b>                             | <b>2,485.52</b>         |

The above cash flow statement should be read in conjunction with the accompanying notes.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**  
Partner  
Membership Number: 045255

Place: Mumbai  
Date: May 03, 2023

**For and on behalf of the Board of Directors**

**H.V. GOENKA**  
Chairman  
DIN: 00026726

**RAJEEV AGGARWAL**  
Chief Financial Officer

**AMIT KUMAR GUPTA**  
Company Secretary

Place: Mumbai  
Date: May 03, 2023

**VIMAL KEJRIWAL**  
Managing Director & CEO  
DIN: 00026981

**A.T. VASWANI**  
Audit Committee Chairman and Director  
DIN: 00057953

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

## 1. GENERAL INFORMATION

KEC International Limited ("the Company") is a public limited company incorporated and domiciled in India. The registered office of the Company is located at RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai- 400 030.

The Company is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses.

The Company's manufacturing footprint extends across three countries in addition to India. The Company has several international branch offices enabling diversified global footprint.

## 2(a). NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

## 2(b). NEW AND AMENDED STANDARDS ISSUED BUT NOT EFFECTIVE.

The Ministry of Corporate Affairs has vide notification dated 31 March 2023 notified Companies (Indian Accounting Standards) Amendment Rules, 2023 (the 'Rules') which amends certain accounting standards, and are effective 1 April 2023.

The Rules predominantly amend Ind AS 12, Income taxes, and Ind AS 1, Presentation of financial statements. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

These amendments are not expected to have a material impact on the group in the current or future reporting periods and on foreseeable future transactions. Specifically, no changes would be necessary as a consequence of amendments made to Ind AS 12 as the group's accounting policy already complies with the now mandatory treatment.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Statement of compliance

The financial statements have been prepared in accordance with the provisions of Companies Act, 2013 and Indian Accounting Standards (Ind AS) notified

under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

### 3.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments and plan assets under defined benefit plans, that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2, 'Inventories' or value in use in Ind AS 36 'Impairment of Assets' or net present value of lease payments in Ind AS 116 'Leases', as applicable.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Above levels of fair values are applied consistently and generally, there are no transfers between the levels of fair value hierarchy unless the circumstances change warranting such transfer.

The principal accounting policies are set out below:

### Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or construction contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly, for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle, except for amounts with respect to legal cases or long pending disputes.

### 3.3 Interests in Jointly Controlled Operations (Refer note 50)

A jointly controlled operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under jointly controlled operations, the Company as a joint operator recognises in relation to its interest in a jointly controlled operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the jointly controlled operation; and
4. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a jointly controlled operation in accordance with the Ind AS applicable to the assets, liabilities, revenues, and expenses.

When a Company transacts with a jointly controlled operation in which a Company is a joint operator (such as a sale or contribution of assets), the Company is considered to be conducting the transaction with the other parties to the jointly controlled operation, and gains and losses resulting from the transactions are recognised in the Company's financial statements only to the extent of other parties' interests in the jointly controlled operation.

When a Company transacts with a jointly controlled operation in which a Company is a joint operator (such as a purchase of assets), the Company does not recognise its share of the gains and losses until it resells those assets to a third party.

### 3.4 Non-current assets held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction (rather than through continuing use) and a sale is considered highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification. They are measured at the lower of their carrying amount and fair value less cost to sell.

Non-current assets are not depreciated or amortised while they are classified as held for sale and are presented separately from the other assets in the balance sheet. The liabilities related to the assets held for sale are presented separately from other liabilities in the balance sheet.

### 3.5 Revenue recognition

The Company derives revenue principally from following streams:

- Sale of products (towers and cables)
- Sale of services
- Construction contracts
- Other Operating Revenue

#### 3.5.1 Sale of products:

Revenue from sale of products is recognised upon satisfaction of performance obligations i.e 'over time' or 'in time' based on an assessment of the transfer of control as per the terms of the contract.

In determining the transaction price for sale of product, the Company considers the effects of variable consideration, if any. Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

#### 3.5.2 Sale of services:

Services rendered include tower testing and designing, operating and maintenance and other services.

Revenue from providing services is recognised in the accounting period in which the services are rendered.

Invoices are issued according to contractual terms and are usually payable as per the credit period agreed with the customer.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### 3.5.3 Construction contracts:

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services.

The revenue is recognised to the extent of transaction price allocated to the performance obligation satisfied. Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer excluding amounts collected on behalf of a third party.

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

The performance obligations are satisfied over time as the work progresses. The Company recognises revenue using input method (i.e percentage-of-completion method), based primarily on contract cost incurred to date compared to total estimated contract costs. Changes to total estimated contract costs, if any, are recognised in the period in which they are determined as assessed at the contract level. If the consideration in the contract includes price variation clause or there are amendments in contracts, the Company estimates the amount of consideration to which it will be entitled in exchange for work performed.

Due to the nature of work required to be performed on many of the performance obligations, the estimation of total revenue and cost at completion is complex, subject to many variables and requires significant judgement. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, discounts, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration

to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

Progress billings are generally issued upon completion of certain phases of the work as stipulated in the contract. Billing terms of the over-time contracts vary but are generally based on achieving specified milestones. The difference between the timing of revenue recognised and customer billings result in changes to contract assets and contract liabilities. Contractual retention amounts billed to customers are generally due upon expiration of the contract period.

The contracts generally result in revenue recognised in excess of billings which are presented as contract assets on the statement of financial position. Amounts billed and due from customers are classified as receivables on the statement of financial position. The portion of the payments retained by the customer until final contract settlement is not considered a significant financing component since it is usually intended to provide customer with a form of security for Company's remaining performance as specified under the contract, which is consistent with the industry practice. Contract liabilities represent amounts billed to customers in excess of revenue recognised till date. A liability is recognised for advance payments and it is not considered as a significant financing component since it is used to meet working capital requirements at the time of project mobilization stage. The same is presented as contract liability in the balance sheet.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to management.

For construction contracts the control is transferred over time and revenue is recognised based on

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

### 3.5.4 Other Operating Revenue:

Export benefits under Mercantile Export from India Scheme (MEIS), Service Export from India Scheme (SEIS), Duty Drawback benefits and Remission of Duties and Taxes on Export Products Scheme (RoDTEP) are accounted as revenue on accrual basis as and when export of goods take place, where there is a reasonable assurance that the benefit will be received and the Company will comply with all the attached conditions.

### 3.5.5 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate for and presented within other income. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

## 3.6 Leasing

### As a lessee:

The Company assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognised as right-of-use assets and a corresponding liability at the date at which the leased asset is available for use by the Company.

Assets and liabilities arising from a lease are initially measured on present value basis. Lease liabilities include the net present value of the following lease payments:

- Lease payments less any lease incentives receivable
- Variable lease payments that vary to reflect changes in market rental rates, if any
- Amounts expected to be payable by the Company under residual value guarantees, if any
- Exercise price of the purchase option, if the Company is reasonably certain to exercise that option, and

- Payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using Company's incremental borrowing rate (since the interest rate implicit in the lease cannot be readily determined). Incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on any key variable / condition, are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Amendment to Ind AS 116 'Leases' w.r.t "Covid-19-Related Rent Concessions" provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. The Company has applied the practical expedient for all qualifying rent concessions and these concessions have been accounted as variable lease payments in the statement of profit and loss in the period in which they are granted.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability
- Any lease payments made at or before the commencement date less any lease incentives received
- Any initial direct costs and
- Restoration costs.

Right-of-use assets are depreciated over the lease term on a straight-line basis.

As a practical expedient, the company has recognised payments associated with short-term leases and leases of low-value assets on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### As a lessor

Lease income from operating leases where the Company is lessor is recognised in income on a straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

## 3.7 Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (functional currency). For each branch and jointly controlled operation situated outside India, the Company determines the functional currency and items included in the financial statements of each entity are measured using that functional currency of that respective branch and jointly controlled operation. The functional and presentation currency of the Company is Indian Rupees (INR). The financial statements are presented in Indian rupees (INR).

### 3.7.1 Accounting for transactions and balances in foreign currencies

Foreign currency transactions are recorded in the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain and losses resulting from the settlement of such transactions and from translation of monetary assets and liabilities denominated in foreign currency at the year end exchange rate are generally recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated at year end.

In case of consideration paid or received in advance for foreign currency denominated contracts, the related expense or income is recognised using the rate on the date of transaction on initial recognition of a related asset or liability.

Exchange differences on settlement or translation of monetary items are recognised in the Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to qualifying assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see Note 3.21 below for hedging accounting policies);
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to the consolidated statement of profit and loss on repayment of the monetary items.

### 3.7.2 Translation of foreign operations whose functional currency is other than presentation currency:

1. Assets and liabilities, both monetary and non-monetary are translated at the rates prevailing at the end of each reporting period and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.
2. Income and expense items are translated at the exchange rates at the dates of the transactions and all resulting exchange differences are accumulated in the exchange differences on translation of foreign operations in the statement of changes in equity.

On the disposal of a foreign operation all of the exchange differences accumulated in other comprehensive income relating to that particular foreign operation attributable to the owners of the Company is reclassified in the statement of profit and loss.

## 3.8 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. The Company considers a period of twelve months or more as a substantial period of time.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

Finance expenses are recognised immediately in the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

### 3.9 Employee benefits

#### 3.9.1 Long Term Employee Benefits:

##### (a) Defined Contribution Plans:

Payments to defined contribution retirement benefit scheme for eligible employees in the form of superannuation fund and provident fund are recognised as expense when employees have rendered services entitling them to the contributions. The Company has no further payment obligation once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expenses when they are due.

##### (b) Defined Benefit Plans:

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary. The Company's contribution to the provident fund for all employees are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

The defined benefit plan of Company and its jointly controlled operations at India i.e. gratuity plan, provides for lump sum payment to vested employees on retirement / separation of an amount equivalent to 15 days salary for completed years of service and on death while in employment an amount equivalent to 15 days salary for anticipated years of service in terms of Gratuity scheme of the Company or as per payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

In case of jointly controlled operation at Al-Sharif Group and KEC Ltd Company and Saudi Arabia (Al Sharif JV), the defined benefit plan i.e. End Service Benefit (ESB), provides for lump sum payment to vested employees on resignation/ termination or retirement on an amount equivalent to 15 days salary upto 5 years and one month salary from 6th year onwards for each completed year of service or part thereof on proportionate basis according to the law applicable in Saudi. Vesting occurs upon completion of two years of service.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Remeasurement

Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the Statement of Profit and Loss.

The Company presents the first two components of defined benefit costs in Statement of Profit and Loss in the line item 'Employee benefits expense'.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

#### (c) Compensated absences:

Company has liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

#### 3.9.2 Short-term employee benefit:

Short term employee benefits such as Salaries, wages, short term compensated absences, bonus, ex gratia and performance linked rewards including non-monetary benefits that are expected to be settled wholly within 12 months after the end of period in which the employees rendered the related services are recognised in respect of employee services upto the end of reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefits obligations in the balance sheet.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

### 3.10 Taxation

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### 3.10.1 Current tax

The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period in the countries where the Company, its branches and jointly controlled operations operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretations. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

#### 3.10.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with interests in jointly controlled operations except where it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset when entity has legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and credits only if, it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

### 3.10.3 Current and deferred tax for the year

Current and deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

### 3.11 Property, plant and equipment

Property, plant and equipment (except freehold land) held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred. Freehold land is not depreciated.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Depreciation commences when the assets are ready for their intended use. Depreciation on Property, Plant and Equipment has been provided on the straight-line method as per the useful life specified in Schedule II to the Companies Act, 2013, except in the case of assets where the useful life was determined based on technical advice. The estimate of the useful life of the assets has been based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc. The estimated useful life of these Property, Plant and Equipment is mentioned below:

| Particulars                                          | Estimated useful life<br>(in years) |
|------------------------------------------------------|-------------------------------------|
| Buildings (including roads and temporary structures) | 3- 60                               |
| Plant and Equipment / Office Equipment               | 5-25                                |
| Erection tools                                       | 3-5                                 |
| Furniture and Fixtures                               | 10                                  |
| Vehicles                                             | 6-8                                 |
| Computers                                            | 3-6                                 |

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of

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an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

### Capital work-in-progress

Capital work-in-progress comprises of assets in the course of construction for production or/and supply of goods or services or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised where the asset is available for use and commissioning has been completed. Capital work-in-progress also includes spares which we are yet to be put to use.

### 3.12 Intangible assets

#### 3.12.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

#### 3.12.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, if any on the same basis as intangible assets that are acquired separately.

#### 3.12.3 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognized as an intangible asset when the Company can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale

- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

#### 3.12.4 Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

#### 3.12.5 Useful lives of intangible assets

Brand in respect of the power transmission business acquired under the High Court approved Composite Scheme of Arrangement in an earlier year is amortised by the Company in terms of the said Scheme over its useful life, which based on an expert opinion is estimated to be of 20 years. Non-compete fees paid on acquisition of Spur Infrastructure Private Limited are amortized on straight line basis over the term of non-compete agreement i.e. 3 years.

Computer Software are amortised on straight line basis over the estimated useful life ranging between 4-6 years.

### 3.13 Impairment of Non-current assets

At the end of each reporting period, the Company reviews the carrying amounts of its Property, plant and equipment, intangible and other non-current assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. For the purpose of assessing impairment, assets are grouped at the lowest level, for which there are separately identifiable cash inflows, which are largely independent of the cash inflows from other assets or group of assets (cash-generating unit).

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Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the Statement of Profit and Loss.

## 3.14 Investments

Investment in equity shares of subsidiaries are measured at cost. Investments in equity instruments are measured at fair value through other comprehensive income.

The Company classifies its financial assets in the measurement categories as those to be measured subsequently at fair value (through other comprehensive income or through profit and loss) and those measured at amortised cost. The classification depends on the Company's business model for managing the financial asset and the contractual terms of the cash flows. (Also refer 3.17)

Investment in preference shares of subsidiaries are classified as equity since the company has the option of early conversion with fixed ratio and also there is no requirement for mandatory dividend payout.

### 3.14.1 Impairment of investments in subsidiaries

Investment in subsidiaries are carried at cost and are tested for Impairment in accordance with Ind AS 36, 'Impairment of assets'. The carrying amount of investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount, any impairment loss recognised reduces the carrying amount of investment.

## 3.15 Inventories

Inventories (Raw material, work-in-progress, finished goods, stores and spares) are stated at the lower of cost and net realisable value. Cost of inventory is determined on the weighted average basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Scrap is valued at net realisable value.

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

## 3.16 Provisions and contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event; it is probable that the Company will be required to settle the obligation in respect of which a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the management's best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised, measured and disclosed as provisions in financial statements. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

Contingent assets: A contingent asset is a possible asset that arises from past events and whose existence will be

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confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. Contingent assets are not recognised but disclosed only when an inflow of economic benefits is probable.

## 3.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets except trade receivable and financial liabilities are initially measured at fair value. Trade receivables are initially measured at transaction value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities [other than financial assets and financial liabilities at Fair value through Profit or loss (FVTPL)] are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Profit and Loss.

Purchases or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

## 3.18 Classification and Measurement of Financial Assets

### 3.18.1 Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Effective interest method

Income is recognised on an effective interest basis for financial assets other than those financial assets classified as FVTPL or FVOCI. Interest income is recognised in the Statement of Profit and Loss.

### 3.18.2 Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive

income on initial recognition. Gains or losses arising on remeasurement are recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

### 3.18.3 Dividend income is recognised when the right to receive payment has been established.

### 3.18.4 Impairment of financial assets

The Company recognizes loss allowances on a forward looking basis using the expected credit loss (ECL) model for all the financial assets except for trade receivables. Loss allowance for all financial assets is measured at an amount equal to lifetime ECL. The Company recognises impairment loss on trade receivables using expected credit loss model which involves use of a provision matrix constructed on the basis of historical credit loss experience and adjusted for forward-looking information as permitted under Ind AS 109. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the Statement of Profit and Loss.

### 3.18.5 Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party and does not retain control of the asset. The Company continues to recognise the asset to the extent of Company's continuing involvement.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the Statement of Profit and Loss if such gain or loss would have otherwise been recognised in the Statement of Profit and Loss on disposal of that financial asset.

## 3.19 Classification and Measurement Financial liabilities and equity instruments

### 3.19.1 Classification as debt or equity

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the

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contractual arrangements and the definitions of a financial liability and an equity instrument.

## 3.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

## 3.19.3. Financial liabilities

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

### 3.19.3.1 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

### 3.19.3.2 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company are initially measured at their fair value and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109, 'Financial Instruments'; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115, 'Revenue from contract with customers'.

The Financial guarantees issued to third parties on behalf of subsidiaries are recorded at fair value. The same is recognised as Other income in the statement of Profit and Loss.

### 3.19.3.3 Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations

are discharged, cancelled or have expired. An exchange with a new lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

## 3.20 Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks and commodity price risks, including foreign exchange forward contracts, and commodity contracts - Over the Counter (OTC) derivatives. Derivatives are only used for economic hedging purposes and not as a speculative investments.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedging relationship and the nature of the hedged item.

## 3.21 Hedge accounting

The Company designates certain hedging instruments, which include derivatives in respect of foreign currency risk and, commodity price risk as cash flow hedges. Hedges of foreign exchange risk and commodity price risk for highly probable forecast transactions are accounted for as cash flow hedges. Hedges of the fair value of recognised assets or liabilities are accounted for as fair value hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

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## 3.21.1 Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the Statement of Profit and Loss. For cash flow hedging relationships that span multiple reporting periods, the ineffectiveness for the period is calculated as the difference between the cumulative ineffectiveness as at reporting date (based on the 'lesser of' the cumulative change in the fair value of the hedging instrument and the hedged item), and the cumulative ineffectiveness reported in prior periods.

Amounts previously recognised in other comprehensive income and accumulated in equity relating to effective portion as described above are reclassified to the Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, such gains and losses are transferred from equity (but not as a reclassification adjustment) and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Statement of Profit and Loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the Statement of Profit and Loss.

Where the hedged item subsequently results in the recognition of a non-financial asset, both the deferred hedging gains and losses and the deferred time value of the option contracts, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss through cost of material consumed.

## 3.22 Cash and cash equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of 3 months or less that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

## 3.23 Earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## 3.24 Exceptional items

Exceptional Items include income/expenses that are considered to be part of ordinary activities, however of such significance and nature that separate disclosure enables the users of financial statements to understand the impact in more meaningful manner. Exceptional Items are identified by virtue of their size, nature and incidence.

## 3.25 Rounding off amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crore as per the requirement of Schedule III, unless otherwise stated.

## 4. CRITICAL ESTIMATES AND JUDGEMENTS

In the application of the Company's accounting policies, which are described in Note 3, the Management of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical estimates and judgements, that have the significant effect on the amounts recognised in the financial statements.

#### 4.1 Classification of Joint Arrangement as a Jointly Controlled Operation

In terms of Ind AS 111, 'Joint Arrangement', the Company has classified its joint arrangements as jointly controlled operations as the contractual arrangements between the parties specify that parties have rights to the assets, and obligations for the liabilities, relating to the arrangement (Refer note 50 for the list of joint arrangements).

#### 4.2 Revenue recognition for construction contracts

Refer note 3.5.3 and Note 51.

#### 4.3 Income taxes

In preparing the financial statements, the Company recognises income taxes in each of the jurisdictions in which it operates. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. The uncertain tax positions are measured at the amount expected to be paid to taxation authorities when the Company determines that the probable outflow of economic resources will occur. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such

differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

#### 4.4 Impairment of trade receivables

The impairment provisions for trade receivables are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, credit risk, existing market conditions as well as forward looking estimates at the end of each reporting period.

#### 4.5 Impairment of Investments of subsidiaries

Determining whether the investments in subsidiaries are impaired requires an estimate in the value in use of investments. The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is an indication for impairment.

The carrying amount of investment is tested for impairment as a single asset by comparing its value in use with its carrying amount, any impairment loss recognised reduces the carrying amount of investment.

In considering the value in use, the Board of directors have anticipated the future market conditions and other parameters that affect the operations of these entities including operating results, business plans, future cash flows and economic conditions and key assumptions such as estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

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NOTE 5 - PROPERTY, PLANT AND EQUIPMENT

| Particulars                           | Freehold Land | Buildings | Plant and Equipment | Erection Tools and Fixtures | Furniture and Fixtures | Vehicles | Office Equipment | Computers | Total    |
|---------------------------------------|---------------|-----------|---------------------|-----------------------------|------------------------|----------|------------------|-----------|----------|
| Gross carrying amount                 |               |           |                     |                             |                        |          |                  |           |          |
| As at April 01, 2021                  | 65.90         | 170.39    | 667.86              | 167.95                      | 26.51                  | 55.03    | 13.25            | 38.10     | 1,204.99 |
| Additions                             | -             | 22.28     | 53.39               | 44.41                       | 1.38                   | 7.45     | 1.47             | 7.11      | 137.49   |
| Disposal                              | -             | 0.05      | 3.14                | 4.35                        | 0.11                   | 0.63     | 0.18             | 0.51      | 8.97     |
| Adjustments                           | -             | 0.22      | 0.65                | 0.79                        | 0.16                   | 0.71     | 0.07             | 0.08      | 2.68     |
| As at March 31, 2022                  | 65.90         | 192.84    | 718.76              | 208.80                      | 27.94                  | 62.56    | 14.61            | 44.78     | 1,336.19 |
| Additions                             | -             | 22.10     | 42.37               | 71.89                       | 0.22                   | 2.09     | 0.87             | 6.34      | 145.88   |
| Disposal                              | -             | 1.49      | 23.57               | 13.25                       | 3.94                   | 3.89     | 1.83             | 6.70      | 54.67    |
| Adjustments                           | -             | 0.21      | 0.42                | (0.10)                      | (0.53)                 | 1.23     | (0.25)           | (0.21)    | 0.78     |
| As at March 31, 2023                  | 65.90         | 213.66    | 737.98              | 267.34                      | 23.69                  | 61.99    | 13.40            | 44.22     | 1,428.18 |
| Accumulated depreciation              |               |           |                     |                             |                        |          |                  |           |          |
| As at April 01, 2021                  | -             | 65.58     | 353.79              | 90.84                       | 17.64                  | 43.55    | 10.36            | 29.48     | 611.24   |
| Depreciation expenses (Refer note 45) | -             | 9.28      | 37.37               | 27.32                       | 1.85                   | 3.02     | 0.95             | 4.06      | 83.85    |
| Disposal                              | -             | 0.05      | 2.22                | 4.32                        | 0.07                   | 0.52     | 0.16             | 0.42      | 7.76     |
| Adjustments                           | -             | 0.22      | 0.58                | 0.80                        | 0.17                   | 0.70     | 0.07             | 0.08      | 2.62     |
| As at March 31, 2022                  | -             | 75.03     | 389.52              | 114.64                      | 19.59                  | 46.75    | 11.22            | 33.20     | 689.95   |
| Depreciation expenses (Refer note 45) | -             | 11.38     | 37.63               | 38.81                       | 1.66                   | 3.32     | 0.99             | 5.03      | 98.83    |
| Disposal                              | -             | 1.47      | 14.32               | 13.23                       | 3.84                   | 3.78     | 1.79             | 6.04      | 44.47    |
| Adjustments                           | -             | 0.19      | 0.22                | (0.15)                      | (0.52)                 | 1.19     | (0.25)           | (0.20)    | 0.48     |
| As at March 31, 2023                  | -             | 85.13     | 413.05              | 140.07                      | 16.89                  | 47.48    | 10.17            | 31.99     | 744.78   |
| Net carrying amount                   |               |           |                     |                             |                        |          |                  |           |          |
| As at March 31, 2022                  | 65.90         | 117.81    | 329.24              | 94.16                       | 8.35                   | 15.81    | 3.39             | 11.58     | 646.24   |
| As at March 31, 2023                  | 65.90         | 128.53    | 324.93              | 127.27                      | 6.80                   | 14.51    | 3.23             | 12.23     | 683.40   |

₹ in Crore

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| Relevant line item in Balance sheet | Description of item of property                                                                | Gross carrying value (₹ in crore) | Title deeds in the name of                                              | Whether title deed holder is a promoter, director or relative of promoter / director or employee of promoter / director | Property held since date | Reason for not being held in the name of the company                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------|------------------------------------------------------------------------------------------------|-----------------------------------|-------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     |                                                                                                |                                   |                                                                         |                                                                                                                         |                          |                                                                                                                                                                                                                                                                                                                                                                                                       |
| Property, plant and equipment       | Freehold land at Village Dhanot, Taluka Kalol, Gujarat                                         | -                                 | i. Asian Cables Corporation Limited<br>ii. CETEX Petrochemicals Limited | No                                                                                                                      | March 01, 2010           | The title has been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in earlier years. Applications for change of name in the revenue record were rejected by the Sub-Divisional Officer (SDO) for want of payment of stamp duty. The Company has filed a revision application before the Appropriate Authority, challenging the order passed by the SDO. |
|                                     |                                                                                                |                                   |                                                                         |                                                                                                                         | March 31, 2005           |                                                                                                                                                                                                                                                                                                                                                                                                       |
| Property, plant and equipment       | Freehold land at Mysore                                                                        | 24.24                             | RPG Telecom Limited                                                     | No                                                                                                                      | March 01, 2010           | The title has been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in earlier years. The Company has paid property maintenance charges to Karnataka Industrial Area Development Board (KIADB) as per the terms of sale deed and initiated the process for change of name from RPG Telecom Limited to KEC International Limited in their records.        |
| Property, plant and equipment       | Freehold land at Jabalpur                                                                      | 0.81                              | SAE (I) Limited                                                         | No                                                                                                                      | October 01, 2007         | The title has been transferred to and vested in the Company pursuant to schemes of amalgamation/arrangement in the earlier years. Third party has claimed title of the property and the said matter is sub judge before the Court.                                                                                                                                                                    |
| Property, plant and equipment       | Unit No.208, to 213 on 2nd floor, B wing, Bezzola Complex, B-71, Chembur, Mumbai 400071, India | 9.72                              | Harrisons Malayalam Limited                                             | No                                                                                                                      | July 13, 2016            | The title has been transferred to and vested in the Company, pursuant to the agreement for sale in earlier years.<br><br>The registration of the Sale deed is pending on account of certain procedural formalities at the end of Harrisons Malayalam Limited's Banker.                                                                                                                                |

**Note 5.2:** Flat at Worli, Mumbai (which was having gross value of ₹ 1.30 crore) which was not held in the name of the Company as on March 31, 2022 has now been transferred in the name of the Company during the year ended March 31, 2023.

**Note 5.3:** For details of Property, plant and equipment having gross carrying amount aggregating ₹ 560.20 crore (As at March 31, 2022 ₹ 486.70 crore), which are pledged as security for borrowings - Refer notes 25 and 30.

**Note 5.4:** During the previous year, the Company has reclassified Leasehold Land amounting to ₹ 38.07 crore as on March 31, 2021 (Net Block) from "Property, plant and equipment" to "Right-of-use assets", the said disclosure being more relevant to the users of financial statements. This change doesn't result in any impact on total non current assets and total assets.

**Note 5.5:** Adjustments represents foreign currency exchange translation adjustment on account of a branch and jointly controlled operations which have different functional currency.

**Note 5.6:** Refer note 57(ii) for disclosure of contractual commitments for acquisition of property, plant and equipment.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 6 - RIGHT-OF-USE ASSETS (REFER NOTE 52)

| ₹ in Crore                            |           |                          |                      |          |        |
|---------------------------------------|-----------|--------------------------|----------------------|----------|--------|
| Description                           | Buildings | Land<br>(Refer note 5.4) | Plant &<br>Machinery | Vehicles | Total  |
| <b>Gross Carrying Amount</b>          |           |                          |                      |          |        |
| As at April 01, 2021                  | 30.55     | 50.56                    | 3.25                 | 1.34     | 85.70  |
| Additions                             | 31.73     | 13.19                    | -                    | -        | 44.92  |
| Disposal                              | 4.00      | -                        | 1.03                 | 0.52     | 5.55   |
| As at March 31, 2022                  | 58.28     | 63.75                    | 2.22                 | 0.82     | 125.07 |
| Additions                             | 0.21      | -                        | -                    | -        | 0.21   |
| Disposal                              | 4.47      | 0.53                     | -                    | 0.13     | 5.13   |
| As at March 31, 2023                  | 54.02     | 63.22                    | 2.22                 | 0.69     | 120.15 |
| <b>Accumulated Depreciation</b>       |           |                          |                      |          |        |
| As at April 01, 2021                  | 21.34     | 12.40                    | 1.53                 | 0.71     | 35.98  |
| Depreciation expenses (Refer note 45) | 9.91      | 2.45                     | 0.94                 | 0.31     | 13.61  |
| Disposal                              | 3.75      | -                        | 0.49                 | 0.26     | 4.50   |
| As at March 31, 2022                  | 27.50     | 14.85                    | 1.98                 | 0.76     | 45.09  |
| Depreciation expenses (Refer note 45) | 8.52      | 5.06                     | 0.24                 | 0.07     | 13.89  |
| Disposal                              | 4.27      | 0.54                     | -                    | 0.14     | 4.95   |
| As at March 31, 2023                  | 31.75     | 19.37                    | 2.22                 | 0.69     | 54.03  |
| <b>Net carrying amount</b>            |           |                          |                      |          |        |
| As at March 31, 2022                  | 30.78     | 48.90                    | 0.24                 | 0.06     | 79.98  |
| As at March 31, 2023                  | 22.27     | 43.85                    | -                    | -        | 66.12  |

### NOTE 7 - CAPITAL WORK IN PROGRESS (CWIP):

| ₹ in Crore                      |                         |                         |
|---------------------------------|-------------------------|-------------------------|
| Particulars                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening Balance                 | 2.21                    | 17.85                   |
| Addition during the year*       | 155.71                  | 122.62                  |
| Capitalisation during the year* | (149.53)                | (138.26)                |
| Closing Balance                 | 8.39                    | 2.21                    |

\* including intangible assets

#### Note 7.1 CWIP ageing schedule as at March 31, 2023

| ₹ in Crore                     |                                |           |           |                      |       |
|--------------------------------|--------------------------------|-----------|-----------|----------------------|-------|
| Particulars                    | Amount in CWIP for a period of |           |           |                      | Total |
|                                | Less than<br>1 year            | 1-2 years | 2-3 years | More than<br>3 years |       |
| Projects in progress           | 6.32                           | 1.12      | 0.95      | -                    | 8.39  |
| Projects temporarily suspended | -                              | -         | -         | -                    | -     |

#### CWIP ageing schedule as at March 31, 2022

| ₹ in Crore                     |                                |           |           |                      |       |
|--------------------------------|--------------------------------|-----------|-----------|----------------------|-------|
| Particulars                    | Amount in CWIP for a period of |           |           |                      | Total |
|                                | Less than<br>1 year            | 1-2 years | 2-3 years | More than<br>3 years |       |
| Projects in progress           | 1.26                           | 0.95      | -         | -                    | 2.21  |
| Projects temporarily suspended | -                              | -         | -         | -                    | -     |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### Note 7.2 Details of CWIP whose completion is overdue or has exceeded its cost compared to its original plan

| Particulars                    | To be completed in |           |           |                   | Total |
|--------------------------------|--------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Projects temporarily suspended |                    |           | Nil       |                   |       |
|                                |                    |           | Nil       |                   |       |

### NOTE 8 - INTANGIBLE ASSETS

| Particulars                    | To be completed in |           |           |                   | Total |
|--------------------------------|--------------------|-----------|-----------|-------------------|-------|
|                                | Less than 1 year   | 1-2 years | 2-3 years | More than 3 years |       |
| Projects temporarily suspended |                    |           | Nil       |                   |       |
|                                |                    |           | Nil       |                   |       |

| Particulars                          | Brands<br>(Refer note 8. 1) | Computer<br>softwares | Non Compete Fees<br>(Refer note 8.2) | Total  |
|--------------------------------------|-----------------------------|-----------------------|--------------------------------------|--------|
|                                      |                             |                       |                                      |        |
| <b>Gross carrying amount</b>         |                             |                       |                                      |        |
| As at April 01, 2021                 | 246.96                      | 80.16                 | -                                    | 327.12 |
| Additions                            | -                           | 0.19                  | 0.58                                 | 0.77   |
| Disposal                             | 6.95                        | 0.60                  | -                                    | 7.55   |
| As at March 31, 2022                 | 240.01                      | 79.75                 | 0.58                                 | 320.34 |
| Additions                            | -                           | 3.65                  | -                                    | 3.65   |
| Disposal                             | -                           | 0.02                  | -                                    | 0.02   |
| As at March 31, 2023                 | 240.01                      | 83.38                 | 0.58                                 | 323.97 |
| <b>Accumulated amortisation</b>      |                             |                       |                                      |        |
| As at April 01, 2021                 | 198.96                      | 62.75                 | -                                    | 261.71 |
| Amortisation expense (Refer note 45) | 12.00                       | 13.76                 | 0.10                                 | 25.86  |
| Disposal                             | 6.95                        | 0.59                  | -                                    | 7.54   |
| As at March 31, 2022                 | 204.01                      | 75.92                 | 0.10                                 | 280.03 |
| Amortisation expense (Refer note 45) | 12.00                       | 2.05                  | 0.19                                 | 14.24  |
| Disposal                             | -                           | 0.01                  | -                                    | 0.01   |
| As at March 31, 2023                 | 216.01                      | 77.96                 | 0.29                                 | 294.26 |
| <b>Net carrying value</b>            |                             |                       |                                      |        |
| As at March 31, 2022                 | 36.00                       | 3.83                  | 0.48                                 | 40.31  |
| As at March 31, 2023                 | 24.00                       | 5.42                  | 0.29                                 | 29.71  |

**Note 8.1** Brands include brand of the power transmission business amounting ₹ 240 crore which was acquired by the Company under the High Court approved Composite Scheme of Arrangement (the 'Scheme') in an earlier year. In terms of the Scheme, the brand is being amortised by the Company over its useful life, which based on an expert opinion is estimated to be of 20 years. The remaining amortisation period is 2 years (as at March 31, 2022 - 3 years).

**Note 8.2** Non Compete fees paid on acquisition of KEC Spur Infrastructure Private Limited. (formerly known as Spur Infrastructure Private Limited) are amortized on straight line basis over the term of Non Compete agreement i.e. 3 years. The remaining amortisation period is 1 year (as at March 31, 2022 - 2 years).

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 9 - INVESTMENTS

| Particulars                                                                                                                                                         | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                                                     |                         |                         |
| <b>Non-current :</b>                                                                                                                                                |                         |                         |
| <b>(A) Investment in Equity Instruments: (measured at cost)</b>                                                                                                     |                         |                         |
| <b>Unquoted</b>                                                                                                                                                     |                         |                         |
| <b>(a) Subsidiaries - wholly owned</b>                                                                                                                              |                         |                         |
| 10,000,000 Fully paid Ordinary Shares of Naira 1 each of RPG Transmission Nigeria Limited [Refer note 9.4(b)].                                                      | 0.35                    | 0.35                    |
| - (As at March 31, 2022, 1,000) Fully paid Equity Shares of AED 1,000 each of KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates [Refer note 9.4(b) and 9.6]    | -                       | 1.19                    |
| 76,694,313 (As at March 31, 2022, 59,032,548) Fully paid Ordinary Shares of US \$ 1 each of KEC Investment Holdings, Mauritius [Refer notes 9.1, 9.4(a) and 9.8]    | 863.10                  | 673.71                  |
| 30,000,000 4% Non Cumulative convertible preference shares US \$ 1 each of KEC Investment Holdings, Mauritius (Refer note 9.2)                                      | 193.39                  | 193.39                  |
| 631,735 Fully paid Equity Shares of AED 100 each of KEC Towers-LLC, Dubai, United Arab Emirates                                                                     | 130.31                  | 130.31                  |
| 1,021,744 Fully paid Ordinary Shares of RM \$ 1 each of KEC International Malaysia SDN BHD, Malaysia                                                                | 4.58                    | 4.58                    |
| 22,000 (As at March 31, 2022, 370,000) Fully paid Ordinary Shares of US \$ 1.00 each of KEC Global, Mauritius [(Note 9.4(b) & (Refer note 9.7)]                     | 0.12                    | 2.33                    |
| 221,022 Fully paid Equity Shares of ₹ 10 each of KEC Power India Private Limited [Refer note 9.4(b)]                                                                | 0.86                    | 0.86                    |
| 300,000 Fully paid Equity Shares of ₹ 10 each of KEC Spur Infrastructure Private Limited. (formerly known as Spur Infrastructure Private Limited) (Refer note: 9.5) | 56.93                   | 56.93                   |
| <b>Total</b>                                                                                                                                                        | <b>1,249.64</b>         | <b>1,063.65</b>         |
| <b>Less: Provision for impairment in subsidiaries. (Refer note. 9.4)</b>                                                                                            | <b>173.58</b>           | <b>99.20</b>            |
|                                                                                                                                                                     | <b>1,076.06</b>         | <b>964.45</b>           |
| <b>(B) Investment in equity shares (at fair value through other comprehensive income)</b>                                                                           |                         |                         |
| <b>Unquoted</b>                                                                                                                                                     |                         |                         |
| 4,900 Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association (Refer note 9.3)                                        | *                       | *                       |
|                                                                                                                                                                     | <b>1,076.06</b>         | <b>964.45</b>           |
| * less than rounding off norms adopted by the Company.                                                                                                              |                         |                         |
| Aggregate book value of unquoted investments                                                                                                                        | 1,249.64                | 1,063.65                |
| Aggregate amount of impairment in the value of investments                                                                                                          | 173.58                  | 99.20                   |

**Note 9.1** During the year, the Company has acquired 17,661,765 shares of USD 1 each (previous year 11,176,768 shares of USD 1 each) of KEC Investment Holding, Mauritius.

**Note 9.2** This represents investment in preference shares of KEC Investment Holdings, Mauritius. These shares are compulsorily convertible into equity shares with a conversion ratio of one is to four. The issuer has the option of early conversion as well with above fixed ratio. There is no mandatory dividend payout year on year. Considering the said terms, the investment has been classified as equity.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

**Note 9.3** As per Article of Association of the 'RP Goenka Group of Companies Employees Welfare Association (Entity)', no portion of income or property shall be paid or transferred directly or indirectly, by way of dividend, bonus or otherwise by way of profit to members of the Entity. Any surplus upon winding up or dissolution of the Entity shall not be distributed amongst the members of the Entity but shall be given or transferred to such other companies having objects similar to the objects of this Entity, to be determined by the members of the Entity at or before the time of dissolution or in default thereof, by the High Court of Judicature that has or may acquire jurisdiction in the matter.

As, there are significant restrictions on the ability of the Entity to transfer funds to the Company in the form of cash dividends, the fair value of the Company's investment in the Entity is concluded to be equal to cost.

- Note 9.4** a) As at March 31, 2023 The Company has made impairment provision of ₹ 172.79 crore (previous year : ₹ 97.34 crore) for its investments in KEC Investment Holdings, Mauritius, due to significant losses incurred by the Company's step down subsidiary in Brazil i.e. SAE Towers Brasil Torres de Transmissão Ltda (a wholly owned subsidiary of SAE Towers Holdings LLC, USA). Provision for impairment of investment is recognised to the extent the recoverable value of investments is lower than the carrying value of investments. The recoverable value of investments was calculated using value in use method. The value in use is determined based on discounted cash flow projections prepared after considering significant judgments while finalizing assumptions on growth in revenues, EBITDA and discount rates. Provision for impairment of investments in subsidiary company has been presented as an Exceptional Item. (Refer note 47).
- b) The Company has also made below impairment provisions for its investments in various subsidiaries. Impairment is provided due to losses incurred by these subsidiaries from its operations. Provision for impairment of investment is calculated by comparing the recoverable value of these investments (as per value in use) and the carrying value of investments. Provision for impairment of investments in subsidiary companies has been presented as an Exceptional Item. (Refer note 47). Details of impairment provision as at March 31, 2023 is as follows :
- Impairment of Investment in RPG Transmission Nigeria Limited : ₹ 0.17 crore (Previous year ₹ 0.17 crore)
  - Impairment of Investment in KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates : ₹ Nil (Previous year ₹ 1.19 crore)
  - Impairment of Investment in KEC Power India Private Limited : ₹ 0.50 crore (Previous year ₹ 0.50 crore)
  - Impairment of Investment in KEC Global Mauritius ₹ 0.12 crore (Previous year ₹ Nil). The Company is under liquidation.

**Note 9.5** The Company, on October 13, 2021, acquired 100% equity shares of KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) ('Spur') for purchase consideration of ₹ 56.93 crore. Consequently, Spur became a wholly owned subsidiary of the Company from the aforesaid date.

**Note 9.6** The liquidation process of KEC Global FZ, LLC has been completed and the said entity has been de-registered effective March 8, 2023. Accordingly, investment in equity instruments of the said subsidiary amounting to ₹ 1.19 Cr has been written off on the aforesaid date.

**Note 9.7** KEC Global Mauritius undertook buyback of 348,000 shares for total consideration of ₹ 2.78 crore [(Refer note 9.4b)(iv)]. The Company is in the process of liquidation.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

**Note 9.8 :- Disclosure Regarding ultimate utilisation of invested funds by subsidiary**  
**For the year ended March 31, 2023**

| Date of funds advanced | Amount of funds invested (USD in Crore) | Name of intermediary where funds advanced                            | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of intermediary where funds advanced                      | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of ultimate beneficiary where funds advanced                                                            | ₹ in Crore |
|------------------------|-----------------------------------------|----------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------|
| June 21, 2022          | 1.00                                    | KEC Investment Holdings, Mauritius                                   | June 22, 2022                                  | 1.00                                                            | SAE Towers Holdings, LLC                                       | June 23, 2022                                  | 1.00                                                            | SAE Towers Brasil Torres de Transmissão Ltda                                                                 | 78.22      |
| August 01, 2022        | 0.70                                    | Address: C/O IQEQ MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324 | August 02, 2022                                | 0.70                                                            | Address: 363 N. Sam Houston Pkwy E Suite 1100 Houston TX 77060 | August 02, 2022                                | 0.70                                                            | Address: Rua Moacyr Gonçalves Costa, Número 15 Bairro Jardim Piemont Sul, CEP 32.669-722, Betim - MG, Brasil | 55.40      |
| September 19, 2022     | 0.70                                    | MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324                   | September 20, 2022                             | 0.70                                                            | Unique Identification no. 20-8475605                           | September 20, 2022                             | 0.70                                                            | Unique Identification no. 07.758.028/0001-31                                                                 | 55.77      |

**For the year ended March 31, 2022**

| Date of funds advanced | Amount of funds invested (USD in Crore) | Name of intermediary where funds advanced                            | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of intermediary where funds advanced                      | Date of funds further advanced by intermediary | Amount of funds further invested by intermediary (USD in Crore) | Name of ultimate beneficiary where funds advanced                                                            | ₹ in Crore |
|------------------------|-----------------------------------------|----------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|------------|
| April 22, 2021         | 0.05                                    | KEC Investment Holdings, Mauritius                                   | April 23, 2021                                 | 0.05                                                            | SAE Towers Holdings, LLC                                       | -                                              | -                                                               | SAE Towers Brasil Torres de Transmissão Ltda                                                                 | 3.95       |
| June 24, 2021          | 0.50                                    | Address: C/O IQEQ MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324 | June 25, 2021                                  | 0.50                                                            | Address: 363 N. Sam Houston Pkwy E Suite 1100 Houston TX 77060 | June 25, 2021                                  | 0.50                                                            | Address: Rua Moacyr Gonçalves Costa, Número 15 Bairro Jardim Piemont Sul, CEP 32.669-722, Betim - MG, Brasil | 37.27      |
| August 04, 2021        | 0.50                                    | MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324                   | August 05, 2021                                | 0.50                                                            | Unique Identification no. 20-8475605                           | August 05, 2021                                | 0.50                                                            | Unique Identification no. 07.758.028/0001-31                                                                 | 37.10      |
| August 30, 2021        | 0.50                                    | MAURITIUS 33 EDITH CAVELL STREET, PORT LOUIS 11324                   | August 31, 2021                                | 0.50                                                            | Unique Identification no. 20-8475605                           | September 01, 2021                             | 0.50                                                            | Unique Identification no. 07.758.028/0001-31                                                                 | 36.72      |
| January 10, 2022       | 0.50                                    | Unique Identification no. C096879                                    | January 11, 2022                               | 0.50                                                            | Unique Identification no. 20-8475605                           | January 12, 2022                               | 0.50                                                            | Unique Identification no. 07.758.028/0001-31                                                                 | 37.10      |
| January 27, 2022       | 0.50                                    | Unique Identification no. C096879                                    | January 28, 2022                               | 0.50                                                            | Unique Identification no. 20-8475605                           | January 28, 2022                               | 0.50                                                            | Unique Identification no. 07.758.028/0001-31                                                                 | 37.63      |

**Note:** (i) For the above transactions, the Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 and of the Companies Act, 2013. These transactions are not violative of the prevention of money laundering Act, 2002

(ii) Intermediaries have not provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

**Note 9.9** Other than the information disclosed in Note 9.8, the Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall :

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
- provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 10 - TRADE RECEIVABLES

| ₹ in Crore                                                                         |                         |                         |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current trade receivables - Unsecured</b>                                   |                         |                         |
| (a) Considered good                                                                | 384.10                  | 478.84                  |
| (b) Having significant increase in credit risk                                     | -                       | -                       |
| (c) Credit impaired                                                                | -                       | -                       |
|                                                                                    | <b>384.10</b>           | <b>478.84</b>           |
| Less: Allowance for bad and doubtful receivables (expected credit loss allowance)* | 24.80                   | 11.15                   |
|                                                                                    | <b>359.30</b>           | <b>467.69</b>           |

**\*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance). (Refer note 54B.3)**

| Particulars                                  |  | ₹ in Crore   |
|----------------------------------------------|--|--------------|
| <b>Balance as at March 31, 2021</b>          |  | <b>26.88</b> |
| Add: Created during the year                 |  | 3.24         |
| Less: Released during the year               |  | 18.97        |
| <b>Balance as at March 31, 2022</b>          |  | <b>11.15</b> |
| Add: Created during the year                 |  | 10.26        |
| Add: Transfer from current trade receivables |  | 7.52         |
| Less: Released during the year               |  | 4.13         |
| <b>Balance as at March 31, 2023</b>          |  | <b>24.80</b> |

#### Note 10.1: Trade receivables (non current) ageing

As at March 31, 2023

| ₹ in Crore                                              |               |                       |                       |              |               |                      |               |
|---------------------------------------------------------|---------------|-----------------------|-----------------------|--------------|---------------|----------------------|---------------|
| Particulars                                             | Not Due       | Less than<br>6 months | 6 months -<br>1 years | 1 - 2 Years  | 2 - 3 Years   | More than<br>3 years | Total         |
| Undisputed – considered good                            | 152.52        | -                     | 13.37                 | 89.89        | 117.30        | 11.02                | <b>384.10</b> |
| Undisputed – Having significant increase in credit risk | -             | -                     | -                     | -            | -             | -                    | -             |
| Undisputed – credit impaired                            | -             | -                     | -                     | -            | -             | -                    | -             |
| Disputed – considered good                              | -             | -                     | -                     | -            | -             | -                    | -             |
| Disputed – Having significant increase in credit risk   | -             | -                     | -                     | -            | -             | -                    | -             |
| Disputed – credit impaired                              | -             | -                     | -                     | -            | -             | -                    | -             |
|                                                         | <b>152.52</b> | <b>-</b>              | <b>13.37</b>          | <b>89.89</b> | <b>117.30</b> | <b>11.02</b>         | <b>384.10</b> |

As at March 31, 2022

| ₹ in Crore                                              |               |                       |                       |               |              |                      |               |
|---------------------------------------------------------|---------------|-----------------------|-----------------------|---------------|--------------|----------------------|---------------|
| Particulars                                             | Not Due       | Less than<br>6 months | 6 months -<br>1 years | 1 - 2 Years   | 2 - 3 Years  | More than<br>3 years | Total         |
| Undisputed – considered good                            | 260.63        | 5.22                  | 84.67                 | 117.30        | 10.91        | 0.11                 | <b>478.84</b> |
| Undisputed – Having significant increase in credit risk | -             | -                     | -                     | -             | -            | -                    | -             |
| Undisputed – credit impaired                            | -             | -                     | -                     | -             | -            | -                    | -             |
| Disputed – considered good                              | -             | -                     | -                     | -             | -            | -                    | -             |
| Disputed – Having significant increase in credit risk   | -             | -                     | -                     | -             | -            | -                    | -             |
| Disputed – credit impaired                              | -             | -                     | -                     | -             | -            | -                    | -             |
|                                                         | <b>260.63</b> | <b>5.22</b>           | <b>84.67</b>          | <b>117.30</b> | <b>10.91</b> | <b>0.11</b>          | <b>478.84</b> |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 11 - OTHER FINANCIAL ASSETS

| ₹ in Crore                                                                       |                         |                         |
|----------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current</b>                                                               |                         |                         |
| a) <b>Contractually reimbursable expenses</b>                                    | 28.95                   | 26.67                   |
| b) <b>Security Deposits, Unsecured :</b>                                         |                         |                         |
| Considered good                                                                  | 47.25                   | 14.36                   |
| Having significant increase in credit risk                                       | -                       | -                       |
| Credit impaired                                                                  | 0.76                    | 0.76                    |
| <b>Less: Allowance for bad and doubtful security deposits (Refer note 11.1)*</b> | 0.76                    | 0.76                    |
|                                                                                  | <b>47.25</b>            | <b>14.36</b>            |
|                                                                                  | <b>76.20</b>            | <b>41.03</b>            |

**\*Movement in the allowance for bad and doubtful security deposit (expected credit loss allowance)**

#### Note 11.1

| Particulars                         |  | ₹ in Crore  |
|-------------------------------------|--|-------------|
| <b>Balance as at March 31, 2021</b> |  | <b>0.76</b> |
| Add: Created during the year        |  | -           |
| Less: Released during the year      |  | -           |
| <b>Balance as at March 31, 2022</b> |  | <b>0.76</b> |
| Add: Created during the year        |  | -           |
| Less: Released during the year      |  | -           |
| <b>Balance as at March 31, 2023</b> |  | <b>0.76</b> |

### NOTE 12 - NON-CURRENT TAX ASSETS (NET)

| ₹ in Crore                          |                         |                         |
|-------------------------------------|-------------------------|-------------------------|
| Particulars                         | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Income tax payments less provisions | 268.03                  | 179.43                  |
|                                     | <b>268.03</b>           | <b>179.43</b>           |

### NOTE 13 - OTHER NON-CURRENT ASSETS

| ₹ in Crore                                                               |                         |                         |
|--------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Capital advances                                                     | 0.04                    | 10.65                   |
| (b) Others                                                               |                         |                         |
| - Excise duty recoverable from Government authorities                    | 24.50                   | 24.45                   |
| - VAT Credit / WCT / Service Tax Receivable                              | 127.79                  | 121.05                  |
| - GST Receivable                                                         | 14.84                   | 12.41                   |
| - Sales tax/ excise duty/ service tax/entry tax, etc. paid under protest | 28.57                   | 21.75                   |
| - Prepaid expenses                                                       | 8.17                    | 3.57                    |
|                                                                          | <b>203.87</b>           | <b>183.23</b>           |
|                                                                          | <b>203.91</b>           | <b>193.88</b>           |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 14 - INVENTORIES

| ₹ in Crore                                                  |                         |                         |
|-------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Inventories (lower of cost and net realisable value)</b> |                         |                         |
| (a) Raw materials                                           |                         |                         |
| (i) in stock                                                | 507.59                  | 443.82                  |
| (ii) in-transit                                             | -                       | 4.62                    |
|                                                             | <b>507.59</b>           | <b>448.44</b>           |
| (b) Work-in-progress                                        | 22.59                   | 20.63                   |
| (c) Finished goods                                          | 189.87                  | 200.00                  |
| (d) Stores and spares                                       | 32.87                   | 26.39                   |
| (e) Scrap                                                   | 13.69                   | 10.96                   |
|                                                             | <b>766.61</b>           | <b>706.42</b>           |

### NOTE 15 - TRADE RECEIVABLES

| ₹ in Crore                                                                         |                         |                         |
|------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                        | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Trade receivables - Unsecured (Refer notes 15.1, 15.2 and 54B.3)</b>            |                         |                         |
| (a) Considered good                                                                | 6,578.81                | 4,779.22                |
| (b) Having significant increase in credit risk                                     | -                       | -                       |
| (c) Credit impaired                                                                | -                       | -                       |
|                                                                                    | <b>6,578.81</b>         | <b>4,779.22</b>         |
| Less: Allowance for bad and doubtful receivables (expected credit loss allowance)* | 58.44                   | 66.12                   |
|                                                                                    | <b>6,520.37</b>         | <b>4,713.10</b>         |

#### \*Movement in the allowance for bad and doubtful receivables (expected credit loss allowance) (Refer note 54B.3)

| Particulars                                     | ₹ in Crore   |
|-------------------------------------------------|--------------|
| <b>Balance as at March 31, 2021</b>             | <b>58.27</b> |
| Add: Created during the year                    | 15.19        |
| Less: Released during the year                  | 7.34         |
| <b>Balance as at March 31, 2022</b>             | <b>66.12</b> |
| Add: Created during the year                    | 7.03         |
| Less: Transfer to non current trade receivables | 7.52         |
| Less: Released during the year                  | 7.19         |
| <b>Balance as at March 31, 2023</b>             | <b>58.44</b> |

#### Note 15.1 Transfer of financial assets

The Company has discounted trade receivables with an aggregate carrying amount of ₹ 177.54 crore (during the previous year ended March 31, 2022 ₹ 153. 19 crore) with banks for cash proceeds of ₹175.47 crore during the current year (during the previous year ended March 31, 2022 is ₹ 151.95 crore). These arrangements are “non-recourse” to the Company and accordingly, the Company has derecognised these receivables as at March 31, 2023. Amount of interest charged to profit and loss with respect to the underlying debtors (purchased by bank) is ₹ 2.07 crore. (during the previous year ₹1.24 crore).

Further the Company has discounted certain trade receivables with the banks “with recourse” to the Company. The carrying amount of such receivables as at March 31, 2023 ₹ 68.05 crore (As at March 31, 2022 ₹ 42.88 crore) are recognised as trade receivables and corresponding carrying amount of associated liabilities of ₹ 68.05 crore (As at March 31, 2022 ₹ 42.88 crore) are recognised as secured borrowings and there are restrictions on further selling and pledging of these receivables.

**Note 15.2** Receivable from related party is ₹ 143.78 crore (As at March 31, 2022 ₹ 23.67 crore).

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### Note 15.3: Trade receivables ageing

As at March 31, 2023

| ₹ in Crore                                              |                 |                       |                      |               |               |                      |                 |
|---------------------------------------------------------|-----------------|-----------------------|----------------------|---------------|---------------|----------------------|-----------------|
| Particulars                                             | Not Due         | Less than<br>6 months | 6 months -<br>1 year | 1 - 2 Years   | 2 - 3 Years   | More than<br>3 years | Total           |
| Undisputed – considered good                            | 4,859.92        | 882.19                | 343.57               | 279.76        | 172.97        | 36.51                | <b>6,574.92</b> |
| Undisputed – Having significant increase in credit risk | -               | -                     | -                    | -             | -             | -                    | -               |
| Undisputed – Credit Impaired                            | -               | -                     | -                    | -             | -             | -                    | -               |
| Disputed – considered good                              | 1.89            | 0.10                  | 0.10                 | 0.37          | 0.40          | 1.03                 | <b>3.89</b>     |
| Disputed – Having significant increase in credit risk   | -               | -                     | -                    | -             | -             | -                    | -               |
| Disputed – Credit Impaired                              | -               | -                     | -                    | -             | -             | -                    | -               |
|                                                         | <b>4,861.81</b> | <b>882.29</b>         | <b>343.67</b>        | <b>280.13</b> | <b>173.37</b> | <b>37.54</b>         | <b>6,578.81</b> |

As at March 31, 2022

| ₹ in Crore                                              |                 |                       |                      |               |              |                      |                 |
|---------------------------------------------------------|-----------------|-----------------------|----------------------|---------------|--------------|----------------------|-----------------|
| Particulars                                             | Not Due         | Less than<br>6 months | 6 months -<br>1 year | 1 - 2 Years   | 2 - 3 Years  | More than<br>3 years | Total           |
| Undisputed – considered good                            | 3,774.04        | 597.48                | 198.64               | 110.32        | 18.23        | 71.68                | <b>4,770.39</b> |
| Undisputed – Having significant increase in credit risk | -               | -                     | -                    | -             | -            | -                    | -               |
| Undisputed –Credit Impaired                             | -               | -                     | -                    | -             | -            | -                    | -               |
| Disputed – considered good                              | 1.83            | 0.49                  | 0.21                 | 0.55          | 0.46         | 5.29                 | <b>8.83</b>     |
| Disputed – Having significant increase in credit risk   | -               | -                     | -                    | -             | -            | -                    | -               |
| Disputed –Credit Impaired                               | -               | -                     | -                    | -             | -            | -                    | -               |
|                                                         | <b>3,775.87</b> | <b>597.97</b>         | <b>198.85</b>        | <b>110.87</b> | <b>18.69</b> | <b>76.97</b>         | <b>4,779.22</b> |

### NOTE 16 - CASH AND CASH EQUIVALENTS

| ₹ in Crore               |                         |                         |
|--------------------------|-------------------------|-------------------------|
| Particulars              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Balances with banks  |                         |                         |
| (i) In current accounts  | 115.24                  | 136.49                  |
| (ii) In deposit accounts | 0.28                    | 5.99                    |
| (b) Cheques on hand      | -                       | 8.00                    |
| (c) Cash on hand         | 7.03                    | 6.02                    |
|                          | <b>122.55</b>           | <b>156.50</b>           |

**Note 16.1** There are restrictions on repatriations with regards to cash and cash equivalents as at March 31, 2023 of ₹ 7.49 crore (as at March 31, 2022 ₹ 8.60 crore).

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 17 - BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

| Particulars                                                                                                   | ₹ in Crore              |                         |
|---------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (i) Earmarked balances with banks - unpaid dividend accounts                                                  | 3.00                    | 3.01                    |
| (ii) Bank deposit with original maturity of more than 3 months but less than 12 months                        | 5.80                    | 5.87                    |
| (iii) Bank deposits held as margin money or security against the borrowings, guarantees and other commitments | 49.30                   | 45.08                   |
|                                                                                                               | <b>58.10</b>            | <b>53.96</b>            |

### NOTE 18 - LOANS

| Particulars                                                                                                                     | ₹ in Crore              |                         |
|---------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                                                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Related Parties</b>                                                                                                          |                         |                         |
| (a) Considered Good - Unsecured                                                                                                 |                         |                         |
| (i) Loans to related parties - KEC Towers LLC (wholly owned subsidiary)                                                         | 12.35                   | 10.75                   |
| (ii) Loans to related parties - KEC Global FZ LLC (wholly owned subsidiary)                                                     | -                       | 0.44                    |
| (iii) Loans to related parties - KEC International (Malaysia) SDN.BHD. (wholly owned subsidiary)                                | -                       | 12.36                   |
| (iv) Loans to related parties - KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited) | -                       | 3.35                    |
| (b) Having significant increase in credit risk                                                                                  | -                       | -                       |
| (c) Credit Impaired                                                                                                             | -                       | -                       |
|                                                                                                                                 | <b>12.35</b>            | <b>26.90</b>            |

**Note 18.1** The Company has provided short term loans to wholly owned subsidiaries for the purpose of providing working capital and other business requirements. These loans are given at rates comparable to the average external borrowing rate of interest.

**Note 18.2** Disclosure required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

| Name of Subsidiary                                                                                     | ₹ in Crore                           |                                            |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------------|
|                                                                                                        | Loans (interest bearing) outstanding | Maximum amount outstanding during the year |
| <b>KEC Towers LLC</b>                                                                                  |                                      |                                            |
| <b>As at March 31, 2023</b>                                                                            | <b>12.35</b>                         | <b>12.35</b>                               |
| As at March 31, 2022                                                                                   | 10.75                                | 10.75                                      |
| <b>KEC Global FZ LLC</b>                                                                               |                                      |                                            |
| <b>As at March 31, 2023</b>                                                                            | <b>-</b>                             | <b>0.50</b>                                |
| As at March 31, 2022                                                                                   | 0.44                                 | 0.44                                       |
| <b>KEC International (Malaysia) SDN. BHD.</b>                                                          |                                      |                                            |
| <b>As at March 31, 2023</b>                                                                            | <b>-</b>                             | <b>12.76</b>                               |
| As at March 31, 2022                                                                                   | 12.36                                | 15.13                                      |
| <b>KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructure Private Limited)</b> |                                      |                                            |
| <b>As at March 31, 2023</b>                                                                            | <b>-</b>                             | <b>4.00</b>                                |
| As at March 31, 2022                                                                                   | 3.35                                 | 12.00                                      |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 19 - OTHER FINANCIAL ASSETS

| Particulars                                                                                   | ₹ in Crore              |                         |
|-----------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                               | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Unsecured, considered good</b>                                                             |                         |                         |
| (i) Security Deposit                                                                          | 83.54                   | 20.91                   |
| (ii) Interest accrued on deposits                                                             | 0.12                    | 0.35                    |
| (iii) Insurance claims                                                                        | 0.64                    | 0.78                    |
| (iv) Mark to market gain on foreign currency and commodity forward contracts (Refer note 54C) | 13.98                   | 27.34                   |
| (v) Contractually reimbursable expenses                                                       | 48.89                   | 44.15                   |
|                                                                                               | <b>147.17</b>           | <b>93.53</b>            |

### NOTE 20 - CONTRACT ASSETS

| Particulars                                           | ₹ in Crore              |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
|                                                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Unsecured, considered good</b>                     |                         |                         |
| Amount due from customers for contract works          | 5,945.19                | 5,881.19                |
| Less: Allowance for contract assets (Refer note 20.1) | 7.85                    | 5.09                    |
|                                                       | <b>5,937.34</b>         | <b>5,876.10</b>         |

#### Note 20.1 Movement in allowance on contract assets (expected credit loss allowance)(Refer note 54B.3)

| Particulars     | ₹ in Crore              |                         |
|-----------------|-------------------------|-------------------------|
|                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance | 5.09                    | 5.09                    |
| Additions       | 3.24                    | -                       |
| Reversals       | 0.48                    | -                       |
| Closing balance | <b>7.85</b>             | <b>5.09</b>             |

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. (Refer note 34)

## Notes

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### NOTE 21 - CURRENT TAX ASSETS (NET)

| Particulars                         | ₹ in Crore              |                         |
|-------------------------------------|-------------------------|-------------------------|
|                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Income tax payments less provisions | 21.68                   | 14.74                   |
|                                     | <b>21.68</b>            | <b>14.74</b>            |

### NOTE 22 - OTHER CURRENT ASSETS

| Particulars                                          | ₹ in Crore              |                         |
|------------------------------------------------------|-------------------------|-------------------------|
|                                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Advances to suppliers                                | 191.19                  | 152.30                  |
| Employee advances                                    | 6.77                    | 6.33                    |
| Cenvat / Service tax input credit receivable         | -                       | 0.12                    |
| Excise duty recoverable from Government authorities  | -                       | 0.05                    |
| VAT credit / WCT receivables                         | 115.97                  | 59.79                   |
| GST receivables                                      | 413.74                  | 493.92                  |
| GST/Excise rebate receivable on exports              | 42.87                   | 63.71                   |
| Prepaid expenses                                     | 126.25                  | 112.31                  |
| Export benefits                                      | 19.68                   | 33.96                   |
| Assets classified as held for sale (Refer note 22.1) | 2.45                    | 3.07                    |
|                                                      | <b>918.92</b>           | <b>925.56</b>           |

#### Note 22.1 - Details of assets classified as held for sale

| Particulars                                         | ₹ in Crore              |                         |
|-----------------------------------------------------|-------------------------|-------------------------|
|                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Leasehold Land at Jaipur [(Refer note 22.1 (a))]    | 2.45                    | 2.45                    |
| Leasehold Land at Raibareli [(Refer note 22.1 (b))] | -                       | 0.62                    |
|                                                     | <b>2.45</b>             | <b>3.07</b>             |

- (a) The Company has signed Memorandum of understanding (MOU) against which the Company had received sales consideration amounting to ₹ 9.41 crore (as at March 31, 2022 ₹ 9.41 crore) [Refer note 35 (a)]. However, the title and possession of the land is yet to be transferred due to pending approvals from regulatory authorities.
- (b) Land situated at plot no. A03 of Raebareli plant was held for sale as on March 31, 2022. During the current year, this land has been sold for sales consideration of ₹ 4.15 crore and resulting profit on sale of land of ₹ 2.32 crore recognised in other income. (Refer note 39)

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 23 - SHARE CAPITAL

| Particulars                                | As at March 31, 2023 |              | As at March 31, 2022 |              |
|--------------------------------------------|----------------------|--------------|----------------------|--------------|
|                                            | Nos.                 | ₹ in crore   | Nos.                 | ₹ in crore   |
| <b>Authorised:</b>                         |                      |              |                      |              |
| <b>Equity Shares:</b>                      |                      |              |                      |              |
| Equity Shares of ₹2 each                   | 570,000,000          | 114.00       | 570,000,000          | 114.00       |
| <b>Preference Shares</b>                   |                      |              |                      |              |
| Redeemable Preference Shares of ₹ 100 each | 1,500,000            | 15.00        | 1,500,000            | 15.00        |
| <b>Issued, Subscribed and Paid-up</b>      |                      |              |                      |              |
| <b>Equity Shares:</b>                      |                      |              |                      |              |
| Equity Shares of ₹ 2 each fully paid up    | 257,088,370          | 51.42        | 257,088,370          | 51.42        |
|                                            | <b>257,088,370</b>   | <b>51.42</b> | <b>257,088,370</b>   | <b>51.42</b> |

#### Note 23.1 Reconciliation of number of Equity Shares of the Company and amount outstanding at the beginning and at the end of the year

| Particulars                                           | ₹ in Crore         |              |
|-------------------------------------------------------|--------------------|--------------|
|                                                       | Nos.               | ₹ in crore   |
| Equity Shares Outstanding as at April 01, 2021        | 257,088,370        | 51.42        |
| Add: Shares issued during the year                    | -                  | -            |
| Equity Shares Outstanding as at March 31, 2022        | 257,088,370        | 51.42        |
| Add: Shares issued during the year                    | -                  | -            |
| <b>Equity Shares Outstanding as at March 31, 2023</b> | <b>257,088,370</b> | <b>51.42</b> |

#### Note 23.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

| Sr. No. | Name of the shareholder*     | As at March 31, 2023 |                           | As at March 31, 2022 |                           |
|---------|------------------------------|----------------------|---------------------------|----------------------|---------------------------|
|         |                              | No. of Shares Held   | Percentage of Shares held | No. of Shares Held   | Percentage of Shares held |
| 1       | Swallow Associates LLP       | 67,756,616           | 26.36                     | 67,756,616           | 26.36                     |
| 2       | Summit Securities Limited    | 28,171,543           | 10.96                     | 28,104,322           | 10.93                     |
| 3       | HDFC Trustee Company Limited | 22,813,728           | 8.87                      | 22,599,573           | 8.79                      |
| 4       | Instant Holdings Limited     | 22,299,164           | 8.67                      | 22,207,827           | 8.64                      |

\* Shares held in multiple folios have been combined

**Note 23.3** The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company. The Company in its General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in its General Meeting may declare a lower dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

## Notes

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### Note 23.4 Shares held by promoters at the end of the year

| S. No          | Promoter name                                                 | As at March 31, 2023 |                   |                          | As at March 31, 2022 |                   |                          |
|----------------|---------------------------------------------------------------|----------------------|-------------------|--------------------------|----------------------|-------------------|--------------------------|
|                |                                                               | No. of Shares        | % of total shares | % Change during the year | No. of Shares        | % of total shares | % Change during the year |
| Promoter       |                                                               |                      |                   |                          |                      |                   |                          |
| 1              | Harsh Vardhan Goenka                                          | 5,042,917            | 1.96              | -                        | 5,042,917            | 1.96              | -                        |
| Promoter Group |                                                               |                      |                   |                          |                      |                   |                          |
| 2              | Anant Vardhan Goenka                                          | 40,000               | 0.02              | -                        | 40,000               | 0.02              | -                        |
| 3              | Stellar Energy Trust* (Mr. Harsh Vardhan Goenka is a Trustee) | -                    | 0.00              | -                        | 100                  | 0.00              | -                        |
| 4              | Mala Goenka                                                   | 50                   | 0.00              | -                        | 50                   | 0.00              | -                        |
| 5              | RG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)       | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 6              | AVG Family Trust (Mr. Anant Vardhan Goenka is a Trustee)      | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 7              | Ishaan Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)   | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 8              | Navya Goenka Trust (Mr. Harsh Vardhan Goenka is a Trustee)    | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 9              | Radha Anant Goenka                                            | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 10             | Nucleus Life Trust (Mr. Harsh Vardhan Goenka is a Trustee)    | 1                    | 0.00              | -                        | 1                    | 0.00              | -                        |
| 11             | Prism Estate Trust (Mr. Harsh Vardhan Goenka is a Trustee)    | 1                    | 0.00              | -                        | 1                    | 0.00              | -                        |
| 12             | Secura India Trust (Mr. Harsh Vardhan Goenka is a Trustee)    | 101                  | 0.00              | 0.00%                    | 1                    | 0.00              | -                        |
| 13             | Swallow Associates LLP                                        | 67,756,616           | 26.36             | -                        | 67,756,616           | 26.36             | -                        |
| 14             | Summit Securities Limited                                     | 28,171,543           | 10.96             | 0.03%                    | 28,104,322           | 10.93             | -                        |
| 15             | Instant Holdings Limited                                      | 22,299,164           | 8.67              | 0.03%                    | 22,207,827           | 8.64              | -                        |
| 16             | Stel Holdings Limited                                         | 5,011,891            | 1.95              | -                        | 5,011,891            | 1.95              | -                        |
| 17             | Carniwal Investments Limited                                  | 2,970,981            | 1.16              | -                        | 2,970,981            | 1.16              | -                        |
| 18             | Chattarpati Apartments LLP                                    | 1,790,785            | 0.70              | -                        | 1,790,785            | 0.70              | -                        |
| 19             | Ektara Enterprises LLP                                        | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 20             | Malabar Coastal Holdings LLP                                  | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 21             | Sofreal Mercantrade Pvt Ltd                                   | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 22             | Vayu Udaan Aircraft LLP                                       | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |
| 23             | Sudarshan Electronics and TV Ltd                              | 1                    | 0.00              | -                        | 1                    | 0.00              | -                        |
| 24             | RPG Ventures Limited                                          | 284,950              | 0.11              | -                        | 284,950              | 0.11              | -                        |
| 25             | Atlantus Dwellings and Infrastructure LLP                     | 10                   | 0.00              | -                        | 10                   | 0.00              | -                        |

\* Stellar Energy Trust has been dissolved and has ceased to exist.

### NOTE 24- OTHER EQUITY

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Particulars                                         | Reserves & Surplus |                    |                    |                 |                   |                   | Other Comprehensive Income            |                                                           |                                                                                          |          | ₹ in Crore |
|-----------------------------------------------------|--------------------|--------------------|--------------------|-----------------|-------------------|-------------------|---------------------------------------|-----------------------------------------------------------|------------------------------------------------------------------------------------------|----------|------------|
|                                                     | Capital Reserve    | Securities Premium | Redemption Reserve | Capital Reserve | Statutory Reserve | Retained Earnings | Effective portion of cash flow Hedges | Exchange differences on translation of foreign operations | Other items of other comprehensive income (Remeasurement of defined benefit obligations) |          |            |
|                                                     |                    |                    |                    |                 |                   |                   |                                       |                                                           |                                                                                          |          |            |
| Notes                                               | (a)                | (b)                | (c)                | (d)             | (e)               | (f)               | (g)                                   | (h)                                                       | (i)                                                                                      |          |            |
| Balance as at April 01, 2021                        | 84.98              | 86.75              | 14.28              | 191.73          | 0.95              | 3,053.93          | 10.14                                 | 28.78                                                     | (3.11)                                                                                   | 3,468.37 |            |
| Changes in accounting policy or prior period errors | -                  | -                  | -                  | -               | -                 | -                 | -                                     | -                                                         | -                                                                                        | -        |            |
| Restated balance as at April 01, 2021               | 84.98              | 86.75              | 14.28              | 191.73          | 0.95              | 3,053.93          | 10.14                                 | 28.78                                                     | (3.11)                                                                                   | 3,468.37 |            |
| Profit for the year                                 | -                  | -                  | -                  | -               | -                 | 434.44            | -                                     | -                                                         | -                                                                                        | 434.44   |            |
| Other Comprehensive Income for the year             | -                  | -                  | -                  | -               | -                 | -                 | (1.78)                                | 2.82                                                      | 3.09                                                                                     | 4.13     |            |
| Total Comprehensive Income for the year             | -                  | -                  | -                  | -               | -                 | 434.44            | (1.78)                                | 2.82                                                      | 3.09                                                                                     | 438.57   |            |
| Transactions with owners in their capacity as owner |                    |                    |                    |                 |                   |                   |                                       |                                                           |                                                                                          |          |            |
| Dividends                                           | -                  | -                  | -                  | -               | -                 | (102.83)          | -                                     | -                                                         | -                                                                                        | (102.83) |            |
| Balance as at March 31, 2022                        | 84.98              | 86.75              | 14.28              | 191.73          | 0.95              | 3,385.53          | 8.36                                  | 31.60                                                     | (0.02)                                                                                   | 3,804.11 |            |
| Balance as at April 01, 2022                        | 84.98              | 86.75              | 14.28              | 191.73          | 0.95              | 3,385.53          | 8.36                                  | 31.60                                                     | (0.02)                                                                                   | 3,804.11 |            |
| Changes in accounting policy or prior period errors | -                  | -                  | -                  | -               | -                 | -                 | -                                     | -                                                         | -                                                                                        | -        |            |
| Restated balance as at April 01, 2022               | 84.98              | 86.75              | 14.28              | 191.73          | 0.95              | 3,385.53          | 8.36                                  | 31.60                                                     | (0.02)                                                                                   | 3,804.11 |            |
| Profit for the year                                 | -                  | -                  | -                  | -               | -                 | 180.25            | -                                     | -                                                         | -                                                                                        | 180.25   |            |
| Other Comprehensive Income for the year             | -                  | -                  | -                  | -               | -                 | -                 | (8.36)                                | 40.08                                                     | (0.92)                                                                                   | 30.80    |            |
| Total Comprehensive Income for the year             | -                  | -                  | -                  | -               | -                 | 180.25            | (8.36)                                | 40.08                                                     | (0.92)                                                                                   | 211.05   |            |
| Transactions with owners in their capacity as owner |                    |                    |                    |                 |                   |                   |                                       |                                                           |                                                                                          |          |            |
| Dividends                                           | -                  | -                  | -                  | -               | -                 | (102.83)          | -                                     | -                                                         | -                                                                                        | (102.83) |            |
| Balance as at March 31, 2023                        | 84.98              | 86.75              | 14.28              | 191.73          | 0.95              | 3,462.97          | 0.00                                  | 71.68                                                     | (0.94)                                                                                   | 3,912.39 |            |

**Note (a)** Capital reserve was created on account of merger of RPG Cables Limited (RPGCL) with the Company pursuant to the Scheme of Amalgamation in the financial year 2009-2010.

**Note (b)** Securities premium is used to record the premium on issue of shares. It is utilized in accordance with the provisions of the Companies Act, 2013.

**Note (c)** Capital redemption reserve was created upon redemption of preference shares. The preference shares were redeemed in the financial years 2007-08 and 2008-09.

**Note (d)** General reserve is created from time to time by way of transfer of profits from retained earnings. General reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

**Note (e)** Statutory reserve pertains to the Jointly Controlled Operation at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Articles of Association, 10% of the annual net income is required to be transferred to the Statutory Reserve until the reserve reaches 50 % of the capital of the Jointly Controlled Operation.

**Note (f)** Retained earnings represents accumulated profit as on reporting date. The reserve can be utilised in accordance with the provision of the Companies Act, 2013.

**Note (g)** The cash flow hedging reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in accounting policy Note 3.21

**Note (h)** Foreign currency translation reserve pertaining to exchange difference arising on translation of the foreign operation are recognised in other comprehensive income as described in accounting policy note 3.7 and accumulated in a separate reserve within equity. The cumulative amount are reclassified to profit or loss when the foreign operation is disposed-off.

**Note (i)** Reserve for remeasurement of defined benefit obligations represents the effects of remeasurement of defined benefit obligations on account of actuarial gains and losses.

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

## NOTE 25 -BORROWINGS

| ₹ in Crore                                                    |                         |                         |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                                           |                         |                         |
| <b>Measured at amortised cost :</b>                           |                         |                         |
| <b>I Term loans*</b>                                          |                         |                         |
| <b>From banks</b>                                             |                         |                         |
| Secured [Refer note 25 (a)(i)]                                | 49.31                   | 45.62                   |
| Less : Current maturities of long-term debt (Refer note 30.3) | (16.44)                 | -                       |
|                                                               | <b>32.87</b>            | <b>45.62</b>            |
| Unsecured                                                     | 150.00                  | 150.00                  |
| Less : Current maturities of long-term debt (Refer note 30.3) | (150.00)                | -                       |
|                                                               | <b>-</b>                | <b>150.00</b>           |
| <b>II From Other Parties</b>                                  |                         |                         |
| Secured [Refer note 25 (b)]                                   | 200.00                  | -                       |
|                                                               | <b>200.00</b>           | <b>-</b>                |
|                                                               | <b>232.87</b>           | <b>195.62</b>           |

### (a) Term loans\*

#### From banks: Secured

- (i) ₹ 32.87 crore (As at March 31, 2022 ₹45.62 crore) External Commercial Borrowing loan secured by first and exclusive charge over construction Equipments both present and future at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms are three equal yearly installments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

#### Unsecured:

₹ Nil (As at March 31, 2022 ₹150 crore) unsecured Term loan from Axis Bank. Repayment terms are in two equal half yearly installments September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.

### (b) From Other Parties

#### Secured:

₹ 200 crore (As at March 31, 2022 ₹ Nil) Loan from a financial institution which is secured by security stated against Note 30.1.(i) Repayment will be on April 29, 2024 and September 24, 2024. The interest rates are in the ranges from 8.46% to 8.87% p.a.

As at March 31, 2023 and March 31, 2022, the Company was in compliance with all of its debt covenants for borrowings

## NOTE 26 - LEASE LIABILITIES

| ₹ in Crore                        |                         |                         |
|-----------------------------------|-------------------------|-------------------------|
| Particulars                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current</b>                |                         |                         |
| Lease liabilities (Refer note 52) | 21.04                   | 31.76                   |
|                                   | <b>21.04</b>            | <b>31.76</b>            |

## NOTE 27 - PROVISIONS

| ₹ in Crore                             |                         |                         |
|----------------------------------------|-------------------------|-------------------------|
| Particulars                            | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                    |                         |                         |
| <b>Provision for employee benefits</b> |                         |                         |
| - Gratuity (Refer note 55)             | 15.10                   | 8.98                    |
| - Compensated Absences (Refer note 55) | 2.31                    | -                       |
|                                        | <b>17.41</b>            | <b>8.98</b>             |

# Notes

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## NOTE 28 - DEFERRED TAX LIABILITIES (NET)

28.1 Significant components of deferred tax liabilities (net) as at March 31, 2023 are as follows :

| ₹ in Crore                                                                         |                                                 |                                                     |                                                         |                                                 |
|------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|
| Particulars                                                                        | Opening<br>Balance<br>(As at April<br>01, 2022) | Recognised<br>in Statement<br>of Profit and<br>Loss | Recognised<br>in other<br>comprehensive<br>income (OCI) | Closing<br>Balance<br>(As at March<br>31, 2023) |
| <b>Deferred tax (liabilities)/assets recognised in relation to :</b>               |                                                 |                                                     |                                                         |                                                 |
| Property, plant and equipment and intangible assets                                | (38.21)                                         | 5.17                                                | -                                                       | <b>(33.04)</b>                                  |
| Undistributed earnings of joint operations                                         | (34.80)                                         | 24.00                                               | -                                                       | <b>(10.80)</b>                                  |
| Allowance for doubtful debts and loans                                             | 20.48                                           | 2.09                                                | -                                                       | <b>22.57</b>                                    |
| Expenses debited to the Statement of Profit and Loss allowable in subsequent years | 11.68                                           | (1.23)                                              | -                                                       | <b>10.45</b>                                    |
| Provision for foreseeable loss on construction contracts, etc.                     | 5.12                                            | (0.24)                                              | -                                                       | <b>4.88</b>                                     |
| Right-of-use assets (net of lease liabilities) - (Refer note 52)                   | 0.65                                            | 1.90                                                | -                                                       | <b>2.55</b>                                     |
| Asset held for sale                                                                | 0.82                                            | (0.82)                                              | -                                                       | <b>-</b>                                        |
| <b>Deferred tax (liabilities)/assets recognised</b>                                | <b>(34.26)</b>                                  | <b>30.87</b>                                        | <b>-</b>                                                | <b>(3.39)</b>                                   |
| <b>Deferred tax (liabilities)/assets in relation to OCI:</b>                       |                                                 |                                                     |                                                         |                                                 |
| Net (Gain) / Losses on Cash flow hedges                                            | (2.80)                                          | -                                                   | 2.80                                                    | <b>-</b>                                        |
| Exchange differences on translation of foreign Jointly Controlled Operations       | (7.01)                                          | -                                                   | 3.09                                                    | <b>(3.92)</b>                                   |
| Remeasurement of defined benefit obligations                                       | 0.33                                            | -                                                   | 0.36                                                    | <b>0.69</b>                                     |
| <b>Deferred tax (liabilities)/Assets in relation to OCI</b>                        | <b>(9.48)</b>                                   | <b>-</b>                                            | <b>6.25</b>                                             | <b>(3.23)</b>                                   |
| <b>Deferred Tax (liabilities)/assets (net)</b>                                     | <b>(43.74)</b>                                  | <b>30.87</b>                                        | <b>6.25</b>                                             | <b>(6.62)</b>                                   |

28.2 Significant components of deferred tax liabilities (net) as at March 31, 2023 are as follows :

| ₹ in Crore                                                                         |                                                 |                                                     |                                                         |                                                 |
|------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|
| Particulars                                                                        | Opening<br>Balance<br>(As at April<br>01, 2021) | Recognised<br>in Statement<br>of Profit and<br>Loss | Recognised<br>in other<br>comprehensive<br>income (OCI) | Closing<br>Balance<br>(As at March<br>31, 2022) |
| <b>Deferred tax (liabilities)/assets recognised in relation to :</b>               |                                                 |                                                     |                                                         |                                                 |
| Property, plant and equipment and intangible assets                                | (43.28)                                         | 5.07                                                | -                                                       | <b>(38.21)</b>                                  |
| Undistributed earnings of Jointly Controlled Operations                            | (41.94)                                         | 7.14                                                | -                                                       | <b>(34.80)</b>                                  |
| Allowance for doubtful debts and loans                                             | 25.09                                           | (4.61)                                              | -                                                       | <b>20.48</b>                                    |
| Expenses debited to the Statement of Profit and Loss allowable in subsequent years | 12.54                                           | (0.86)                                              | -                                                       | <b>11.68</b>                                    |
| Provision for foreseeable loss on construction contracts, etc.                     | 0.05                                            | 5.07                                                | -                                                       | <b>5.12</b>                                     |
| Right-of-use assets (net of lease liabilities) (Refer note 52)                     | 0.65                                            | -                                                   | -                                                       | <b>0.65</b>                                     |
| Asset held for sale                                                                | 0.82                                            | -                                                   | -                                                       | <b>0.82</b>                                     |
| <b>Deferred tax (liabilities)/Assets recognised</b>                                | <b>(46.07)</b>                                  | <b>11.82</b>                                        | <b>-</b>                                                | <b>(34.26)</b>                                  |
| <b>Deferred tax (liabilities)/Assets in relation to OCI:</b>                       |                                                 |                                                     |                                                         |                                                 |
| Net (Gain) / Losses on Cash flow hedges                                            | (3.40)                                          | -                                                   | 0.60                                                    | <b>(2.80)</b>                                   |
| Exchange differences on translation of foreign joint operations                    | (6.71)                                          | -                                                   | (0.30)                                                  | <b>(7.01)</b>                                   |
| Remeasurement of defined benefit obligations                                       | 1.25                                            | -                                                   | (0.92)                                                  | <b>0.33</b>                                     |
| <b>Deferred tax (liabilities)/Assets in relation to OCI</b>                        | <b>(8.86)</b>                                   | <b>-</b>                                            | <b>(0.62)</b>                                           | <b>(9.48)</b>                                   |
| <b>Deferred Tax (Liabilities)/Assets (net)</b>                                     | <b>(54.93)</b>                                  | <b>11.82</b>                                        | <b>(0.62)</b>                                           | <b>(43.74)</b>                                  |

## Notes

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### NOTE 29 - OTHER NON CURRENT LIABILITIES

| ₹ in Crore                                 |                         |                         |
|--------------------------------------------|-------------------------|-------------------------|
| Particulars                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Non-current:</b>                        |                         |                         |
| Deferred Government Grant (Refer note 67)* | 0.45                    | 0.47                    |
|                                            | <b>0.45</b>             | <b>0.47</b>             |

#### \* Movement in deferred Government Grant

| Particulars                                            |  | ₹ in Crore  |
|--------------------------------------------------------|--|-------------|
| <b>Balance as at March 31, 2021</b>                    |  | -           |
| Add: Received during the year                          |  | 0.50        |
| Less: Recognised as income during the year             |  | 0.01        |
| Less: Disclosed as current liabilities (Refer note 35) |  | 0.02        |
| <b>Balance as at March 31, 2022</b>                    |  | <b>0.47</b> |
| Add: Received during the year                          |  | -           |
| Less: Recognised as income during the year             |  | -           |
| Less: Disclosed as current liabilities (Refer note 35) |  | 0.02        |
| <b>Balance as at March 31, 2023</b>                    |  | <b>0.45</b> |

### NOTE 30 - BORROWINGS

| ₹ in Crore                                            |                         |                         |
|-------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                           | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>I Loans repayable on demand</b>                    |                         |                         |
| <b>From Banks</b>                                     |                         |                         |
| Secured [Refer note 30.1]                             | 1,037.48                | 670.89                  |
| <b>II Other short term borrowings</b>                 |                         |                         |
| <b>From Banks</b>                                     |                         |                         |
| Secured [Refer note 30.2 (a)]                         | 522.10                  | 547.26                  |
| Unsecured [Refer note 30.2 (a)]                       | 466.95                  | 65.93                   |
|                                                       | <b>989.05</b>           | <b>613.19</b>           |
| <b>From Other Parties</b>                             |                         |                         |
| Secured [Refer note 30.2 (b)]                         | -                       | 190.80                  |
| Unsecured [Refer note 30.2 (b)]                       | 296.65                  | 768.28                  |
|                                                       | <b>296.65</b>           | <b>959.08</b>           |
| <b>III Current Maturities of Long Term Borrowings</b> |                         |                         |
| <b>From banks</b>                                     |                         |                         |
| Secured [Refer note 30.3]                             | 16.44                   | -                       |
| Unsecured [Refer note 30.3]                           | 150.00                  | -                       |
|                                                       | <b>166.44</b>           | <b>-</b>                |
|                                                       | <b>2,489.62</b>         | <b>2,243.16</b>         |

#### Note 30.1 Loans repayable on demand from banks :

##### Secured:

- (i) ₹ 1,023.68 crore (As at March 31, 2022 ₹570.89 crore) obtained from consortium of banks which are secured by first pari passu charge on the entire current assets of the Company, both present and future (except specific export receivables financed by financial institutions and banks), second pari passu charge on fixed assets of the Company's manufacturing facilities situated at Jaipur, Jabalpur and Nagpur factories and further secured by first pari passu charge on flat situated at Juhu, Mumbai in favour of working capital consortium bankers. The interest rates are in the ranges from 5% to 8.70% p.a. (previous year ranges from 5 % to 9.15% p.a).

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- (ii) ₹ 13.80 crore (As at March 31, 2022 ₹ Nil), pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.

- (iii) ₹ Nil (As at March 31, 2022 ₹ 100 crore), secured by GST receivable. The interest rates were in the ranges from 5.10% p.a. to 5.15% p.a.

#### Note 30.2 Other short-term borrowings

##### (a) From Banks-secured

- (i) ₹ 415.21 crore (As at March 31, 2022 ₹ 502.48 crore) PCFC and FCNRB loans secured by security stated in Note 30.1(a) (i) above. The interest rates are in the ranges from 3.81% to 6.22% p.a. (previous year ranges from 0.50% to 1.70% p.a.).
- (ii) ₹ 9.17 crore (As at March 31, 2022 ₹ 42.88 crore) debtors bill discounting secured by assignment of certain book debt at Abu Dhabi projects. The interest rates are in the ranges from 3.30% to 7.53% p.a. (previous year interest rate ranges between 2.90% to 3.30 % p.a.).
- (iii) ₹ 38.49 crore (As at March 31, 2022 ₹ Nil) pertains to a jointly controlled operation at Saudi Arabia secured by irrevocable Corporate Guarantee from the Company. The interest rates were in the ranges of 6.87% p.a to 7.25% p.a.
- (iv) ₹15.68 crore (As at March 31, 2022 ₹ 1.90 crore) secured by assignment of certain book debts and irrevocable Corporate Guarantee from the Company. The interest rates are in the ranges from 4.20% to 7.90% p.a. (previous year rate ranges from 4.20% to 7.90% p.a.).
- (v) ₹ 43.55 crore - (As at March 31, 2022 ₹ Nil) debtors bill discounting secured by assignment of certain book debt for Cable projects. The interest rates are in ranges from 8.00% to 8.55% p.a.

##### Unsecured:

- (i) ₹16.95 crore (As at March 31, 2022 65.93) unsecured purchase and service bill discounting from various banks registered under Receivable Exchange of India Limited (RXIL) portal for Micro & Small Enterprises vendors. The interest rates ranges from 4.29% to 8.00 % p.a. (previous year interest rate ranges from 4.39% to 6.50 % p.a.)
- (ii) ₹ 450 crore (As at March 31, 2022 ₹ Nil). The interest rates ranges from 7.00% to 8.05% p.a.

##### (b) From Other Parties

##### Secured:

- (i) ₹ Nil (As at March 31, 2022 ₹ 190.80 crore) loan from a financial institution secured by security stated against Note 30.1 (i) above. The interest rates were in the ranges from 3.05% to 5% p.a.

##### Unsecured:

- (i) ₹ 296.18 crore (As at March 31, 2022 ₹ 768.28 crore) being listed commercial papers which carries interest rate ranges between 7.90% p.a. to 8.20% p.a. (previous year 4.53% p.a. to 5.18% p.a.). Maturity for current year commercial paper ranges from 85 days to 90 days (Previous year maturity ranges from 90 days to 180 days).
- (ii) ₹ 0.47 crore (As at March 31, 2022 ₹ Nil) being unsecured loan taken from a wholly owned subsidiary. Interest rate is 8.20% p.a.

#### Note 30.3 Current Maturities of Long Term Borrowings

##### Secured:

₹ 16.44 crore (As at March 31, 2022 - Nil) External Commercial Borrowing loan secured by first charge over construction Equipments present at all projects site relating to its Transmission, Railway and Civil business in India. Repayment terms are in three equal yearly instalments starting from August, 2023. Interest rate is 3M LIBOR + 160 bps.

##### Unsecured:

₹ 150 crore (As at March 31, 2022 - Nil) Loan repayment is in Two equal installment due on September 05, 2023 and March 14, 2024. The Fixed interest rate is 6.80% p.a.

## Notes

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**Note 30.4** The Company has borrowings from banks and financial institutions on the basis of security of current assets. The quarterly returns or statements of current assets filed by the Company with banks and financial institutions are in agreement with the books of accounts during current and previous years.

As at March 31, 2023 and March 31, 2022, the Company was in compliance with all of its debt covenants for borrowings.

### NOTE 31 - LEASE LIABILITIES

| ₹ in Crore                        |                         |                         |
|-----------------------------------|-------------------------|-------------------------|
| Particulars                       | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Current</b>                    |                         |                         |
| Lease liabilities (Refer note 52) | 10.76                   | 12.53                   |
|                                   | <b>10.76</b>            | <b>12.53</b>            |

### NOTE 32 - TRADE PAYABLES

| ₹ in Crore                                                                      |                         |                         |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>Trade payables</b>                                                           |                         |                         |
| (i) Total outstanding dues of micro and small enterprises (Refer note 32.1)     | 164.52                  | 153.73                  |
| (ii) Total outstanding dues of creditors other than micro and small enterprises |                         |                         |
| (a) Acceptance                                                                  | 1,913.96                | 2,162.61                |
| (b) Others                                                                      | 5,762.08                | 3,938.24                |
|                                                                                 | <b>7,676.04</b>         | <b>6,100.85</b>         |
|                                                                                 | <b>7,840.56</b>         | <b>6,254.58</b>         |

**Note 32.1: Following disclosures required for Micro and Small Enterprises has been determined on the basis of information available with the Company.**

| ₹ in Crore                                                                                                                                                                                                                                                    |                         |                         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                                                                                                                                                                                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) The principal amount remaining unpaid to supplier as at the end of accounting year.                                                                                                                                                                       | 145.75                  | 134.74                  |
| (b) The interest due thereon remaining unpaid to supplier as at the end of accounting year.                                                                                                                                                                   | 3.12                    | 1.34                    |
| (c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year.                                                                                                  | -                       | -                       |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.                                            | 15.65                   | 17.65                   |
| (e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year.                                                                                                                                                    | 0.58                    | 4.11                    |
| (f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the micro and small enterprises, for the purpose of disallowance as a deductible expenditure. | 18.77                   | 18.99                   |

## Notes

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### Note 32.2: Trade payable ageing schedule

As at March 31, 2023

| ₹ in Crore                             |                                                             |                 |                 |                   |               |               |                   |                 |
|----------------------------------------|-------------------------------------------------------------|-----------------|-----------------|-------------------|---------------|---------------|-------------------|-----------------|
| Particulars                            | Outstanding for following periods from due date of payments |                 |                 |                   |               |               |                   | Total           |
|                                        | Dispute Status                                              | Unbilled        | Not Due         | Less than 1 years | 1-2 years     | 2-3 years     | More than 3 years |                 |
| Micro and Small enterprises            | Disputed                                                    | -               | -               | -                 | -             | -             | -                 | -               |
|                                        | Undisputed                                                  | -               | 81.99           | 41.67             | 18.73         | 12.41         | 9.72              | <b>164.52</b>   |
| Other than Micro and Small enterprises | Disputed                                                    | -               | -               | -                 | -             | 0.01          | 0.62              | <b>0.63</b>     |
|                                        | Undisputed                                                  | 1,183.65        | 3,399.92        | 705.49            | 243.17        | 88.96         | 140.24            | <b>5,761.45</b> |
| Acceptances                            |                                                             | -               | 1,913.96        | -                 | -             | -             | -                 | <b>1,913.96</b> |
|                                        |                                                             | <b>1,183.65</b> | <b>5,395.87</b> | <b>747.16</b>     | <b>261.90</b> | <b>101.38</b> | <b>150.58</b>     | <b>7,840.56</b> |

As at March 31, 2022

| ₹ in Crore                             |                                                             |                 |                 |                   |              |              |                   |                 |
|----------------------------------------|-------------------------------------------------------------|-----------------|-----------------|-------------------|--------------|--------------|-------------------|-----------------|
| Particulars                            | Outstanding for following periods from due date of payments |                 |                 |                   |              |              |                   | Total           |
|                                        | Dispute Status                                              | Unbilled        | Not Due         | Less than 1 years | 1-2 years    | 2-3 years    | More than 3 years |                 |
| Micro and Small enterprises            | Disputed                                                    | -               | -               | -                 | -            | -            | -                 | -               |
|                                        | Undisputed                                                  | -               | 99.51           | 41.58             | 6.59         | 4.25         | 1.80              | <b>153.73</b>   |
| Other than Micro and Small enterprises | Disputed                                                    | -               | 0.38            | 0.01              | 0.23         | 0.05         | 0.33              | <b>1.00</b>     |
|                                        | Undisputed                                                  | 1,144.35        | 2,152.90        | 531.24            | 29.93        | 39.10        | 39.72             | <b>3,937.24</b> |
| Acceptances                            |                                                             | -               | 2,162.61        | -                 | -            | -            | -                 | <b>2,162.61</b> |
|                                        |                                                             | <b>1,144.35</b> | <b>4,415.40</b> | <b>572.83</b>     | <b>36.75</b> | <b>43.40</b> | <b>41.85</b>      | <b>6,254.58</b> |

### NOTE 33 - OTHER FINANCIAL LIABILITIES

| ₹ in Crore                                                    |                         |                         |
|---------------------------------------------------------------|-------------------------|-------------------------|
| Particulars                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Interest accrued but not due on borrowings                | 2.37                    | 2.45                    |
| (b) Interest accrued on acceptances                           | 0.25                    | 0.72                    |
| (c) Unpaid / unclaimed dividends #                            | 3.00                    | 3.01                    |
| (d) Payable towards purchase of property, plant and equipment | 10.52                   | 16.40                   |
| (e) Mark to market loss on forward contracts (Refer note 54C) | 15.91                   | 2.87                    |
| (f) Directors' commission                                     | 3.10                    | 6.39                    |
|                                                               | <b>35.15</b>            | <b>31.84</b>            |

# The figures reflect the position as at the year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates. There are no amounts required to be transferred to Investor education and protection fund as at the balance sheet date.

### NOTE 34 - CONTRACT LIABILITIES

| ₹ in Crore                                     |                         |                         |
|------------------------------------------------|-------------------------|-------------------------|
| Particulars                                    | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (i) Amount due to customers for contract works | 237.69                  | 776.56                  |
| (ii) Advance from customer                     | 2,060.14                | 1,437.08                |
| (iii) Interest on customer advance             | 16.75                   | 31.53                   |
|                                                | <b>2,314.58</b>         | <b>2,245.17</b>         |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 35 - OTHER CURRENT LIABILITIES

| Particulars                                                                                       | ₹ in Crore              |                         |
|---------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                                   | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) Advances against assets classified as held for sale [Refer note 22.1(a)]                      | 9.41                    | 9.41                    |
| (b) Other payables :                                                                              |                         |                         |
| - Statutory dues (contribution to PF and ESIC, withholding tax, VAT, TDS, GST, Service Tax, etc.) | 166.97                  | 88.80                   |
| - Liability towards Corporate Social Responsibility (Refer note 60)                               | 4.34                    | 3.13                    |
| - Deferred Government Grant (Refer note 67)*                                                      | 0.02                    | 0.02                    |
|                                                                                                   | <b>171.33</b>           | <b>91.95</b>            |
|                                                                                                   | <b>180.74</b>           | <b>101.36</b>           |

#### \* Movement in deferred Government Grant

| Particulars                                                         |  | ₹ in Crore  |
|---------------------------------------------------------------------|--|-------------|
| <b>Balance as at March 31, 2021</b>                                 |  | -           |
| Add: Transferred from other non current liabilities (Refer note 29) |  | 0.02        |
| <b>Balance as at March 31, 2022</b>                                 |  | <b>0.02</b> |
| Less: Recognised as income during the year                          |  | 0.02        |
| Add: Transferred from other non current liabilities (Refer note 29) |  | 0.02        |
| <b>Balance as at March 31, 2023</b>                                 |  | <b>0.02</b> |

### NOTE 36 - PROVISIONS

| Particulars                                                                     | ₹ in Crore              |                         |
|---------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                 | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a) <b>Provision for employee benefits</b>                                      |                         |                         |
| - Compensated absences (Refer note 55)                                          | 36.56                   | 36.84                   |
| - Gratuity (Refer note 55).                                                     | 0.81                    | 0.94                    |
|                                                                                 | <b>37.37</b>            | <b>37.78</b>            |
| (b) <b>Provision - others :</b>                                                 |                         |                         |
| - Provision for litigation claims (Refer note 36.1 and 36.2)                    | 21.38                   | 19.78                   |
| - Provision for foreseeable losses on construction contracts (Refer note 36.3). | 27.11                   | 24.24                   |
|                                                                                 | <b>48.49</b>            | <b>44.02</b>            |
|                                                                                 | <b>85.86</b>            | <b>81.80</b>            |

#### Note: 36.1

Provision for litigation claims represents liabilities that are expected to materialise on completion of negotiation/matters in appeals with judicial authorities.

| Particulars                                    | ₹ in Crore              |                         |
|------------------------------------------------|-------------------------|-------------------------|
|                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance                                | 19.78                   | 21.02                   |
| Additions                                      | 2.99                    | 0.11                    |
| Reversals/ Utilisation                         | 1.78                    | 0.80                    |
| Effect of translation adjustment gain / (loss) | 0.39                    | (0.55)                  |
| <b>Closing balance</b>                         | <b>21.38</b>            | <b>19.78</b>            |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### Note: 36.2

It includes provision of ₹ 12.63 crore related to an arbitration award passed against the Company. The same is challenged by the Company before Hon'ble Delhi High Court. The balance provision relate to various sales tax matters and civil suits. The cashflows against the said matters are dependent upon conclusion of the litigations.. The cashflows against the said matters are dependent upon conclusion of the litigations.

### Note 36.3 Movement in Provision for expected foreseeable losses on construction contracts

| Particulars                                    | ₹ in Crore              |                         |
|------------------------------------------------|-------------------------|-------------------------|
|                                                | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Opening balance                                | 24.24                   | 3.52                    |
| Additions                                      | 20.86                   | 23.49                   |
| Reversals/ Utilisation                         | 18.03                   | 2.78                    |
| Effect of translation adjustment (gain) / loss | 0.04                    | 0.01                    |
| <b>Closing balance</b>                         | <b>27.11</b>            | <b>24.24</b>            |

Provision for foreseeable loss represents provision created towards unavoidable costs of meeting the obligations under the contract which exceed the economic benefits expected to be received under it.

### NOTE 37 - CURRENT TAX LIABILITIES (NET)

| Particulars                          | ₹ in Crore              |                         |
|--------------------------------------|-------------------------|-------------------------|
|                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Income tax liabilities less payments | 76.74                   | 75.49                   |
|                                      | <b>76.74</b>            | <b>75.49</b>            |

### NOTE 38 - REVENUE FROM OPERATIONS

| Particulars                                                 | ₹ in Crore                           |                                      |
|-------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                             | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Revenue from Contract with customers (Refer note 51)</b> |                                      |                                      |
| (a) Sale of products                                        | 1,332.00                             | 956.55                               |
| (b) Construction contracts revenue                          | 13,813.01                            | 11,405.94                            |
| (c) Sale of services                                        | 28.97                                | 23.28                                |
|                                                             | <b>15,173.98</b>                     | <b>12,385.77</b>                     |
| <b>Other operating revenue</b>                              |                                      |                                      |
| - Scrap sales                                               | 210.12                               | 176.00                               |
| - Others                                                    | 29.13                                | 11.50                                |
|                                                             | <b>239.25</b>                        | <b>187.50</b>                        |
|                                                             | <b>15,413.23</b>                     | <b>12,573.27</b>                     |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 39 - OTHER INCOME

| ₹ in Crore                                                                                                   |                                      |                                      |
|--------------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                                  | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| (a) Interest income earned on financial assets that are not designated at fair value through profit or loss: |                                      |                                      |
| (i) Bank deposits (at amortised cost)                                                                        | 1.78                                 | 1.12                                 |
| (ii) Other financial assets carried at amortised cost                                                        | 12.86                                | 2.33                                 |
|                                                                                                              | <b>14.64</b>                         | <b>3.45</b>                          |
| (b) Interest income earned on other assets                                                                   |                                      |                                      |
| (i) Excise and VAT refund                                                                                    | -                                    | 0.19                                 |
| (ii) Income tax refund                                                                                       | 7.01                                 | 5.00                                 |
|                                                                                                              | <b>7.01</b>                          | <b>5.19</b>                          |
| (c) Dividend income from equity investments at amortised cost                                                |                                      |                                      |
| - in Subsidiary *                                                                                            | -                                    | 1.51                                 |
| (d) Government Grant (Refer note 67)                                                                         | 0.02                                 | 0.16                                 |
| (e) Other non-operating income:                                                                              |                                      |                                      |
| (i) Guarantee charges                                                                                        | 9.57                                 | 6.88                                 |
| (ii) Profit on sale of property, plant and equipment [Refer note 22.1 (b)]                                   | 3.81                                 | 0.86                                 |
| (iii) Bad Debts Recovered                                                                                    | 0.41                                 | -                                    |
| (iv) Miscellaneous income #                                                                                  | 1.25                                 | 0.95                                 |
|                                                                                                              | <b>15.04</b>                         | <b>8.69</b>                          |
|                                                                                                              | <b>36.71</b>                         | <b>19.00</b>                         |

\* All dividends from equity investments designated at amortised cost relate to investments held at the end of the reporting period. There was no dividend income relating to investments derecognised during the reporting period.

# It includes rent income on operating leases of ₹ 0.29 crore. [(Refer note 56 (B))]

### NOTE 40 - COST OF MATERIALS CONSUMED

| ₹ in Crore                                                 |                                      |                                      |
|------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Cost of materials consumed (including project bought outs) | 6,189.27                             | 5,248.64                             |
|                                                            | <b>6,189.27</b>                      | <b>5,248.64</b>                      |

### NOTE 41 - CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

| ₹ in Crore                 |                                      |                                      |
|----------------------------|--------------------------------------|--------------------------------------|
| Particulars                | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Opening stock</b>       |                                      |                                      |
| Finished goods             | 200.00                               | 183.22                               |
| Work-in-progress           | 20.63                                | 37.28                                |
|                            | <b>220.63</b>                        | <b>220.50</b>                        |
| <b>Less: Closing stock</b> |                                      |                                      |
| Finished goods             | 189.87                               | 200.00                               |
| Work-in-progress           | 22.59                                | 20.63                                |
|                            | <b>212.46</b>                        | <b>220.63</b>                        |
|                            | <b>8.17</b>                          | <b>(0.13)</b>                        |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 42 - ERECTION AND SUB-CONTRACTING EXPENSES

| ₹ in Crore                                 |                                      |                                      |
|--------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Erection / construction materials consumed | 2,114.25                             | 1,157.56                             |
| Stores consumed                            | 72.96                                | 62.00                                |
| Sub-contracting expenses                   | 3,270.19                             | 2,598.43                             |
| Power, fuel and water charges              | 71.12                                | 45.09                                |
| Construction transport                     | 146.99                               | 121.99                               |
| Machinery Hire charges                     | 256.06                               | 186.69                               |
| Others                                     | 209.04                               | 198.41                               |
|                                            | <b>6,140.61</b>                      | <b>4,370.17</b>                      |

### NOTE 43 - EMPLOYEE BENEFITS EXPENSE

| ₹ in Crore                                     |                                      |                                      |
|------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                    | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Salaries and wages                             | 907.99                               | 780.20                               |
| Contribution to provident fund and other funds | 44.18                                | 32.34                                |
| Staff welfare expenses                         | 44.74                                | 37.29                                |
|                                                | <b>996.91</b>                        | <b>849.83</b>                        |

### NOTE 44 - FINANCE COSTS

| ₹ in Crore                                                         |                                      |                                      |
|--------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                        | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Interest expense for financial liabilities not classified at FVTPL | 426.87                               | 262.30                               |
| Interest expense on lease liabilities                              | 2.47                                 | 1.71                                 |
| Other borrowing costs (processing fees, etc.)                      | 4.57                                 | 5.29                                 |
|                                                                    | <b>433.91</b>                        | <b>269.30</b>                        |

### NOTE 45 - DEPRECIATION AND AMORTISATION EXPENSE

| ₹ in Crore                                                   |                                      |                                      |
|--------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                  | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Depreciation on property, plant and equipment (Refer note 5) | 98.83                                | 83.85                                |
| Depreciation on Right of use assets (Refer note 6)           | 13.89                                | 13.61                                |
| Amortisation of intangible assets (Refer note 8)             | 14.24                                | 25.86                                |
|                                                              | <b>126.96</b>                        | <b>123.32</b>                        |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 46 - OTHER EXPENSES

| ₹ in Crore                                                                                  |                                      |                                      |
|---------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                                 | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Tools, non-erection stores and maintenance spares consumed                                  | 15.45                                | 14.18                                |
| Power and fuel                                                                              | 47.08                                | 43.16                                |
| Rent                                                                                        | 52.39                                | 41.43                                |
| Rates and taxes, excluding taxes on income (net)                                            | 72.00                                | 57.00                                |
| Insurance                                                                                   | 106.30                               | 100.58                               |
| Bank (guarantee, letter of credit and other) charges                                        | 105.18                               | 89.29                                |
| Commission                                                                                  | 34.15                                | 20.94                                |
| Freight and forwarding (net)                                                                | 291.20                               | 234.29                               |
| Repairs to buildings                                                                        | 2.65                                 | 1.54                                 |
| Repairs to plant and equipment                                                              | 12.66                                | 9.26                                 |
| Repairs to other property, plant and equipment                                              | 16.80                                | 15.65                                |
| Travelling and conveyance                                                                   | 103.05                               | 84.08                                |
| Payment to statutory auditors (net of Goods and Service Tax input credit, where applicable) |                                      |                                      |
| - as auditors (for audit of financial statements and limited reviews)                       | 1.92                                 | 1.92                                 |
| - for tax audit                                                                             | 0.08                                 | 0.08                                 |
| - for certification work                                                                    | 0.80                                 | 0.75                                 |
| - for reimbursement of expenses                                                             | 0.02                                 | 0.01                                 |
|                                                                                             | <b>2.82</b>                          | <b>2.76</b>                          |
| Professional fees                                                                           | 149.46                               | 99.03                                |
| Bad debts and loans written off                                                             | 28.38                                | 6.99                                 |
| Less: Adjusted against allowance for bad and doubtful debts, loans and advances             | (10.72)                              | (17.67)                              |
|                                                                                             | <b>17.66</b>                         | <b>(10.68)</b>                       |
| Allowance for bad and doubtful debts (net)                                                  | 19.45                                | 18.44                                |
| Directors' fees                                                                             | 0.70                                 | 0.71                                 |
| Loss on property, plant and equipment discarded                                             | 0.89                                 | 0.67                                 |
| Net gain on foreign currency transactions (Refer note 46.2)                                 | (33.77)                              | (57.37)                              |
| Corporate Social Responsibility (Refer note 60)                                             | 13.71                                | 13.73                                |
| Miscellaneous expenses (Refer note 46.1)                                                    | 198.56                               | 196.75                               |
|                                                                                             | <b>1,228.39</b>                      | <b>975.44</b>                        |

**Note 46.1:** Miscellaneous expenses shown above include fees of ₹ 1.79 crore (Previous Year ₹ 1.92 crore) paid to branch auditors, fees of ₹0.14 crore for auditors of Jointly Controlled Operations (Previous year of ₹0.40 crore).

**Note 46.2:** Net gain on foreign currency transactions includes loss on derivative instruments of ₹5.41 crore (Previous year loss ₹1.24 crore).

## Notes

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### NOTE 47 - EXCEPTIONAL ITEMS

| ₹ in Crore                                                          |                                      |                                      |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                         | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Trade receivable written off (Refer note 62)                        | -                                    | 43.64                                |
| Provision for Impairment of Investment in Subsidiary (Refer note 9) | 75.57                                | 99.20                                |
|                                                                     | <b>75.57</b>                         | <b>142.84</b>                        |

### NOTE 48 - TAX EXPENSE

| ₹ in Crore                                                                     |                                      |                                      |
|--------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                    | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Current tax</b>                                                             |                                      |                                      |
| In respect of the current year                                                 | 96.87                                | 193.02                               |
| In respect of prior years                                                      | 3.90                                 | (2.78)                               |
|                                                                                | <b>100.77</b>                        | <b>190.24</b>                        |
| <b>Deferred tax</b>                                                            |                                      |                                      |
| In respect of the current year                                                 | (6.87)                               | (4.92)                               |
| In respect of prior years                                                      | (24.00)                              | (6.90)                               |
|                                                                                | <b>(30.87)</b>                       | <b>(11.82)</b>                       |
| <b>Total income tax expense recognised in the Statement of Profit and Loss</b> | <b>69.90</b>                         | <b>178.42</b>                        |

**Note 48.1** The reconciliation of estimated income tax expense at Indian Statutory income tax rate to income tax expense reported in Statement of Profit and Loss is as follows:

| ₹ in Crore                                                                             |                                      |                                      |
|----------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                            | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Profit after exceptional items and before tax                                          | 250.15                               | 612.86                               |
| Indian Statutory income tax rate                                                       | <b>25.17%</b>                        | <b>25.17%</b>                        |
| Income tax expense at Indian Statutory rate                                            | <b>62.96</b>                         | <b>154.26</b>                        |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | 1.76                                 | 1.92                                 |
| Provision towards impairment in value of investments                                   | 18.72                                | 24.97                                |
| Corporate social responsibility expenditure                                            | 3.45                                 | 3.45                                 |
| Tax effect of amounts taxable at lower tax rates/ different tax rates                  | (6.25)                               | 1.36                                 |
| Foreign Tax credit not available                                                       | 9.36                                 | 2.14                                 |
|                                                                                        | <b>90.00</b>                         | <b>188.10</b>                        |
| Adjustments recognised in the current year in relation to the tax of prior years       | (20.10)                              | (9.68)                               |
| <b>Income tax expense in Statement of Profit and Loss</b>                              | <b>69.90</b>                         | <b>178.42</b>                        |

The tax rate used for the financial years 2022-23 and 2021-22 reconciliations above is the corporate tax rate of 25.17% respectively payable by the corporate entities in India on taxable profits under the Indian tax law.

## Notes

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### Note 48.2 Income tax recognised in other comprehensive income

| ₹ in Crore                                                                    |                                      |                                      |
|-------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                   | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| <b>Deferred tax</b>                                                           |                                      |                                      |
| Arising on income and expenses recognised in other comprehensive income:      |                                      |                                      |
| - Translation of foreign operations                                           | 3.09                                 | (0.30)                               |
| - Net gain on designated portion of hedging instruments                       | 2.80                                 | 0.60                                 |
| - Remeasurement of defined benefit obligations                                | 0.36                                 | (0.92)                               |
| <b>Total income tax recognised in other comprehensive income</b>              | <b>6.25</b>                          | <b>(0.62)</b>                        |
| Bifurcation of the income tax recognised in other comprehensive income into : |                                      |                                      |
| - Items that will not be reclassified to profit or loss                       | 0.36                                 | (0.92)                               |
| - Items that will be reclassified to profit or loss                           | 5.89                                 | 0.30                                 |
|                                                                               | <b>6.25</b>                          | <b>(0.62)</b>                        |

### NOTE 49 - EARNINGS PER SHARE

| Particulars                    | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
|--------------------------------|--------------------------------------|--------------------------------------|
|                                | (₹ Per Share)                        | (₹ Per Share)                        |
| (a) Basic earnings per share   | 7.01                                 | 16.90                                |
| (b) Diluted earnings per share | 7.01                                 | 16.90                                |

### Basic/diluted earnings per share

The earnings and weighted average number of equity shares used in the calculation of basic/diluted earnings per share are as follows:

| ₹ in Crore                                                                   |                                      |                                      |
|------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                  | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
| Profit for the year attributable to the equity share holders of the Company  | 180.25                               | 434.44                               |
| <b>Earnings used in the calculation of basic/ diluted earnings per share</b> | <b>180.25</b>                        | <b>434.44</b>                        |

| Particulars                                                                                            | For the Year ended<br>March 31, 2023 | For the Year ended<br>March 31, 2022 |
|--------------------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Weighted average number of equity shares for the purposes of basic / diluted earnings per share</b> | <b>257,088,370</b>                   | <b>257,088,370</b>                   |

## Notes

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### NOTE 50 - JOINTLY CONTROLLED OPERATIONS

Details of the Company's Jointly Controlled Operations are as under:

| Particulars                                                                               | Principal<br>place of<br>busines | Ownership Interest      |                         |
|-------------------------------------------------------------------------------------------|----------------------------------|-------------------------|-------------------------|
|                                                                                           |                                  | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| a) Jointly Controlled Operations                                                          |                                  |                         |                         |
| i Al-Sharif Group and KEC Ltd Company, Saudi Arabia (Al Sharif JV) [Refer note 50 (b)(i)] | Saudi                            | 51.10%                  | 51.10%                  |
| ii EJP KEC Joint Venture, South Africa                                                    | South Africa                     | 50.00%                  | 50.00%                  |
| iii KEC – ASSB JV, Malaysia                                                               | Malaysia                         | 67.00%                  | 67.00%                  |
| iv KEC – ASIAKOM – UB JV                                                                  | India                            | 60.00%                  | 60.00%                  |
| v KEC – ASIAKOM JV                                                                        | India                            | 51.00%                  | 51.00%                  |
| vi KEC – DELCO – VARAHA JV                                                                | India                            | 80.00%                  | 80.00%                  |
| vii KEC – VARAHA – KHAZANA JV                                                             | India                            | 80.00%                  | 80.00%                  |
| viii KEC – VALECHA – DELCO JV                                                             | India                            | 51.00%                  | 51.00%                  |
| ix KEC – SIDHARTH JV                                                                      | India                            | 80.00%                  | 80.00%                  |
| x KEC – TRIVENI – KPIPL JV                                                                | India                            | 55.00%                  | 55.00%                  |
| xi KEC – UNIVERSAL JV                                                                     | India                            | 80.00%                  | 80.00%                  |
| xii KEC – DELCO – DUTSAN JV                                                               | India                            | 51.00%                  | 51.00%                  |
| xiii KEC – ANPR – KPIPL JV                                                                | India                            | 60.00%                  | 60.00%                  |
| xiv KEC – PLR – KPIPL JV                                                                  | India                            | 55.00%                  | 55.00%                  |
| xv KEC – BJCL JV                                                                          | India                            | 51.00%                  | 51.00%                  |
| xvi KEC – KIEL JV                                                                         | India                            | 90.00%                  | 90.00%                  |
| xvii KEC – ABEPL JV                                                                       | India                            | 90.00%                  | 90.00%                  |
| xviii KEC – TNR INFRA JV                                                                  | India                            | 51.00%                  | 51.00%                  |
| xix KEC – SMC JV                                                                          | India                            | 51.00%                  | 51.00%                  |
| xx KEC – WATERLEAU JV                                                                     | India                            | 51.00%                  | 51.00%                  |
| xxi KEC – CCECC JV (RAILWAY)                                                              | India                            | 74.00%                  | 74.00%                  |
| xxii KEC – CCECC JV (CIVIL)                                                               | India                            | 74.00%                  | 74.00%                  |
| xxiii CCECC – KEC JV (CIVIL)                                                              | India                            | 98.50%                  | 98.50%                  |
| xxiv LONGJIAN – KEC JV                                                                    | India                            | 98.50%                  | 98.50%                  |
| xxv MBPL – KEC JV                                                                         | India                            | 49.00%                  | 49.00%                  |
| xxvi VNC – KEC JV                                                                         | India                            | 49.00%                  | 49.00%                  |
| xxvii HCC – KEC CONSORTIUM                                                                | India                            | 49.00%                  | 49.00%                  |
| xxviii KEC – VNC CONSORTIUM                                                               | India                            | 50.00%                  | 50.00%                  |
| xxix KEC – SPML JV                                                                        |                                  |                         |                         |
| a) KEC – SPML JV (Rayagada and Ganjam Project Civil)                                      | India                            | 70.00%                  | 70.00%                  |
| b) KEC - SPML JV (Nayagarh and Bargarh Project Civil)                                     | India                            | 95.00%                  | -                       |
| xxx KEC-HMM INFRA JV                                                                      | India                            | 80.00%                  | -                       |
| xxxi KEC – EMRAIL JV                                                                      | India                            | 74.00%                  | -                       |

- b) (i) KEC International Limited (the Company) holds 51.10% share capital in 'Al-Sharif Group and KEC Limited', located in Saudi Arabia (Al Sharif JV), having a joint arrangement with the JV partner Power Line Contracting Company which hold 48.90% in Al Sharif JV. Al Sharif JV is a "Subsidiary" of the Company under the Companies Act, 2013. However, based on the control assessment under Ind AS, considering the nature of arrangement, Al Sharif JV has been classified as jointly controlled operation. In addition to this, Al Sharif JV is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the Company itself, the internal agreements (contractual arrangements) entered into between the parties to the joint arrangements for the execution of projects (turnkey contracts) reverses or modifies the rights and obligations conferred by the legal form, and establishes and define their respective rights and obligations on these projects. As per these contractual arrangements, the parties to the joint arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

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- ii) The Company accounts for assets, liabilities, revenue and expenses relating to its interest in jointly controlled operations based on the internal agreements/ arrangements entered into between the parties to the joint arrangements for execution of projects, which in some cases are different than the ownership interest disclosed above. Accordingly, the Company has recognised its share in total income from operations ₹2,280.49 crore (for the year ended March 31, 2022 ₹1,346.18 crore), total expenditure (including tax) ₹ 2,209.20 crore (for the year ended March 31, 2022 ₹ 1,332.01 crore), total assets as at March 31, 2023 ₹ 2,083.08 crore (as at March 31, 2022 ₹ 1,251.99 crore) and total liabilities as at March 31, 2023 ₹1,805.99 crore (as at March 31, 2022 ₹ 1,063.23 crore) in Jointly Controlled Operations.
- iii) Apart from the Joint Venture (JV) agreements disclosed above in note no. 50 (a), the Company has entered into certain Joint Venture (JV) agreements with other entities for execution of various projects. Though the legal form of all these joint arrangements is a “joint venture”, these JVs are not jointly controlled by both the parties as per the requirements of “IND-AS 111 - Joint Arrangements”. The work is carried out by each JV partner based on the scope defined for respective parties. Accordingly, the Company has recognised revenue, expenses, assets and liabilities related to its own share of work in financial statements and respective financial statements of these JVs are not considered for the purpose of consolidation.
- iv) Figures in respect of the Company's Jointly Controlled Operations as mentioned above, have been incorporated on the basis of financial statements audited by the auditors of the respective Jointly Controlled Operations.

### NOTE 51 - REVENUE FROM CONTRACTS WITH CUSTOMERS

#### 51.1 Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types / nature of contracts. The Company derives revenue from the transfer of goods and services ‘over time’ or ‘in time’ based on an assessment of the transfer of control as per the terms of the contract in the following major product lines and geographical regions:

| ₹ in Crore                               |                             |                 |                 |                 |             |              |                  |
|------------------------------------------|-----------------------------|-----------------|-----------------|-----------------|-------------|--------------|------------------|
| For the year ended March 31, 2023        | Transmission & Distribution | Railways        | Civil           | Cables          | Solar       | Oil and Gas  | Total            |
| <b>Segment revenue</b>                   |                             |                 |                 |                 |             |              |                  |
| - India                                  | 2,362.78                    | 3,916.47        | 4,313.11        | 1,469.72        | 4.75        | 30.23        | <b>12,097.06</b> |
| - UAE                                    | 464.38                      | -               | -               | 0.95            | 4.73        | -            | <b>470.06</b>    |
| - Brazil, Mexico & USA                   | 41.17                       | -               | -               | -               | -           | -            | <b>41.17</b>     |
| - Geographies other than above           | 4,217.79                    | -               | -               | 122.24          | -           | -            | <b>4,340.03</b>  |
| <b>Less: Inter-segment (SBU) revenue</b> |                             |                 |                 |                 |             |              |                  |
| - India                                  | -                           | 256.09          | 1,009.90        | 460.04          | -           | -            | <b>1,726.03</b>  |
| - UAE                                    | -                           | -               | -               | -               | -           | -            | <b>-</b>         |
| - Brazil, Mexico & USA                   | -                           | -               | -               | -               | -           | -            | <b>-</b>         |
| - Geographies other than above           | 48.31                       | -               | -               | -               | -           | -            | <b>48.31</b>     |
| Revenue from external customers          | <b>7,037.81</b>             | <b>3,660.38</b> | <b>3,303.21</b> | <b>1,132.87</b> | <b>9.48</b> | <b>30.23</b> | <b>15,173.98</b> |
| <b>Timing of revenue recognition</b>     |                             |                 |                 |                 |             |              |                  |
| - At a point in time                     | 214.34                      | -               | 6.57            | 1,132.25        | 7.81        | -            | <b>1,360.97</b>  |
| - Over time                              | 6,823.47                    | 3,660.38        | 3,296.64        | 0.62            | 1.67        | 30.23        | <b>13,813.01</b> |
|                                          | <b>7,037.81</b>             | <b>3,660.38</b> | <b>3,303.21</b> | <b>1,132.87</b> | <b>9.48</b> | <b>30.23</b> | <b>15,173.98</b> |

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| ₹ in Crore                               |                             |                 |                 |               |              |             |                  |
|------------------------------------------|-----------------------------|-----------------|-----------------|---------------|--------------|-------------|------------------|
| For the year ended March 31, 2022        | Transmission & Distribution | Railways        | Civil           | Cables        | Solar        | Oil and Gas | Total            |
| <b>Segment revenue</b>                   |                             |                 |                 |               |              |             |                  |
| - India                                  | 2,496.98                    | 4,235.51        | 2,470.09        | 1,372.88      | 15.51        | -           | <b>10,590.97</b> |
| - UAE                                    | 221.26                      | -               | -               | 0.43          | -            | -           | <b>221.69</b>    |
| - Brazil, Mexico & USA                   | 0.45                        | -               | -               | -             | -            | -           | <b>0.45</b>      |
| - Geographies other than above           | 3,120.94                    | -               | -               | 113.90        | 0.01         | -           | <b>3,234.85</b>  |
| <b>Less: Inter-segment (SBU) revenue</b> |                             |                 |                 |               |              |             |                  |
| - India                                  | 0.49                        | 381.06          | 582.42          | 628.13        | -            | -           | <b>1,592.10</b>  |
| - UAE                                    | 0.19                        | -               | -               | -             | -            | -           | <b>0.19</b>      |
| - Brazil, Mexico & USA                   | -                           | -               | -               | -             | -            | -           | <b>-</b>         |
| - Geographies other than above           | 69.90                       | -               | -               | -             | -            | -           | <b>69.90</b>     |
| Revenue from external customers          | <b>5,769.05</b>             | <b>3,854.45</b> | <b>1,887.67</b> | <b>859.08</b> | <b>15.52</b> | <b>-</b>    | <b>12,385.77</b> |
| <b>Timing of revenue recognition</b>     |                             |                 |                 |               |              |             |                  |
| - At a point in time                     | 111.21                      | -               | 2.68            | 859.08        | 6.86         | -           | <b>979.83</b>    |
| - Over time                              | 5,657.84                    | 3,854.45        | 1,884.99        | -             | 8.66         | -           | <b>11,405.94</b> |
|                                          | <b>5,769.05</b>             | <b>3,854.45</b> | <b>1,887.67</b> | <b>859.08</b> | <b>15.52</b> | <b>-</b>    | <b>12,385.77</b> |

The Company recognised revenue amounting to ₹ 483.38 crore (for the year ended March 31, 2022, ₹ 345.13 crore) in the current reporting period that was included in the Amount due to customers for contract works balance i.e. contract liabilities as of March 31, 2022.

#### 51.2 Unsatisfied performance obligations

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied as at the end of reporting period March 31, 2023 is ₹ 27,447 crore (for the year ended March 31, 2022, ₹ 21,137 crore). On an average, transmission, distribution, railway and civil composite contracts have a life cycle of 2-3 years and other businesses performance obligations are met over a period of one or less than one year. Management expects that around 50% to 60% of the transaction price allocated to unsatisfied contracts as of March 31, 2023 will be recognised as revenue during next reporting period depending upon the progress on each contract. The remaining amount is expected to be recognised in subsequent years, largely in year 2. The amount disclosed above does not include variable consideration.

**51.3** There are no reconciliation items of revenue recognised from contracts with customers and contract price.

**51.4** In case of transmission and distribution projects, where the goods are procured from a third party, the Company makes an assessment on the impact of revenue recognition with respect to uninstalled materials. Considering the Company is significantly involved in designing and manufacturing the procured material and there is no significant time gap involved between transfer of control and installation, there is no impact on revenue recognized. There is significant judgement involved in making this assessment.

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### NOTE 52 - LEASES

| Particulars                                                                  | ₹ in Crore              |                         |
|------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| <b>(i) The Balance sheet shows the following amounts relating to leases:</b> |                         |                         |
| <b>Right of use assets</b> (Refer note 6)                                    |                         |                         |
| Buildings                                                                    | 22.27                   | 30.78                   |
| Plant & Machinery                                                            | -                       | 0.24                    |
| Vehicles                                                                     | -                       | 0.06                    |
| Land                                                                         | 43.85                   | 48.90                   |
|                                                                              | <b>66.12</b>            | <b>79.98</b>            |
| <b>Lease liabilities</b>                                                     |                         |                         |
| Current (Refer note 31)                                                      | 10.76                   | 12.53                   |
| Non-current (Refer note 26)                                                  | 21.04                   | 31.76                   |
|                                                                              | <b>31.80</b>            | <b>44.29</b>            |

| Particulars                                                                                  | For the year ended |                |
|----------------------------------------------------------------------------------------------|--------------------|----------------|
|                                                                                              | March 31, 2023     | March 31, 2022 |
| <b>(ii) Amounts recognised in statement of profit and loss</b>                               |                    |                |
| <b>Depreciation charge on Right of use assets</b> (Refer note 6)                             |                    |                |
| Buildings                                                                                    | 8.52               | 9.91           |
| Plant & Machinery                                                                            | 0.24               | 0.94           |
| Vehicles                                                                                     | 0.07               | 0.31           |
| Land                                                                                         | 5.06               | 2.45           |
|                                                                                              | <b>13.89</b>       | <b>13.61</b>   |
| Interest expense included in finance cost                                                    | 2.47               | 1.71           |
| Expense relating to short-term leases (included in other expenses)                           | 52.39              | 41.42          |
| Expense relating to leases of low-value assets that are not shown above as short-term leases | -                  | -              |
| Expense relating to variable lease payments not included in lease liability                  | -                  | 0.01           |
| Amount recognised in profit and loss arising from rent concessions (Refer note 52.1)         | -                  | -              |

- (a) Total cash outflow for leases during current financial year is ₹ 14.79 crore (previous year ₹14.77 crore).
- (b) Additions to the right of use assets during the current financial year is ₹ 0.21 crore (previous year ₹44.92 crore).
- (c) There are no sale and leaseback transactions.
- (d) Payments associated with short-term leases of equipment, vehicles and all leases of low-value assets are recognised on straight line basis as an expense in profit or loss.
- (e) Short term leases are leases with a lease of 12 months or less. There are no low value assets during the current year.
- (f) When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate. The weighted average incremental borrowing rate applied is 7.23% p.a. (Previous year: 7.25% p.a.).

#### Note 52.1

The Company has applied the practical expedient for all qualifying rent concessions and the concessions have been accounted as variable lease payments in the period in which they are granted.

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### NOTE 53 - CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity. The capital structure of the Company consists of net debt (borrowings as detailed in Notes 25 and 30 offset by cash and cash equivalents in Notes 16 and 17) and total equity of the Company. The Company is not subject to any externally imposed capital requirements. The Company monitors capital using a gearing ratio, which is net debt divided by total equity.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

#### Gearing ratio

The gearing ratio at end of the reporting period is as follows.

| Particulars                         | ₹ in Crore              |                         |
|-------------------------------------|-------------------------|-------------------------|
|                                     | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Debt *                              | A                       | 2,756.66                |
| Cash and cash equivalents           | B                       | 122.55                  |
| Net debt (C)                        | C=A-B                   | 2,634.11                |
| Total equity                        | D                       | 3,963.81                |
| <b>Net debt to equity ratio (E)</b> | <b>E=C/D</b>            | <b>0.66</b>             |

\* Debt is defined as long-term and short-term borrowings (excluding derivative and financial guarantee contracts), as described in Notes 25 and 30 and includes interest accrued thereon and lease liabilities as per Note 26 and 31.

During the year ended March 31, 2023, the Company has paid the final dividend of ₹4.00 per equity share for the year ended March 31, 2022 amounting to ₹ 102.83 crore.

The Board of directors, at their meeting held on May 03, 2023 recommended the final dividend of ₹ 3.00 per equity share for the year ended March 31, 2023, subject to approval from shareholders. On approval, the total dividend outgo is expected to be ₹ 77.13 crore based on number of shares outstanding as at March 31, 2023.

### NOTE 54 DISCLOSURE AS PER IND AS 107

#### A Fair Value Measurement

##### I. Category-wise classification of financial assets and financial liabilities

| Particulars                                               | As at March 31, 2023 |       |                | As at March 31, 2022 |       |                |
|-----------------------------------------------------------|----------------------|-------|----------------|----------------------|-------|----------------|
|                                                           | FVPL                 | FVOCI | Amortised Cost | FVPL                 | FVOCI | Amortised Cost |
| <b>Financial assets</b>                                   |                      |       |                |                      |       |                |
| Non-current investment                                    |                      |       |                |                      |       |                |
| - Investment in equity instruments                        | -                    | *     | -              | -                    | *     | -              |
| Trade receivables                                         | -                    | -     | 6,879.67       | -                    | -     | 5,180.79       |
| Cash and bank balances                                    | -                    | -     | 180.65         | -                    | -     | 210.46         |
| Loans                                                     | -                    | -     | 12.35          | -                    | -     | 26.90          |
| Other financial assets                                    |                      |       |                |                      |       |                |
| - Derivative instruments                                  |                      |       |                |                      |       |                |
| i) Foreign currency forward contracts                     | 3.12                 | 2.72  | -              | 14.86                | 4.93  | -              |
| ii) Over the counter (OTC) commodity derivative contracts | -                    | 8.15  | -              | -                    | 7.55  | -              |
| - Others                                                  | -                    | -     | 209.38         | -                    | -     | 107.22         |

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| Particulars                                               | As at March 31, 2023 |       |                | As at March 31, 2022 |       |                |
|-----------------------------------------------------------|----------------------|-------|----------------|----------------------|-------|----------------|
|                                                           | FVPL                 | FVOCI | Amortised Cost | FVPL                 | FVOCI | Amortised Cost |
| <b>Financial liabilities</b>                              |                      |       |                |                      |       |                |
| Borrowings (including interest accrued)                   | -                    | -     | 2,724.86       | -                    | -     | 2,441.23       |
| Lease Liabilities                                         | -                    | -     | 31.80          | -                    | -     | 44.29          |
| Trade payables                                            | -                    | -     | 7,840.56       | -                    | -     | 6,254.58       |
| Other financial liabilities                               |                      |       |                |                      |       |                |
| - Derivative instruments                                  |                      |       |                |                      |       |                |
| i) Foreign currency forward contracts                     | 3.91                 | 7.64  | -              | 1.81                 | 0.72  | -              |
| ii) Over the counter (OTC) commodity derivative contracts | -                    | 4.36  | -              | -                    | 0.34  | -              |
| - Others                                                  | -                    | -     | 16.87          | -                    | -     | 26.52          |

\* less than rounding off norms adopted by the Company

FVPL - Fair Value Through Profit or Loss

FVOCI - Fair Value Through Other Comprehensive Income

### II. Assets and liabilities which are measured at amortised cost for which fair values are disclosed (It is categorised under Level 3 of fair value hierarchy)

| Particulars                              | As at March 31, 2023 |                 | As at March 31, 2022 |                 |
|------------------------------------------|----------------------|-----------------|----------------------|-----------------|
|                                          | Fair Value           | Carrying Amount | Fair Value           | Carrying Amount |
| <b>Non-current financial assets</b>      |                      |                 |                      |                 |
| Trade receivables                        | 359.30               | 359.30          | 467.69               | 467.69          |
| Other Financial Assets                   | 76.20                | 76.20           | 41.03                | 41.03           |
| <b>Non current financial liabilities</b> |                      |                 |                      |                 |
| Borrowings                               | 232.87               | 232.87          | 195.62               | 195.62          |
| Lease liabilities                        | 21.04                | 21.04           | 31.76                | 31.76           |

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

The carrying amounts of current trade receivables, current financial assets, cash and bank balances, loans, trade payables, current borrowings, current financial liabilities and current lease liabilities are considered to be approximately equal to their fair value.

### III. Assets and liabilities which are measured at FVPL or FVOCI

This note provides information about how the Company determines fair values of various financial assets and financial liabilities measured at FVPL or FVOCI. Fair value of the Company's financial assets and financial liabilities are measured on a recurring basis at the end of each reporting period.

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The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

| Financial assets/ financial liabilities                                                                                                                                   | Fair values as at |                  | Fair value hierarchy | Valuation technique(s) and key input(s)                                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------------|----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                           | March 31, 2023    | March 31, 2022   |                      |                                                                                                                                                    |
| 1) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)                                                           | Asset ₹ 3.12      | Asset- ₹ 14.86   | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 2) Derivative instruments (Foreign currency forward contracts not designated in hedge accounting relationships)                                                           | Liability ₹3.91   | Liability ₹1.81  | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 3) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)                        | Asset ₹ 2.72      | Asset- ₹ 4.93    | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 4) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Sales using foreign currency forward contracts)                        | Liability- ₹7.64  | Liability ₹0.72  | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at Reuters' closing rates and discounted at an INR funding rate. |
| 5) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Asset- ₹ 8.15     | Asset - ₹7.55    | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at an USD funding rate.     |
| 6) Derivative instruments (designated hedge accounting relationships : Hedges of Highly Forecasted Purchases using Over the Counter (OTC) Derivative Commodity Contracts) | Liability- ₹4.36  | Liability- ₹0.34 | Level 2              | Discounted cash flow. Future cash flows are estimated based on maturity converted at LME forward prices and discounted at an USD funding rate.     |

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### B Financial risk management

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and commodity price risk), credit risk and liquidity risk.

#### 54B.1 Market risk

The Company seeks to minimise the effects of currency risk and commodity price risk by using derivative and non derivative financial instruments to hedge risk exposures. The Company has Risk Management Policies to mitigate the risks in commodity prices and foreign exchange. The use of financial derivatives and non-derivatives is governed by the Company's policies approved by the Board of Directors (BOD), which provide written principles to use financial derivatives and non-derivative financial instruments, to hedge currency risk and commodity price risk. The Company does not enter into or trade financial instruments, including derivative financial instruments and non-derivative financial instruments, for speculative purposes.

The Treasury Department prepares and submits the report on performance along with the other details relating to forex and commodity transaction to the Risk Management Committee. The periodical forex management report and commodity risk report as reviewed and approved by the Risk Management Committee is placed before the Audit Committee for review.

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates (see Notes 54B.1 (a) and 54B.1 (b) below) and commodity prices (see Note 54B.1 (c) below). The Company enters into a variety of derivative financial instruments to manage its exposure to foreign currency risk, interest rate risk and commodity price risk including:

- foreign currency forward contracts to hedge the exchange rate risk arising from execution of international projects.
- Commodity Over the Counter (OTC) derivative contracts to hedge the price risk for base metals such as Copper, Aluminium, Zinc and Lead.

Derivatives are only used for economic hedging purposes and not as speculative investments. All such transactions are carried out within the approved guidelines set by the Board of Directors.

#### (a) Foreign currency risk management

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions in various currencies. Foreign currency risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimize the volatility of the INR cash flows.

Following is the foreign currency exposure of the Company:

| ₹ in Crore                             |                   |                 |                 |                 |                 |                   |
|----------------------------------------|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Particulars                            | USD               | EUR             | SAR             | OMR             | Others          | Total             |
| <b>As at March 31, 2023</b>            |                   |                 |                 |                 |                 |                   |
| Assets                                 | 2,332.23          | 499.30          | 729.48          | 492.22          | 549.89          | <b>4,603.12</b>   |
| Less: Hedged through forward contracts | 227.48            | 262.21          | -               | -               | -               | <b>489.69</b>     |
| <b>Net Assets (i)</b>                  | <b>2,104.75</b>   | <b>237.09</b>   | <b>729.48</b>   | <b>492.22</b>   | <b>549.89</b>   | <b>4,113.43</b>   |
| Liabilities                            | (1,372.09)        | (18.24)         | (341.53)        | (114.46)        | (407.93)        | <b>(2,254.25)</b> |
| Less: Hedged through forward contracts | -                 | (4.12)          | -               | -               | -               | <b>(4.12)</b>     |
| <b>Net Liabilities (ii)</b>            | <b>(1,372.09)</b> | <b>(14.12)</b>  | <b>(341.53)</b> | <b>(114.46)</b> | <b>(407.93)</b> | <b>(2,250.13)</b> |
| <b>Net exposure (i)+(ii)</b>           | <b>732.66</b>     | <b>222.97</b>   | <b>387.95</b>   | <b>377.76</b>   | <b>141.96</b>   | <b>1,863.30</b>   |
| <b>As at March 31, 2022</b>            |                   |                 |                 |                 |                 |                   |
| Assets                                 | 1,940.11          | 633.18          | 244.69          | 393.47          | 857.50          | <b>4,068.95</b>   |
| Less: Hedged through forward contracts | 433.79            | 163.32          | -               | -               | -               | <b>597.11</b>     |
| <b>Net Assets (i)</b>                  | <b>1,506.32</b>   | <b>469.86</b>   | <b>244.69</b>   | <b>393.47</b>   | <b>857.50</b>   | <b>3,471.84</b>   |
| Liabilities                            | (1,471.24)        | (191.44)        | (2.81)          | (19.44)         | (543.96)        | <b>(2,228.89)</b> |
| Less: Hedged through forward contracts | (2.18)            | (0.63)          | -               | -               | -               | <b>(2.81)</b>     |
| <b>Net Liabilities (ii)</b>            | <b>(1,469.06)</b> | <b>(190.81)</b> | <b>(2.81)</b>   | <b>(19.44)</b>  | <b>(543.96)</b> | <b>(2,226.08)</b> |
| <b>Net exposure (i)+(ii)</b>           | <b>37.26</b>      | <b>279.05</b>   | <b>241.88</b>   | <b>374.03</b>   | <b>313.54</b>   | <b>1,245.76</b>   |

## Notes

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### Sensitivity for above net exposures:

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from financial instruments in the books of jointly controlled operations and branches whose functional currency is other than INR.

5% appreciation / depreciation in the foreign currency will have following impact on profit / (loss) before tax and equity [gains / (losses)]:

| ₹ in Crore             |                |                                   |                                   |                      |                      |
|------------------------|----------------|-----------------------------------|-----------------------------------|----------------------|----------------------|
| Exposure to currencies | Change in rate | Impact on profit before tax       |                                   | Impact on equity     |                      |
|                        |                | For the year ended March 31, 2023 | For the year ended March 31, 2022 | As at March 31, 2023 | As at March 31, 2022 |
| USD                    | +5%            | 25.59                             | (5.48)                            | 11.04                | 7.34                 |
|                        | -5%            | (25.59)                           | 5.48                              | (11.04)              | (7.34)               |
| EUR                    | +5%            | 11.18                             | 13.99                             | (0.03)               | (0.04)               |
|                        | -5%            | (11.18)                           | (13.99)                           | 0.03                 | 0.04                 |
| SAR                    | +5%            | (0.22)                            | (0.30)                            | 19.62                | 12.40                |
|                        | -5%            | 0.22                              | 0.30                              | (19.62)              | (12.40)              |
| OMR                    | +5%            | 18.89                             | 18.70                             | -                    | -                    |
|                        | -5%            | (18.89)                           | (18.70)                           | -                    | -                    |
| Others                 | +5%            | 7.61                              | 45.37                             | (0.51)               | -                    |
|                        | -5%            | (7.61)                            | (45.37)                           | 0.51                 | -                    |

### (b) Interest rate risk management

The Company is exposed to interest rate risk because the Company borrows funds at both fixed and floating interest rates. The Company's exposure to changes in interest rates relates primarily to the Company's outstanding floating rate debt. While most of the Company's outstanding debt in local currency is on fixed rate basis and hence not subject to interest rate risk, a major portion of foreign currency debt is linked to international interest rate benchmarks like SOFR. Company's rupee borrowings are linked to variability in Bank MCLR rate, repo rate and T bill rates.

The Company's exposures to interest rates changes at the end of the reporting period are as follows.

| ₹ in Crore                |                      |                      |
|---------------------------|----------------------|----------------------|
| Particulars               | As at March 31, 2023 | As at March 31, 2022 |
| Variable rate instruments | 788.36               | 728.09               |
| Fixed rate instruments    | 3,848.09             | 3,873.30             |
|                           | <b>4,636.45</b>      | <b>4,601.39</b>      |

### Interest rate sensitivity

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point increase or decrease is used for the purpose of sensitivity analysis.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's :

Profit for the year ended March 31, 2023 would decrease/increase by ₹ 3.94 crore (for the year ended March 31, 2022: decrease/increase by ₹ 3.64 crore). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

## Notes

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### (c) Commodity price risk

The Company is exposed to movement in metal commodity prices of Copper, Aluminium, Zinc and Lead. Most of our contracts with the Indian customers are backed by a price variation for most of these metals. However, profitability in case of firm price orders is impacted by movement in the prices of these metals. The Company has a well defined hedging policy approved by Board of Directors of the Company, which to a large extent takes care of the commodity price fluctuations and minimizes the risk. For base metals like Aluminium, Copper, Zinc and Lead, the Company either places a firm order on the supplier or hedges its exposure on the London Metal Exchange (LME) directly. Refer note 54C, for further details on commodity derivative contracts

### 54B.2 Liquidity risk management

The Board of Directors of the Company have established an appropriate liquidity risk management framework for the management of the Company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of the financial assets and liabilities.

The following table details the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are linked to floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

| Particulars                 | ₹ in Crore       |               |              |                  | Carrying Amount  |
|-----------------------------|------------------|---------------|--------------|------------------|------------------|
|                             | Less than 1 year | 1-3 Years     | 3-5 Years    | Total            |                  |
| <b>As at March 31, 2023</b> |                  |               |              |                  |                  |
| Borrowings                  | 2,498.36         | 259.64        | -            | 2,757.99         | 2,724.86         |
| Lease liabilities           | 7.06             | 24.00         | 4.18         | 35.24            | 31.80            |
| Trade payables              | 7,840.56         | -             | -            | 7,840.56         | 7,840.56         |
| Other financial liabilities | 32.78            | -             | -            | 32.78            | 32.78            |
|                             | <b>10,378.75</b> | <b>283.64</b> | <b>4.18</b>  | <b>10,666.56</b> | <b>10,630.00</b> |
| <b>As at March 31, 2022</b> |                  |               |              |                  |                  |
| Borrowings                  | 2,245.61         | 150.00        | 45.62        | 2,441.23         | 2,441.23         |
| Lease liabilities           | 14.81            | 23.36         | 11.72        | 49.89            | 44.28            |
| Trade payables              | 6,254.58         | -             | -            | 6,254.58         | 6,254.58         |
| Other financial liabilities | 29.39            | -             | -            | 29.39            | 29.39            |
|                             | <b>8,544.39</b>  | <b>173.36</b> | <b>57.34</b> | <b>8,775.09</b>  | <b>8,769.48</b>  |

The Company has access to various fund/non-fund based bank financing facilities. The amount of unused borrowing facilities (fund and non-fund based) available for future operating activities and to settle commitments is ₹ 8,987.52 crore as at March 31, 2023 (₹ 8,274.64 crore as at March 31, 2022).

### 54B.3 Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. The Company's major customers includes government bodies and public sector undertakings. Further, many of the International projects are funded by the multilateral agencies such as World Bank, African Development Bank, Asian Development Bank, etc. For private customers, the Company evaluates the creditworthiness based on publicly available financial information and the Company's historical experiences. The Company's exposure to its counterparties are continuously reviewed and monitored by the Chief Operating Decision Maker (CODM).

Credit period varies as per the contractual terms with the customers. Company doesn't have significant financing component in the contracts with customers.

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The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The amounts of financial assets are net of an allowance for expected credit losses, estimated by the Company and based, in part, on the age of specific receivable balance and the current and expected collection trends. When assessing the credit risk associated with its receivables, the Company also considers the other financial and non-financial assets and liabilities recognized within the same project to provide additional indications on the Company's exposure to credit risk. As such, in addition to the age of its Financial Assets, the Company also considers the age of its contracts in progress, as well as the existence of any deferred revenue or down payments on contracts on the same project or with the same client.

The Company has used practical expedient by computing expected credit loss allowance for trade receivable and contract assets by taking into consideration payment profiles of sales over a period of 36 months before the reporting date and the corresponding historical credit loss experiences within this period for each Strategic Business Unit (SBU). The historical loss rates are adjusted to reflect current and forward looking information taking into account the macro economic factors affecting the ability of the customers to settle the receivables. The expected credit loss is based on the ageing of the days, the receivables due and the expected credit loss rate. In addition, in case of event driven situation as litigations, disputes, change in customer's credit risk history, specific provisions are made after evaluating the relevant facts and expected recovery.

Refer note No.10, 11, 15 and 20 for ECL provisioning and its movement on financial assets carried at amortised cost.

**Company estimates the following provision matrix at the reporting date.**

| Particulars        | Expected Credit Loss (ECL)% |                  |
|--------------------|-----------------------------|------------------|
|                    | March 31, 2023              | March 31, 2022   |
| Not Due            | 0.04% to 1.00%              | 0.05% to 0.75%   |
| From 0 to 6 Months | 0.15% to 3.75%              | 0.10 to 0.75%    |
| 6 Months to 1 Year | 0.35% to 15.50%             | 0.50% to 13.00%  |
| 1 Year to 2 year   | 0.90% to 50.00%             | 1.5% to 42.70%   |
| 2 year to 3 year   | 10.00% to 80.00%            | 3.60% to 77.50%  |
| More than 3 year   | 25.00% to 100.00%           | 3.60% to 100.00% |

**Concentration risk:** As at the year ending March 31, 2023 only one customer is exceeding 10% of the Company's total trade receivables, which were one as at March 31, 2022.

In addition the Company is exposed to credit risk in relation to financial guarantees given by the Company on behalf of its subsidiaries and jointly controlled operations (net of Company's share). The Company's maximum exposure in this respect is the maximum amount the Company could have to pay if the guarantee is called on (net of Company's share in jointly controlled operations), as at March 31, 2023 is 2,227.21 crores (as at March 31, 2022; ₹ 925.64 crore). These financial guarantees have been issued to the banks / customers on behalf of the subsidiaries and jointly controlled operations under the agreements entered into by the subsidiaries/ jointly controlled operations with the banks / customers. Based on management's assessment as at the end of the reporting period, the Company considers the likelihood of any claim under the guarantee is remote.

### Cash and cash equivalents:

The cash and cash equivalents are held with bank and financial institution counterparties with good credit rating.

### Other Bank Balances:

Other bank balances are held with bank and financial institution counterparties with good credit rating.

### Derivatives:

The derivatives are entered into with bank and financial institution counterparties with good credit rating.

### Other financial assets:

Other financial assets are neither past due nor impaired.

## Notes

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### 54C Derivative Financial Instruments

The Company has adopted a Risk Management Policy approved by the Board of Directors of the Company for managing foreign currency exposure. The policy enumerates the mechanism for Risk Identification, Risk Measurement and Risk Monitoring. The policy has approved a set of financial instruments for hedging foreign currency risk. The Company mainly uses forward contracts to manage the foreign currency risk.

- (a) The following table details the non designated foreign currency (FC) forward contracts, outstanding at the end of the reporting period:

| Outstanding contracts | Foreign currency (FC in Crore) |                | Nominal amounts (₹ in Crore) |                | Change in fair value assets/(liabilities) (₹ in Crore) |                |
|-----------------------|--------------------------------|----------------|------------------------------|----------------|--------------------------------------------------------|----------------|
|                       | As at                          | As at          | As at                        | As at          | As at                                                  | As at          |
|                       | March 31, 2023                 | March 31, 2022 | March 31, 2023               | March 31, 2022 | March 31, 2023                                         | March 31, 2022 |
| <b>Buy USD/INR</b>    |                                |                |                              |                |                                                        |                |
| Less than 3 months    | -                              | 0.03           | -                            | 0.02           | -                                                      | (0.01)         |
| <b>Sell USD/INR</b>   |                                |                |                              |                |                                                        |                |
| Less than 3 Months    | -                              | 1.66           | -                            | 125.87         | -                                                      | 1.13           |
| 3 to 6 months         | 2.37                           | 1.10           | 194.62                       | 83.42          | 2.24                                                   | 0.44           |
| More than 6 Months    | 0.40                           | 8.23           | 32.87                        | 623.67         | 0.16                                                   | 2.90           |
| <b>Sell EURO/ USD</b> |                                |                |                              |                |                                                        |                |
| Less than 3 Months    | -                              | 0.86           | -                            | 72.54          | -                                                      | 1.30           |
| More than 6 Months    | -                              | 1.64           | -                            | 138.03         | -                                                      | 4.13           |
| <b>Sell EURO/ INR</b> |                                |                |                              |                |                                                        |                |
| Less than 3 Months    | 0.65                           | 1.24           | 57.97                        | 104.48         | (1.46)                                                 | 3.58           |
| 3 to 6 months         | 0.80                           | -              | 71.49                        | -              | 0.65                                                   | -              |
| More than 6 Months    | 1.49                           | 0.91           | 132.74                       | 76.73          | (2.19)                                                 | 1.10           |
| <b>Buy EURO/ INR</b>  |                                |                |                              |                |                                                        |                |
| Less than 3 Months    | 0.24                           | 0.01           | 21.78                        | 0.66           | 0.06                                                   | (0.00)         |
| 3 to 6 months         | 0.05                           | -              | 4.12                         | -              | 0.01                                                   | -              |
| <b>Buy JPY/INR</b>    |                                |                |                              |                |                                                        |                |
| Less than 3 months    | 18.88                          | -              | 11.65                        | -              | (0.26)                                                 | -              |
| <b>BUY JPY/USD</b>    |                                |                |                              |                |                                                        |                |
| Less than 3 months    | -                              | 0.62           | -                            | 0.39           | -                                                      | (0.91)         |
| 3 to 6 months         | -                              | 0.57           | -                            | 0.35           | -                                                      | (0.62)         |
|                       |                                |                |                              |                | <b>(0.79)</b>                                          | <b>13.05</b>   |

The line-items in the balance sheet that include the above instruments are “Other financial assets” and “Other financial liabilities”.

For the year ended March 31, 2023, the aggregate amount of realised loss under foreign currency forward contracts recognised in the Statement of Profit and Loss is ₹ 10.46 crore (for the year ended March 31, 2022 realised gain of ₹60.07 crore).

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- (b) The Company has designated following forward contracts as cash flow hedges which are outstanding as under:

| Outstanding contracts | Foreign currency (FC in Crore) |                | Nominal amounts (₹ in Crore) |                | Change in fair value assets /(liabilities) (₹ in Crore) |                |
|-----------------------|--------------------------------|----------------|------------------------------|----------------|---------------------------------------------------------|----------------|
|                       | As at                          | As at          | As at                        | As at          | As at                                                   | As at          |
|                       | March 31, 2023                 | March 31, 2022 | March 31, 2023               | March 31, 2022 | March 31, 2023                                          | March 31, 2022 |
| <b>Sell USD/INR</b>   |                                |                |                              |                |                                                         |                |
| Less than 3 months    | 3.98                           | 0.60           | 326.93                       | 45.47          | (6.08)                                                  | 0.73           |
| 3-6 Months            | 2.81                           | -              | 230.99                       | -              | (0.53)                                                  | -              |
| More than 6 Months    | 0.50                           | 1.10           | 41.08                        | 83.37          | 0.23                                                    | 0.93           |
| <b>Buy USD/INR</b>    |                                |                |                              |                |                                                         |                |
| Less than 3 months    | 1.20                           | 0.80           | 98.60                        | 60.63          | (0.17)                                                  | (0.35)         |
| <b>Sell EUR/INR</b>   |                                |                |                              |                |                                                         |                |
| Less than 3 months    | -                              | 0.40           | -                            | 33.64          | -                                                       | 3.19           |
| More than 6 Months    | 1.80                           | 1.00           | 160.84                       | 84.10          | 1.62                                                    | (0.29)         |
|                       |                                |                |                              |                | <b>(4.93)</b>                                           | <b>4.21</b>    |

The line-items in the balance sheet that include the above instruments are “Other financial assets” and “Other financial liabilities”

The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

| Year                  | Risk Hedged                | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) | Hedge ineffectiveness recognised in statement of profit and loss | Amount reclassified from cash flow hedging reserve to statement of profit and loss | Closing Balance | Line item affected in statement of profit and loss because of the reclassification |
|-----------------------|----------------------------|-----------------|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------|-----------------|------------------------------------------------------------------------------------|
|                       |                            |                 |                                                                                               |                                                                  |                                                                                    |                 |                                                                                    |
| <b>March 31, 2023</b> | Foreign exchange risk      | 4.17            | (17.51)                                                                                       | (0.08)                                                           | (8.24)                                                                             | (5.02)          | Revenue                                                                            |
|                       | Less Deferred tax on above | 1.05            | (4.41)                                                                                        | (0.02)                                                           | (2.07)                                                                             | (1.26)          |                                                                                    |
|                       | <b>Net Balance</b>         | <b>3.12</b>     | <b>(13.10)</b>                                                                                | <b>(0.06)</b>                                                    | <b>(6.16)</b>                                                                      | <b>(3.76)</b>   |                                                                                    |
| March 31, 2022        | Foreign exchange risk      | 11.70           | 5.61                                                                                          | 0.03                                                             | 13.11                                                                              | 4.17            | Revenue                                                                            |
|                       | Less Deferred tax on above | 2.95            | 1.41                                                                                          | 0.01                                                             | 3.30                                                                               | 1.05            |                                                                                    |
|                       | <b>Net Balance</b>         | <b>8.76</b>     | <b>4.20</b>                                                                                   | <b>0.02</b>                                                      | <b>9.81</b>                                                                        | <b>3.12</b>     |                                                                                    |

Amount lying in Cash flow hedge reserve will be reclassified to statement of profit and loss account within 12 months.

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| (c) Outstanding commodity contracts :                                                                                  |                            |                 |                                                                                               |                                 |                                                                  |        |                                                                                    |                             |                 |                                                                                    |        |                                                   |           |        |      |
|------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------|-----------------------------------------------------------------------------------------------|---------------------------------|------------------------------------------------------------------|--------|------------------------------------------------------------------------------------|-----------------------------|-----------------|------------------------------------------------------------------------------------|--------|---------------------------------------------------|-----------|--------|------|
| Cash flow hedges                                                                                                       |                            |                 |                                                                                               | Foreign currency (USD in Crore) |                                                                  |        |                                                                                    | Nominal Amount (₹ in Crore) |                 |                                                                                    |        | Fair value assets / (liabilities)<br>(₹ in Crore) |           |        |      |
|                                                                                                                        |                            |                 |                                                                                               | Type                            | Aluminium                                                        | Copper | Zinc                                                                               | Lead                        | Aluminium       | Copper                                                                             | Zinc   | Lead                                              | Aluminium | Copper | Zinc |
| As at March 31, 2023                                                                                                   | Less than 3 months         | Buy             | 2.65                                                                                          | 1.31                            | 0.35                                                             | 0.03   | 213.30                                                                             | 105.42                      | 28.50           | 2.08                                                                               | 2.01   | 1.48                                              | (0.60)    | (0.05) |      |
|                                                                                                                        | 3 to 6 months              | Buy             | 1.33                                                                                          | 0.30                            | 0.38                                                             | -      | 107.00                                                                             | 24.09                       | 30.69           | -                                                                                  | (0.17) | 0.50                                              | 0.48      | -      |      |
|                                                                                                                        | More than 6 months         | Sell            | (0.25)                                                                                        | -                               | 0.09                                                             | -      | (20.10)                                                                            | -                           | 6.95            | -                                                                                  | 0.08   | -                                                 | 0.06      | -      |      |
| As at March 31, 2022                                                                                                   | Less than 3 months         | Buy             | 0.39                                                                                          | 1.22                            | -                                                                | 0.07   | 29.07                                                                              | 90.58                       | -               | 5.20                                                                               | 0.64   | 4.74                                              | -         | 0.24   |      |
|                                                                                                                        | 3 to 6 months              | Buy             | 0.05                                                                                          | 0.17                            | -                                                                | 0.05   | 3.70                                                                               | 12.95                       | -               | 3.44                                                                               | 0.21   | 1.14                                              | -         | 0.26   |      |
| The effect of cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:        |                            |                 |                                                                                               |                                 |                                                                  |        |                                                                                    |                             |                 |                                                                                    |        |                                                   |           |        |      |
| Year                                                                                                                   | Risk hedged                | Opening Balance | Change in the value of the hedging instrument recognised in other comprehensive income/(loss) |                                 | Hedge ineffectiveness recognised in statement of profit and loss |        | Amount reclassified from cash flow hedging reserve to statement of profit and loss |                             | Closing Balance | Line item affected in statement of profit and loss because of the reclassification |        |                                                   |           |        |      |
| March 31, 2023                                                                                                         | Commodity price risk       | 6.99            | (58.80)                                                                                       |                                 | (1.23)                                                           |        | (55.60)                                                                            |                             | 5.02            | Cost of materials consumed                                                         |        |                                                   |           |        |      |
|                                                                                                                        | Less Deferred tax on above | 1.76            | (14.80)                                                                                       |                                 | (0.31)                                                           |        | (13.99)                                                                            |                             | 1.26            |                                                                                    |        |                                                   |           |        |      |
|                                                                                                                        | Net Balance                | 5.23            | (44.00)                                                                                       |                                 | (0.92)                                                           |        | (41.61)                                                                            |                             | 3.76            |                                                                                    |        |                                                   |           |        |      |
| March 31, 2022                                                                                                         | Commodity price risk       | 1.70            | 36.82                                                                                         |                                 | 0.38                                                             |        | 31.15                                                                              |                             | 6.99            | Cost of materials consumed                                                         |        |                                                   |           |        |      |
|                                                                                                                        | Less Deferred tax on above | 0.43            | 9.27                                                                                          |                                 | 0.10                                                             |        | 7.84                                                                               |                             | 1.76            |                                                                                    |        |                                                   |           |        |      |
|                                                                                                                        | Net Balance                | 1.27            | 27.55                                                                                         |                                 | 0.28                                                             |        | 23.31                                                                              |                             | 5.23            |                                                                                    |        |                                                   |           |        |      |
| Amount lying in Cash flow hedge reserve will be reclassified to statement of profit and loss account within 12 months. |                            |                 |                                                                                               |                                 |                                                                  |        |                                                                                    |                             |                 |                                                                                    |        |                                                   |           |        |      |

Amount lying in Cash flow hedge reserve will be reclassified to statement of profit and loss account within 12 months.

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## NOTE 55 - EMPLOYEE BENEFIT PLANS

### Brief description of the plans

#### 1 Defined contribution plans

##### (A) Superannuation

All eligible employees are entitled to benefits under Superannuation, a defined contribution plan. The Company makes yearly contributions until retirement or resignation of the employee. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

##### (B) Provident Fund

The Company makes contribution to respective regional provident fund commissioners in relation to the workers employed at factories located at Butibori, Jaipur, Jabalpur, Mysore and Vadodara. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

##### (C) Employees' State Insurance Corporation

The Company makes contribution towards Employees State Insurance scheme operated by ESIC Corporation. The contributions payable to these plans by the Company are at rates specified in the rules of the scheme. The Company recognises such contributions as an expense when incurred. The Company has no further obligations beyond its yearly contribution.

#### 2 Defined Benefit Plans

##### (A) Gratuity

##### (i) Company and its Jointly Controlled Operations in India

The Company & its jointly controlled operations (JCO) in India has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of the Gratuity scheme of the Company/JCOs in India or as per payment of the Gratuity Act, 1972 whichever is higher. Vesting occurs upon completion of four years & 240 days of service.

The Company has set up an income tax approved trust fund to finance the plan liability. The trustees of the trust fund are responsible for the overall governance of the plan. The Company makes contribution to the plan. There are no minimum funding requirement for the plan in India. The trustees of the gratuity fund have a fiduciary responsibility to act according to the provisions of the trust deed and rules.

##### (ii) Jointly Controlled operation in Saudi (Al Sharif JV)

The Jointly Controlled Operation has an obligation towards an unfunded defined benefit retirement plan i.e. End Service Benefit plan, (akin to gratuity) covering eligible employees. The benefits payable are as under:

|                               |                                                     |
|-------------------------------|-----------------------------------------------------|
| For Service Less Than 5 years | 1/2 * Service * Applicable salary                   |
| For Service more Than 5 years | First Five Years: 1/2 * Service * Applicable Salary |
|                               | Beyond 5 Years: Service * Applicable Salary         |

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method as at March 31, 2023.

##### (B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees, other than factory workers, to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

The above defined benefit plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

|                    |                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment risk    | The present value of the defined benefit plan liability (denominated in Indian Rupee) is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, for the plan in India, it has a relatively balanced mix of investments in Insurance related products. |
| Interest rate risk | A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.                                                                                                                                                                           |
| Longevity risk     | The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.                                                                |
| Salary risk        | The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.                                                                                                                      |

### Details of defined contribution plan

The Company has recognised following amounts in the statement of profit and loss:

|                                        | ₹ in Crore                           |                                      |
|----------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                            | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| Superannuation Fund                    | 1.86                                 | 0.91                                 |
| Provident Fund                         | 4.41                                 | 3.36                                 |
| Employees' Pension Scheme              | 8.86                                 | 8.55                                 |
| Employees' State Insurance Corporation | 0.09                                 | 0.14                                 |
| Admin charges - PF, ESIC               | 0.96                                 | 0.68                                 |

### Details of defined benefit plans

#### (A) Gratuity

|                                                                            | ₹ in Crore                           |                                      |
|----------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| Particulars                                                                | For the year ended<br>March 31, 2023 | For the year ended<br>March 31, 2022 |
| <b>I Components of defined benefit cost</b>                                |                                      |                                      |
| 1 Current service cost                                                     | 7.58                                 | 6.89                                 |
| 2 Interest cost on benefit obligation (Net)                                | 0.08                                 | (0.42)                               |
| <b>A Total expenses included in Statement of Profit and Loss (P&amp;L)</b> | 7.66                                 | 6.47                                 |
| 3 Actuarial changes arising from changes in demographic assumptions        | 1.93                                 | -                                    |
| 4 Actuarial changes arising from changes in financial assumptions          | (3.82)                               | (2.05)                               |
| 5 Actuarial changes arising from changes in experience adjustments         | 2.36                                 | (1.70)                               |
| 6 Return on Plan Assets (excluding interest income)                        | 0.81                                 | (0.26)                               |
| <b>B Total recognized in Other Comprehensive Income (OCI)</b>              | 1.28                                 | (4.01)                               |
| <b>C Total defined benefit cost recognized in P&amp;L and OCI</b>          | 8.94                                 | 2.46                                 |

## Notes

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|                                                                                 | ₹ in Crore                                                            |                                      |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------|--------------------------------------|
| Particulars                                                                     | For the year ended<br>March 31, 2023                                  | For the year ended<br>March 31, 2022 |
| <b>II Actual Contribution and Benefits Payments for the year</b>                |                                                                       |                                      |
| 1 Actual Benefits Payments                                                      | (6.71)                                                                | (4.29)                               |
| 2 Actual Contributions                                                          | 3.73                                                                  | 2.23                                 |
| <b>III Net asset/(liability) recognized in the Balance Sheet</b>                |                                                                       |                                      |
| 1 Present Value of Defined Benefit Obligations                                  | (63.11)                                                               | (58.27)                              |
| 2 Fair Value of Plan Assets                                                     | 49.44                                                                 | 49.80                                |
| 3 Exchange fluctuation on account of conversion of Jointly Controlled Operation | (2.24)                                                                | (1.45)                               |
| 4 Net asset / (liability) recognized in the Balance Sheet                       | (15.91)                                                               | (9.92)                               |
| <b>IV Change in Present Value of Defined Benefit Obligation during the year</b> |                                                                       |                                      |
| 1 Present Value of Defined Benefit Obligation as at the beginning of the year   | 58.27                                                                 | 56.43                                |
| 2 Current Service Cost                                                          | 7.58                                                                  | 6.89                                 |
| 3 Interest Cost                                                                 | 3.50                                                                  | 2.99                                 |
| 4 Benefits paid                                                                 | (6.71)                                                                | (4.29)                               |
| 5 Actuarial changes arising from changes in demographic assumptions             | 1.93                                                                  | -                                    |
| 6 Actuarial changes arising from changes in financial assumptions               | (3.82)                                                                | (2.05)                               |
| 7 Actuarial changes arising from changes in experience adjustments              | 2.36                                                                  | (1.70)                               |
| 8 Present Value of Defined Benefit Obligations as at the end of the year        | 63.11                                                                 | 58.27                                |
| <b>V Change in Fair Value of Plan Assets during the year</b>                    |                                                                       |                                      |
| 1 Plan Assets as at the beginning of the year                                   | 49.80                                                                 | 48.15                                |
| 2 Interest Income                                                               | 3.43                                                                  | 3.45                                 |
| 3 Actual Company Contributions                                                  | 3.73                                                                  | 2.23                                 |
| 4 Benefits paid                                                                 | (6.71)                                                                | (4.29)                               |
| 5 Expected return on Plan Assets (excluding interest income)                    | (0.81)                                                                | 0.26                                 |
| 6 Plan Assets as at the end of the year                                         | 49.44                                                                 | 49.80                                |
| Particulars                                                                     | As at<br>March 31, 2023                                               | As at<br>March 31, 2022              |
| <b>VI-A Actuarial Assumptions (Considered for the Company)</b>                  |                                                                       |                                      |
| 1 Discount Rate                                                                 | 7.40%                                                                 | 6.90%                                |
| 2 Expected Return on plan assets                                                | 7.40%                                                                 | 6.90%                                |
| 3 Salary escalation Rate                                                        | 8.00%                                                                 | 8.00%                                |
| 4 Mortality Table                                                               | <b>Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult</b> |                                      |
| 5 Disability                                                                    | <b>5% of Mortality Rate</b>                                           |                                      |
| 6 Withdrawal (Rate of Employee Turnover)                                        | Upto 30 years                                                         | 23.00%                               |
|                                                                                 | 31-44 years                                                           | 13.00%                               |
|                                                                                 | 45 years and above                                                    | 6.00%                                |
|                                                                                 |                                                                       | 11.00%                               |

## Notes

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| Particulars                                                                                            |                                                                                                                                                                      | As at<br>March 31, 2023                                        | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|-------------------------|
| <b>VI-B Actuarial Assumptions (Considered for Jointly Controlled Operation - Al Sharif JV (Saudi))</b> |                                                                                                                                                                      |                                                                |                         |
| 1                                                                                                      | Discount Rate                                                                                                                                                        | 5.10%                                                          | 2.75%                   |
| 2                                                                                                      | Salary escalation Rate                                                                                                                                               | 7.00%                                                          | 7.00%                   |
| 3                                                                                                      | Mortality Table                                                                                                                                                      | Implicit in Withdrawal                                         |                         |
| 4                                                                                                      | Disability                                                                                                                                                           | Implicit in Withdrawal                                         |                         |
| 5                                                                                                      | Withdrawal (Rate of Employee Turnover)                                                                                                                               | Managers (M0 to M6)                                            | 10.00%                  |
|                                                                                                        |                                                                                                                                                                      | Others                                                         | 15.00%                  |
| <b>VI-C Actuarial Assumptions (Considered for Jointly Controlled Operation CCECC-KEC JV)</b>           |                                                                                                                                                                      |                                                                |                         |
| 1                                                                                                      | Discount Rate                                                                                                                                                        | 7.50%                                                          | 7.30%                   |
| 2                                                                                                      | Salary escalation Rate                                                                                                                                               | 8.00%                                                          | 8.00%                   |
| 3                                                                                                      | Mortality Table                                                                                                                                                      | Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult |                         |
| 4                                                                                                      | Disability                                                                                                                                                           | 5% of Mortality Rate                                           |                         |
| 5                                                                                                      | Withdrawal (Rate of Employee Turnover)                                                                                                                               | Upto 30 years                                                  | 7.50%                   |
|                                                                                                        |                                                                                                                                                                      | 31-44 years                                                    | 7.00%                   |
|                                                                                                        |                                                                                                                                                                      | 45 years and above                                             | 7.00%                   |
| <b>VI-D Actuarial Assumptions (Considered for Jointly Controlled Operation Longjian-KEC JV)</b>        |                                                                                                                                                                      |                                                                |                         |
| 1                                                                                                      | Discount Rate                                                                                                                                                        | 7.60%                                                          | 7.50%                   |
| 2                                                                                                      | Salary escalation Rate                                                                                                                                               | 8.00%                                                          | 8.00%                   |
| 3                                                                                                      | Mortality Table                                                                                                                                                      | Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult |                         |
| 4                                                                                                      | Disability                                                                                                                                                           | 5% of Mortality Rate                                           |                         |
| 5                                                                                                      | Withdrawal (Rate of Employee Turnover)                                                                                                                               | Upto 30 years                                                  | 7.50%                   |
|                                                                                                        |                                                                                                                                                                      | 31-44 years                                                    | 7.00%                   |
|                                                                                                        |                                                                                                                                                                      | 45 years and above                                             | 7.00%                   |
| <b>VI-E Actuarial Assumptions (Considered for Jointly Controlled Operation VNC-KEC JV)</b>             |                                                                                                                                                                      |                                                                |                         |
| 1                                                                                                      | Discount Rate                                                                                                                                                        | 7.60%                                                          | 0.00%                   |
| 2                                                                                                      | Salary escalation Rate                                                                                                                                               | 8.00%                                                          | 0.00%                   |
| 3                                                                                                      | Mortality Table                                                                                                                                                      | Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult |                         |
| 4                                                                                                      | Disability                                                                                                                                                           | 5% of Mortality Rate                                           |                         |
| 5                                                                                                      | Withdrawal (Rate of Employee Turnover)                                                                                                                               | Upto 30 years                                                  | 17.00%                  |
|                                                                                                        |                                                                                                                                                                      | 31-44 years                                                    | 12.00%                  |
|                                                                                                        |                                                                                                                                                                      | 45 years and above                                             | 11.00%                  |
| <b>VI-F Actuarial Assumptions (Considered for Jointly Controlled Operation KEC-CCECC JV)</b>           |                                                                                                                                                                      |                                                                |                         |
| 1                                                                                                      | Discount Rate                                                                                                                                                        | 7.50%                                                          | 0.00%                   |
| 2                                                                                                      | Salary escalation Rate                                                                                                                                               | 8.00%                                                          | 0.00%                   |
| 3                                                                                                      | Mortality Table                                                                                                                                                      | Indian Assured Lives Mortality (IALM) (2006-08) (Modified) Ult |                         |
| 4                                                                                                      | Disability                                                                                                                                                           | 5% of Mortality Rate                                           |                         |
| 5                                                                                                      | Withdrawal (Rate of Employee Turnover)                                                                                                                               | Upto 30 years                                                  | 17.00%                  |
|                                                                                                        |                                                                                                                                                                      | 31-44 years                                                    | 12.00%                  |
|                                                                                                        |                                                                                                                                                                      | 45 years and above                                             | 11.00%                  |
| VII                                                                                                    | The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors. |                                                                |                         |

## Notes

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| Particulars                                                                                                              | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
|--------------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| <b>VIII The major categories of Plan Assets of the Company as a percentage of the total plan assets (gratuity)</b>       |                         |                         |
| Equity                                                                                                                   | 4.43%                   | 4.59%                   |
| Debt                                                                                                                     | 53.12%                  | 42.40%                  |
| Money Market Investments                                                                                                 | 42.45%                  | 53.00%                  |
| <b>IX Contribution expected to be paid to the Plan of the Company during the year ended March 31, 2024 - ₹6.06 crore</b> |                         |                         |
| <b>X Weighed Average duration of the Plan</b>                                                                            |                         |                         |
| Considered for the Company                                                                                               | 6 years                 | 6 years                 |
| Considered for Jointly Controlled Operation - Al Sharif JV                                                               | 9 years                 | 7 years                 |
| Considered for Jointly Controlled Operation - CCECC-KEC JV                                                               | 10 years                | 11 years                |
| Considered for Jointly Controlled Operation - Longjian-KEC JV                                                            | 11 years                | 12 years                |
| Considered for Jointly Controlled Operation - VNC-KEC JV                                                                 | 8 years                 | -                       |
| Considered for Jointly Controlled Operation - KEC-CCECC JV                                                               | 9 years                 | -                       |

| ₹ in Crore                                     |                         |                         |
|------------------------------------------------|-------------------------|-------------------------|
| Maturity profile of defined benefit obligation | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| 1 Year 1                                       | 6.88                    | 7.51                    |
| 2 Year 2                                       | 10.46                   | 12.79                   |
| 3 Year 3                                       | 9.16                    | 8.93                    |
| 4 Year 4                                       | 10.25                   | 8.37                    |
| 5 Year 5                                       | 11.22                   | 8.59                    |
| 6 Next 5 years                                 | 56.64                   | 44.42                   |

| ₹ in Crore                                                                                                          |                         |                         |
|---------------------------------------------------------------------------------------------------------------------|-------------------------|-------------------------|
| Financial assumptions sensitivity analysis (updated closing balance of present value of defined benefit obligation) | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| A. Discount rate                                                                                                    |                         |                         |
| Discount rate - 50 basis points                                                                                     | 67.38                   | 61.36                   |
| Discount rate + 50 basis points                                                                                     | 63.44                   | 58.16                   |
| B. Salary increase rate                                                                                             |                         |                         |
| Salary rate - 50 basis points                                                                                       | 63.62                   | 58.34                   |
| Salary rate + 50 basis points                                                                                       | 67.17                   | 61.16                   |
| <b>Demographic assumptions sensitivity analysis</b>                                                                 |                         |                         |
| C. Withdrawal Rate                                                                                                  |                         |                         |
| Withdrawal Rate - 100 basis points                                                                                  | 65.87                   | 60.22                   |
| Withdrawal Rate + 100 basis points                                                                                  | 64.89                   | 59.26                   |

### Sensitivity analysis method

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as some of the assumption may be correlated.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years and same data, method and assumptions have been used in preparing the sensitivity analysis which are used to determine period end defined benefit obligation.

## Notes

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### NOTE 55 - EMPLOYEE BENEFIT PLANS

XI The following table shows a breakdown of the defined benefit obligation and plan assets of the Company:

| Particulars                     | As at March 31, 2023 |       |          |      |                  |           | As at March 31, 2022 |      |                 |       |
|---------------------------------|----------------------|-------|----------|------|------------------|-----------|----------------------|------|-----------------|-------|
|                                 | Gratuity             |       |          |      |                  |           | Gratuity             |      |                 |       |
|                                 | AI Sharif JV         |       | CCECC-JV |      | Longjian-KEC JV* |           | AI Sharif JV         |      | CCECC-JV        |       |
|                                 | Company              |       | Company  |      | VNC-KEC JV*      | Total JV* | Company              |      | Longjian-KEC JV | Total |
| (A) Present value of obligation | 54.21                | 10.24 | 0.31     | 0.41 | 0.05             | 0.13      | 49.84                | 9.24 | 0.32            | 59.72 |
| (B) Fair value of plan assets   | 49.44                | -     | -        | -    | -                | -         | 49.80                | -    | -               | 49.80 |
| (C) Total liability = (A) - (B) | 4.77                 | 10.24 | 0.31     | 0.41 | 0.05             | 0.13      | 0.04                 | 9.24 | 0.32            | 9.92  |

\* Jointly Controlled Operations have been incorporated during the year ended March 31, 2023.

#### (B) Provident Fund

The Company has established 'KEC International Limited Provident Fund' in respect of employees other than factory workers to which both the employee and the employer make contribution equal to 12% of the employee's basic salary respectively. The Company's contribution to the provident fund for all employees, are charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. In accordance with the recent actuarial valuation, there is no deficiency in the interest cost as the present value of expected future earnings of the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest.

| Particulars                                  | ₹ in Crore                        |                                   |
|----------------------------------------------|-----------------------------------|-----------------------------------|
|                                              | For the year ended March 31, 2023 | For the year ended March 31, 2022 |
| Company's contribution to the provident fund | 9.81                              | 8.65                              |

Assumptions used in determining the present value obligation of the interest rate guarantee are as follows:

| Particulars                        | As at March 31, 2023                                       | As at March 31, 2022 |
|------------------------------------|------------------------------------------------------------|----------------------|
| a. Approach used                   | Deterministic                                              | Deterministic        |
| b. Discount Rate                   | 7.40%                                                      | 6.90%                |
| c. Attrition Rate                  |                                                            |                      |
| Upto 30 years                      | 23.00%                                                     | 17.00%               |
| 31 - 44 years                      | 13.00%                                                     | 12.00%               |
| 45 years and above                 | 6.00%                                                      | 11.00%               |
| d. Weighted Average Yield          | 6.90%                                                      | 7.17%                |
| e. Weighted Average YTM            | 6.90%                                                      | 7.17%                |
| f. Reinvestment Period on Maturity | 6 years                                                    | 6 years              |
| g. Mortality Rate                  | Indian Assured Lives Mortality (IALM) (2006-08) (modified) | Ultimate             |

### 3 Long term/short term employee benefits (Compensated Absences)

The long term/short term employee benefits cover the Company's liability for sick and earned leave.

The amount of the provision of ₹ 38.87 crore (as at March 31, 2022 ₹ 36.84 crore).

## Notes

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### NOTE 56 RELATED PARTY DISCLOSURES

Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

#### (A) Name and nature of relationship of the parties where control exists

| Subsidiaries                                                                                                             | Country of Incorporation | % age of ownership interest either directly or through subsidiaries |                      |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------|---------------------------------------------------------------------|----------------------|
|                                                                                                                          |                          | As at March 31, 2023                                                | As at March 31, 2022 |
|                                                                                                                          |                          |                                                                     |                      |
| RPG Transmission Nigeria Limited                                                                                         | Nigeria                  | 100                                                                 | 100                  |
| KEC Global FZ – LLC, Ras UL Khaimah (De-registered w.e.f. March 08, 2023)                                                | UAE                      | -                                                                   | 100                  |
| KEC Investment Holdings, Mauritius                                                                                       | Mauritius                | 100                                                                 | 100                  |
| KEC Global Mauritius                                                                                                     | Mauritius                | 100                                                                 | 100                  |
| KEC Power India Private Limited                                                                                          | India                    | 100                                                                 | 100                  |
| SAE Towers Holdings, LLC                                                                                                 | USA                      | 100                                                                 | 100                  |
| SAE Towers Brazil Subsidiary Company LLC                                                                                 | USA                      | 100                                                                 | 100                  |
| SAE Towers Mexico Subsidiary Holding Company LLC                                                                         | USA                      | 100                                                                 | 100                  |
| SAE Towers Mexico S de RL de CV                                                                                          | Mexico                   | 100                                                                 | 100                  |
| SAE Towers Brasil Torres de Transmissao Ltda                                                                             | Brazil                   | 100                                                                 | 100                  |
| SAE Prestadora de Services Mexico, S de RL de CV                                                                         | Mexico                   | 100                                                                 | 100                  |
| SAE Towers Ltd                                                                                                           | USA                      | 100                                                                 | 100                  |
| SAE Towers Construção Ltda (formerly known as SAE Engenharia E Construcão Ltda.)                                         | Brazil                   | 100                                                                 | 100                  |
| KEC Engineering & Construction Services, S de RL de CV                                                                   | Mexico                   | 100                                                                 | 100                  |
| KEC Towers LLC                                                                                                           | UAE                      | 100                                                                 | 100                  |
| KEC International (Malaysia) SDN BHD                                                                                     | Malaysia                 | 100                                                                 | 100                  |
| KEC Spur Infrastructure Private Limited (formerly known as Spur Infrastructre Private Limited) (w.e.f. October 13, 2021) | India                    | 100                                                                 | 100                  |
| KEC EPC LLC (w.e.f. October 06, 2021)                                                                                    | UAE                      | 100                                                                 | 100                  |

#### (B) Details of other related parties with whom transactions have taken place

| Associate                                                  | Country of Incorporation | % age of ownership interest either directly or through subsidiaries |                      |
|------------------------------------------------------------|--------------------------|---------------------------------------------------------------------|----------------------|
|                                                            |                          | As at March 31, 2023                                                | As at March 31, 2022 |
|                                                            |                          |                                                                     |                      |
| RP Goenka Group of Companies Employees Welfare Association | India                    | 49                                                                  | 49                   |

#### Key Management Personnel (KMP)

Mr. H. V. Goenka- Chairman

Mr. Vimal Kejriwal - Managing Director and CEO

Mr. Rajeev Aggarwal - Chief Financial Officer

Mr. A. T. Vaswani - Non - Executive Director

Mr. D. G. Piramal - Non - Executive Director

Mr. G.L. Mirchandani - Non - Executive Director

Ms. Nirupama Rao - Non - Executive Director

Mr. R. D. Chandak - Non - Executive Director

Mr. S. M. Trehan - Non - Executive Director

Mr. Vinayak Chatterjee - Non - Executive Director

Mr. Vikram Gandhi - Non - Executive Director

Mr. M. S. Unnikrishnan - Non - Executive Director

#### Post - employment benefit plan

KEC International Limited Employees' Group Gratuity Scheme

KEC International Limited - Provident Fund

KEC International Limited Superannuation Scheme

#### Entities where control / significant influence by KMPs and their relatives exists and with whom transactions have taken place

CEAT Limited

B. N. Elias & Co. LLP

Palacino Properties LLP

RPG Life Sciences Limited

RPG Enterprises Limited

Raychem RPG Private Limited

Harrisons Malayalam Limited

Spencers and Company Limited

Zensar Technologies Limited

Swallow Associates LLP (holds 26.36 percent Equity Shares of the Company)

Summit Securities Limited (holds 10.96 percent Equity Shares of the Company)

# Notes

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**NOTE 56 RELATED PARTY DISCLOSURES**  
Related party disclosures as required by IND AS 24 "Related Party Disclosures" are given below:

## (B) Transactions with the Related Parties

| Transactions                                 | For the year ended March 31, 2023 |               |                          |                                                                         |                              |               | For the year ended March 31, 2022 |              |                          |                                                                         |                              |              |
|----------------------------------------------|-----------------------------------|---------------|--------------------------|-------------------------------------------------------------------------|------------------------------|---------------|-----------------------------------|--------------|--------------------------|-------------------------------------------------------------------------|------------------------------|--------------|
|                                              | Associates                        | Subsidiaries  | Key Management Personnel | where control / significant influence by KMPs and their relatives exist | Post-employment benefit plan | Total         | Associates                        | Subsidiaries | Key Management Personnel | where control / significant influence by KMPs and their relatives exist | Post-employment benefit plan | Total        |
| <b>Sale of Products</b>                      | -                                 | <b>240.90</b> | -                        | <b>0.63</b>                                                             | -                            | <b>241.53</b> | -                                 | <b>52.72</b> | -                        | <b>1.00</b>                                                             | -                            | <b>53.72</b> |
| SAE Towers Brasil Torres de Transmissão Ltda | -                                 | 14.25         | -                        | -                                                                       | -                            | 14.25         | -                                 | 0.45         | -                        | -                                                                       | -                            | 0.45         |
| SAE Towers Mexico S de RL de CV, Mexico      | -                                 | 26.92         | -                        | -                                                                       | -                            | 26.92         | -                                 | -            | -                        | -                                                                       | -                            | -            |
| KEC International (Malaysia) SDN. BHD.       | -                                 | 1.51          | -                        | -                                                                       | -                            | 1.51          | -                                 | 9.42         | -                        | -                                                                       | -                            | 9.42         |
| KEC Towers LLC                               | -                                 | 73.87         | -                        | -                                                                       | -                            | 73.87         | -                                 | 42.85        | -                        | -                                                                       | -                            | 42.85        |
| KEC EPC LLC                                  | -                                 | 123.73        | -                        | -                                                                       | -                            | 123.73        | -                                 | -            | -                        | -                                                                       | -                            | -            |
| KEC Spur Infrastructure Private Limited      | -                                 | 0.62          | -                        | -                                                                       | -                            | 0.62          | -                                 | -            | -                        | -                                                                       | -                            | -            |
| CEAT Limited                                 | -                                 | -             | -                        | 0.42                                                                    | -                            | 0.42          | -                                 | -            | -                        | -                                                                       | -                            | -            |
| Raychem RPG Private limited                  | -                                 | -             | -                        | 0.21                                                                    | -                            | 0.21          | -                                 | -            | -                        | 1.00                                                                    | -                            | 1.00         |
| <b>Construction contracts revenue</b>        | -                                 | -             | -                        | 6.30                                                                    | -                            | 6.30          | -                                 | -            | -                        | -                                                                       | -                            | -            |
| RPG Life Sciences Limited                    | -                                 | -             | -                        | 6.00                                                                    | -                            | 6.00          | -                                 | -            | -                        | -                                                                       | -                            | -            |
| CEAT Limited                                 | -                                 | -             | -                        | 0.30                                                                    | -                            | 0.30          | -                                 | -            | -                        | -                                                                       | -                            | -            |
| <b>Sale of services</b>                      | -                                 | -             | -                        | 0.10                                                                    | -                            | 0.10          | -                                 | 0.23         | -                        | 0.06                                                                    | -                            | 0.29         |
| KEC Towers LLC                               | -                                 | -             | -                        | -                                                                       | -                            | -             | -                                 | 0.23         | -                        | -                                                                       | -                            | 0.23         |
| CEAT Limited                                 | -                                 | -             | -                        | 0.10                                                                    | -                            | 0.10          | -                                 | -            | -                        | 0.06                                                                    | -                            | 0.06         |
| <b>Services received</b>                     | -                                 | -             | -                        | <b>37.13</b>                                                            | -                            | <b>37.13</b>  | -                                 | <b>5.25</b>  | -                        | <b>35.70</b>                                                            | -                            | <b>40.95</b> |
| KEC Spur Infrastructure Private Limited      | -                                 | -             | -                        | -                                                                       | -                            | -             | -                                 | 5.25         | -                        | -                                                                       | -                            | 5.25         |
| Raychem RPG Private limited                  | -                                 | -             | -                        | ★                                                                       | -                            | ★             | -                                 | -            | -                        | 0.02                                                                    | -                            | 0.02         |
| Breach Candy Hospital Trust                  | -                                 | -             | -                        | ★                                                                       | -                            | ★             | -                                 | -            | -                        | -                                                                       | -                            | -            |
| CEAT Limited                                 | -                                 | -             | -                        | 4.90                                                                    | -                            | 4.90          | -                                 | -            | -                        | 5.90                                                                    | -                            | 5.90         |
| RPG Enterprises Limited                      | -                                 | -             | -                        | 32.23                                                                   | -                            | 32.23         | -                                 | -            | -                        | 29.77                                                                   | -                            | 29.77        |
| Harrisons Malayalam Limited                  | -                                 | -             | -                        | ★                                                                       | -                            | ★             | -                                 | -            | -                        | 0.01                                                                    | -                            | 0.01         |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                 | For the year ended March 31, 2023 |               |                          |                                                                         |                              |               | For the year ended March 31, 2022 |               |                          |                                                                         |                              |               |
|----------------------------------------------|-----------------------------------|---------------|--------------------------|-------------------------------------------------------------------------|------------------------------|---------------|-----------------------------------|---------------|--------------------------|-------------------------------------------------------------------------|------------------------------|---------------|
|                                              | Associates                        | Subsidiaries  | Key Management Personnel | where control / significant influence by KMPs and their relatives exist | Post-employment benefit plan | Total         | Associates                        | Subsidiaries  | Key Management Personnel | where control / significant influence by KMPs and their relatives exist | Post-employment benefit plan | Total         |
| <b>Rent Income</b>                           | -                                 | -             | -                        | <b>0.29</b>                                                             | -                            | <b>0.29</b>   | -                                 | -             | -                        | <b>0.28</b>                                                             | -                            | <b>0.28</b>   |
| CEAT Limited                                 | -                                 | -             | -                        | 0.02                                                                    | -                            | 0.02          | -                                 | -             | -                        | 0.01                                                                    | -                            | 0.01          |
| RPG Life Sciences Limited                    | -                                 | -             | -                        | 0.06                                                                    | -                            | 0.06          | -                                 | -             | -                        | 0.06                                                                    | -                            | 0.06          |
| Swallow Associates LLP                       | -                                 | -             | -                        | -                                                                       | -                            | -             | -                                 | -             | -                        | 0.01                                                                    | -                            | 0.01          |
| Summit Securities Limited                    | -                                 | -             | -                        | 0.06                                                                    | -                            | 0.06          | -                                 | -             | -                        | 0.05                                                                    | -                            | 0.05          |
| RPG Enterprises Limited                      | -                                 | -             | -                        | 0.15                                                                    | -                            | 0.15          | -                                 | -             | -                        | 0.15                                                                    | -                            | 0.15          |
| <b>Dividend Income</b>                       | -                                 | -             | -                        | -                                                                       | -                            | -             | -                                 | <b>1.51</b>   | -                        | -                                                                       | -                            | <b>1.51</b>   |
| KEC Global, Mauritius                        | -                                 | -             | -                        | -                                                                       | -                            | -             | -                                 | 1.51          | -                        | -                                                                       | -                            | 1.51          |
| <b>Guarantees charges recovered</b>          | -                                 | <b>8.67</b>   | -                        | -                                                                       | -                            | <b>8.67</b>   | -                                 | <b>6.56</b>   | -                        | -                                                                       | -                            | <b>6.56</b>   |
| KEC International (Malaysia) SDN. BHD.       | -                                 | 4.88          | -                        | -                                                                       | -                            | 4.88          | -                                 | 4.38          | -                        | -                                                                       | -                            | 4.38          |
| KEC Towers LLC                               | -                                 | 0.98          | -                        | -                                                                       | -                            | 0.98          | -                                 | 0.80          | -                        | -                                                                       | -                            | 0.80          |
| KEC Spur Infrastructure Private Limited      | -                                 | 0.36          | -                        | -                                                                       | -                            | 0.36          | -                                 | -             | -                        | -                                                                       | -                            | -             |
| KEC EPC LLC                                  | -                                 | 0.25          | -                        | -                                                                       | -                            | 0.25          | -                                 | -             | -                        | -                                                                       | -                            | -             |
| SAE Towers Brasil Torres de Transmissão Ltda | -                                 | 2.20          | -                        | -                                                                       | -                            | 2.20          | -                                 | 1.38          | -                        | -                                                                       | -                            | 1.38          |
| <b>Purchase of goods</b>                     | -                                 | <b>437.77</b> | -                        | <b>10.00</b>                                                            | -                            | <b>447.77</b> | -                                 | <b>352.35</b> | -                        | <b>16.14</b>                                                            | -                            | <b>368.49</b> |
| Raychem RPG Private limited                  | -                                 | -             | -                        | 9.97                                                                    | -                            | 9.97          | -                                 | -             | -                        | 16.14                                                                   | -                            | 16.14         |
| Harrisons Malayalam Limited                  | -                                 | -             | -                        | 0.03                                                                    | -                            | 0.03          | -                                 | -             | -                        | -                                                                       | -                            | -             |
| KEC Towers LLC                               | -                                 | 163.69        | -                        | -                                                                       | -                            | 163.69        | -                                 | 318.65        | -                        | -                                                                       | -                            | 318.65        |
| KEC EPC LLC                                  | -                                 | 88.60         | -                        | -                                                                       | -                            | 88.60         | -                                 | -             | -                        | -                                                                       | -                            | -             |
| KEC Spur Infrastructure Private Limited      | -                                 | 172.87        | -                        | -                                                                       | -                            | 172.87        | -                                 | -             | -                        | -                                                                       | -                            | -             |
| SAE Towers Mexico S de RL de CV, Mexico      | -                                 | 6.34          | -                        | -                                                                       | -                            | 6.34          | -                                 | 2.03          | -                        | -                                                                       | -                            | 2.03          |
| SAE Towers Brasil Torres de Transmissão Ltda | -                                 | 6.27          | -                        | -                                                                       | -                            | 6.27          | -                                 | 31.67         | -                        | -                                                                       | -                            | 31.67         |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                                            | For the year ended March 31, 2023                                                |              |                      |                                |       | For the year ended March 31, 2022                                                |              |                      |                                |       | ₹ in Crore |      |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------|----------------------|--------------------------------|-------|----------------------------------------------------------------------------------|--------------|----------------------|--------------------------------|-------|------------|------|
|                                                                         | Entities where control / significant influence by KMPs and their relatives exist |              |                      |                                |       | Entities where control / significant influence by KMPs and their relatives exist |              |                      |                                |       |            |      |
|                                                                         | Associates                                                                       | Subsidiaries | Management Personnel | Post - employment benefit plan | Total | Associates                                                                       | Subsidiaries | Management Personnel | Post - employment benefit plan | Total |            |      |
| <b>Interest income</b>                                                  | -                                                                                | 0.87         | -                    | -                              | 0.87  | -                                                                                | 0.97         | -                    | -                              | 0.97  | -          | 0.97 |
| KEC Global FZ-LLC, Ras UL Khaimah                                       | -                                                                                | 0.03         | -                    | -                              | 0.03  | -                                                                                | 0.01         | -                    | -                              | 0.01  | -          | 0.01 |
| KEC Towers LLC                                                          | -                                                                                | 0.68         | -                    | -                              | 0.68  | -                                                                                | 0.37         | -                    | -                              | 0.37  | -          | 0.37 |
| KEC Global, Mauritius                                                   | -                                                                                | -            | -                    | -                              | -     | -                                                                                | 0.07         | -                    | -                              | 0.07  | -          | 0.07 |
| KEC Spur Infrastructure Private Limited                                 | -                                                                                | 0.04         | -                    | -                              | 0.04  | -                                                                                | 0.22         | -                    | -                              | 0.22  | -          | 0.22 |
| KEC International (Malaysia) SDN. BHD.                                  | -                                                                                | 0.12         | -                    | -                              | 0.12  | -                                                                                | 0.30         | -                    | -                              | 0.30  | -          | 0.30 |
| <b>Interest Expense</b>                                                 | -                                                                                | 0.10         | -                    | -                              | 0.10  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| KEC Spur Infrastructure Private Limited                                 | -                                                                                | 0.10         | -                    | -                              | 0.10  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| <b>Rent &amp; maintenance expense</b>                                   | -                                                                                | -            | -                    | 4.59                           | 4.59  | -                                                                                | -            | -                    | 4.42                           | -     | -          | 4.42 |
| Palacino Properties LLP                                                 | -                                                                                | -            | -                    | 0.28                           | 0.28  | -                                                                                | -            | -                    | 0.28                           | -     | -          | 0.28 |
| Spencer and Company Limited                                             | -                                                                                | -            | -                    | 4.31                           | 4.31  | -                                                                                | -            | -                    | 4.14                           | -     | -          | 4.14 |
| <b>Compensation to Key Management Personnel</b>                         | -                                                                                | -            | 8.69                 | -                              | 8.69  | -                                                                                | -            | 8.17                 | -                              | -     | -          | 8.17 |
| <b>Mr.Vimal Kejrival - Managing Director &amp; CEO</b>                  | -                                                                                | -            | 8.28                 | -                              | 8.28  | -                                                                                | -            | 7.80                 | -                              | -     | -          | 7.80 |
| short-term employee benefits (including Bonus and value of perquisites) | -                                                                                | -            | 0.41                 | -                              | 0.41  | -                                                                                | -            | 0.37                 | -                              | -     | -          | 0.37 |
| post-employment benefits # \$                                           | -                                                                                | -            | 4.14                 | -                              | 4.14  | -                                                                                | -            | 3.86                 | -                              | -     | -          | 3.86 |
| <b>Mr. Rajeew Aggarwal - Chief Financial Officer</b>                    | -                                                                                | -            | 4.04                 | -                              | 4.04  | -                                                                                | -            | 3.76                 | -                              | -     | -          | 3.76 |
| short-term employee benefits (including Bonus and value of perquisites) | -                                                                                | -            | 0.11                 | -                              | 0.11  | -                                                                                | -            | 0.10                 | -                              | -     | -          | 0.10 |
| post-employment benefits # \$                                           | -                                                                                | -            | -                    | -                              | -     | -                                                                                | -            | -                    | -                              | -     | -          | -    |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                                         | For the year ended March 31, 2023                                                |              |                      |                                |       | For the year ended March 31, 2022                                                |              |                      |                                |       | ₹ in Crore |      |
|----------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------|----------------------|--------------------------------|-------|----------------------------------------------------------------------------------|--------------|----------------------|--------------------------------|-------|------------|------|
|                                                                      | Entities where control / significant influence by KMPs and their relatives exist |              |                      |                                |       | Entities where control / significant influence by KMPs and their relatives exist |              |                      |                                |       |            |      |
|                                                                      | Associates                                                                       | Subsidiaries | Management Personnel | Post - employment benefit plan | Total | Associates                                                                       | Subsidiaries | Management Personnel | Post - employment benefit plan | Total |            |      |
| <b>Sitting fees &amp; Commission paid to Non-Executive Directors</b> | -                                                                                | -            | 4.14                 | -                              | 4.14  | -                                                                                | -            | 7.80                 | -                              | -     | -          | 7.80 |
| Mr. H. V. Goenka                                                     | -                                                                                | -            | 2.41                 | -                              | 2.41  | -                                                                                | -            | 6.16                 | -                              | -     | -          | 6.16 |
| Mr. A. T. Vaswani                                                    | -                                                                                | -            | 0.23                 | -                              | 0.23  | -                                                                                | -            | 0.24                 | -                              | -     | -          | 0.24 |
| Mr. D. G. Piramal                                                    | -                                                                                | -            | 0.17                 | -                              | 0.17  | -                                                                                | -            | 0.18                 | -                              | -     | -          | 0.18 |
| Mr. G.L. Mirchandani                                                 | -                                                                                | -            | 0.17                 | -                              | 0.17  | -                                                                                | -            | 0.17                 | -                              | -     | -          | 0.17 |
| Ms. Nirupama Rao                                                     | -                                                                                | -            | 0.18                 | -                              | 0.18  | -                                                                                | -            | 0.17                 | -                              | -     | -          | 0.17 |
| Mr. R. D. Chandak                                                    | -                                                                                | -            | 0.24                 | -                              | 0.24  | -                                                                                | -            | 0.24                 | -                              | -     | -          | 0.24 |
| Mr. S. M. Trehan                                                     | -                                                                                | -            | 0.24                 | -                              | 0.24  | -                                                                                | -            | 0.24                 | -                              | -     | -          | 0.24 |
| Mr.Vinayak Chatterjee                                                | -                                                                                | -            | 0.17                 | -                              | 0.17  | -                                                                                | -            | 0.06                 | -                              | -     | -          | 0.06 |
| Mr. Vikram Gandhi                                                    | -                                                                                | -            | 0.16                 | -                              | 0.16  | -                                                                                | -            | 0.16                 | -                              | -     | -          | 0.16 |
| Mr. M. S. Unnikrishnan                                               | -                                                                                | -            | 0.17                 | -                              | 0.17  | -                                                                                | -            | 0.18                 | -                              | -     | -          | 0.18 |
| <b>Purchase of Fixed Assets</b>                                      | -                                                                                | 0.11         | -                    | 0.16                           | 0.27  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| Zensar Technologies Limited                                          | -                                                                                | -            | -                    | 0.16                           | 0.16  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| KEC Towers LLC                                                       | -                                                                                | 0.11         | -                    | -                              | 0.11  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| <b>Sale of Fixed Assets</b>                                          | -                                                                                | 2.62         | -                    | -                              | 2.62  | -                                                                                | 0.37         | -                    | -                              | 0.37  | -          | 0.37 |
| KEC EPC LLC                                                          | -                                                                                | 2.23         | -                    | -                              | 2.23  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| KEC Spur Infrastructure Private Limited                              | -                                                                                | 0.39         | -                    | -                              | 0.39  | -                                                                                | 0.37         | -                    | -                              | 0.37  | -          | 0.37 |
| <b>Payments made/expenses incurred on behalf of related party</b>    | -                                                                                | 27.91        | -                    | -                              | 27.91 | -                                                                                | 3.75         | -                    | 0.27                           | -     | -          | 4.02 |
| KEC Power India Private Limited                                      | -                                                                                | 0.01         | -                    | -                              | 0.01  | -                                                                                | 0.01         | -                    | -                              | -     | -          | 0.01 |
| KEC Towers LLC                                                       | -                                                                                | 0.34         | -                    | -                              | 0.34  | -                                                                                | 0.05         | -                    | -                              | -     | -          | 0.05 |
| KEC Spur Infrastructure Private Limited                              | -                                                                                | 21.89        | -                    | -                              | 21.89 | -                                                                                | 0.21         | -                    | -                              | -     | -          | 0.21 |
| KEC EPC LLC                                                          | -                                                                                | 5.38         | -                    | -                              | 5.38  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| SAE Towers Brazil Torres de Transmissão Ltda                         | -                                                                                | 0.29         | -                    | -                              | 0.29  | -                                                                                | -            | -                    | -                              | -     | -          | -    |
| RPG Life Sciences Limited                                            | -                                                                                | -            | -                    | -                              | -     | -                                                                                | -            | -                    | 0.01                           | -     | -          | 0.01 |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                            | For the year ended March 31, 2023 |              |                      |                                                               |                                | For the year ended March 31, 2022 |            |              |                      |                                                               |
|---------------------------------------------------------|-----------------------------------|--------------|----------------------|---------------------------------------------------------------|--------------------------------|-----------------------------------|------------|--------------|----------------------|---------------------------------------------------------------|
|                                                         | Associates                        | Subsidiaries | Management Personnel | Key / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total                             | Associates | Subsidiaries | Management Personnel | Key / significant influence by KMPs and their relatives exist |
| RPG Enterprises Limited                                 | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | -            | -                    | ★                                                             |
| Summit Securities Limited                               | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | -            | -                    | 0.01                                                          |
| Zensar Technologies Limited                             | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | -            | -                    | ★                                                             |
| SAE Towers Mexico S de RL de CV, Mexico                 | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | -            | -                    | 3.48                                                          |
| CEAT Limited                                            | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | -            | -                    | 0.24                                                          |
| Raychem RPG Private limited                             | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | -            | -                    | 0.01                                                          |
| <b>Payments made/expenses incurred by related party</b> | -                                 | <b>4.70</b>  | -                    | <b>1.16</b>                                                   | -                              | <b>5.86</b>                       | -          | <b>0.01</b>  | -                    | <b>0.23</b>                                                   |
| CEAT Limited                                            | -                                 | -            | -                    | 1.16                                                          | -                              | 1.16                              | -          | -            | -                    | 0.23                                                          |
| KEC Spur Infrastructure Private Limited                 | -                                 | 0.89         | -                    | -                                                             | -                              | 0.89                              | -          | 0.01         | -                    | -                                                             |
| KEC Towers LLC                                          | -                                 | 3.81         | -                    | -                                                             | -                              | 3.81                              | -          | -            | -                    | -                                                             |
| <b>Loan Given</b>                                       | -                                 | <b>4.00</b>  | -                    | -                                                             | -                              | <b>4.00</b>                       | -          | <b>26.91</b> | -                    | <b>26.91</b>                                                  |
| KEC International (Malaysia) SDN. BHD.                  | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | 14.91        | -                    | 14.91                                                         |
| KEC Spur Infrastructure Private Limited                 | -                                 | 4.00         | -                    | -                                                             | -                              | 4.00                              | -          | 12.00        | -                    | 12.00                                                         |
| <b>Loan Recovered</b>                                   | -                                 | <b>19.88</b> | -                    | -                                                             | -                              | <b>19.88</b>                      | -          | <b>26.28</b> | -                    | <b>26.28</b>                                                  |
| KEC Global, Mauritius                                   | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | 10.41        | -                    | 10.41                                                         |
| KEC International (Malaysia) SDN. BHD.                  | -                                 | 12.63        | -                    | -                                                             | -                              | 12.63                             | -          | 3.09         | -                    | 3.09                                                          |
| KEC Investment Holdings, Mauritius                      | -                                 | -            | -                    | -                                                             | -                              | -                                 | -          | 3.92         | -                    | 3.92                                                          |
| KEC Spur Infrastructure Private Limited                 | -                                 | 7.25         | -                    | -                                                             | -                              | 7.25                              | -          | 8.86         | -                    | 8.86                                                          |
| <b>Loan Taken</b>                                       | -                                 | <b>16.87</b> | -                    | -                                                             | -                              | <b>16.87</b>                      | -          | -            | -                    | -                                                             |
| KEC Spur Infrastructure Private Limited                 | -                                 | 16.87        | -                    | -                                                             | -                              | 16.87                             | -          | -            | -                    | -                                                             |
| <b>Loan Repaid</b>                                      | -                                 | <b>16.50</b> | -                    | -                                                             | -                              | <b>16.50</b>                      | -          | -            | -                    | -                                                             |
| KEC Spur Infrastructure Private Limited                 | -                                 | 16.50        | -                    | -                                                             | -                              | 16.50                             | -          | -            | -                    | -                                                             |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                           | For the year ended March 31, 2023 |               |                      |                                                               |                                | For the year ended March 31, 2022 |            |               |                      |                                                               |
|--------------------------------------------------------|-----------------------------------|---------------|----------------------|---------------------------------------------------------------|--------------------------------|-----------------------------------|------------|---------------|----------------------|---------------------------------------------------------------|
|                                                        | Associates                        | Subsidiaries  | Management Personnel | Key / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total                             | Associates | Subsidiaries  | Management Personnel | Key / significant influence by KMPs and their relatives exist |
| <b>Buyback of Equity Share of Subsidiary</b>           | -                                 | <b>2.78</b>   | -                    | -                                                             | -                              | <b>2.78</b>                       | -          | -             | -                    | -                                                             |
| KEC Global, Mauritius                                  | -                                 | 2.78          | -                    | -                                                             | -                              | 2.78                              | -          | -             | -                    | -                                                             |
| <b>Loans written off</b>                               | -                                 | <b>0.38</b>   | -                    | -                                                             | -                              | <b>0.38</b>                       | -          | -             | -                    | -                                                             |
| KEC Global FZ-LLC, Ras UL Khaimah                      | -                                 | 0.38          | -                    | -                                                             | -                              | 0.38                              | -          | -             | -                    | -                                                             |
| <b>Contribution made</b>                               | -                                 | -             | -                    | -                                                             | <b>13.25</b>                   | <b>13.25</b>                      | -          | -             | -                    | <b>11.01</b>                                                  |
| KEC International Limited                              | -                                 | -             | -                    | -                                                             | 2.50                           | 2.50                              | -          | -             | -                    | 1.45                                                          |
| Employee's Gratuity Fund                               | -                                 | -             | -                    | -                                                             | -                              | -                                 | -          | -             | -                    | -                                                             |
| KEC International Limited Provident Fund               | -                                 | -             | -                    | -                                                             | 9.81                           | 9.81                              | -          | -             | -                    | 8.65                                                          |
| KEC International Limited Superannuation Fund          | -                                 | -             | -                    | -                                                             | 0.94                           | 0.94                              | -          | -             | -                    | 0.91                                                          |
| <b>Investment made</b>                                 | -                                 | <b>189.40</b> | -                    | -                                                             | -                              | <b>189.40</b>                     | -          | <b>199.81</b> | -                    | <b>199.81</b>                                                 |
| KEC Towers LLC                                         | -                                 | -             | -                    | -                                                             | -                              | -                                 | -          | 10.04         | -                    | 10.04                                                         |
| KEC Investment Holdings, Mauritius                     | -                                 | 189.40        | -                    | -                                                             | -                              | 189.40                            | -          | 189.77        | -                    | 189.77                                                        |
| <b>Guarantees given on behalf of the related party</b> | -                                 | <b>933.01</b> | -                    | -                                                             | -                              | <b>933.01</b>                     | -          | <b>833.59</b> | -                    | <b>833.59</b>                                                 |
| SAE Towers Brasil Torres de Transmissão Ltda           | -                                 | 408.61        | -                    | -                                                             | -                              | 408.61                            | -          | 668.35        | -                    | 668.35                                                        |
| KEC Towers LLC                                         | -                                 | -             | -                    | -                                                             | -                              | -                                 | -          | 113.68        | -                    | 113.68                                                        |
| KEC EPC LLC                                            | -                                 | 129.41        | -                    | -                                                             | -                              | 129.41                            | -          | 51.56         | -                    | 51.56                                                         |
| KEC Spur Infrastructure Private Limited                | -                                 | 395.00        | -                    | -                                                             | -                              | 395.00                            | -          | -             | -                    | -                                                             |

★ less than rounding off norms adopted by the Company

# excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

\$ Including PF and other benefits.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| (C) Balances outstanding as at the year end  |                                                                                  |              |                      |        |                                |          |                                                                                  |              |                      |       |                                | ₹ in Crore |  |  |  |  |  |  |  |  |  |  |  |
|----------------------------------------------|----------------------------------------------------------------------------------|--------------|----------------------|--------|--------------------------------|----------|----------------------------------------------------------------------------------|--------------|----------------------|-------|--------------------------------|------------|--|--|--|--|--|--|--|--|--|--|--|
| Transactions                                 | For the year ended March 31, 2023                                                |              |                      |        |                                |          | For the year ended March 31, 2022                                                |              |                      |       |                                |            |  |  |  |  |  |  |  |  |  |  |  |
|                                              | Entities where control / significant influence by KMPs and their relatives exist |              |                      |        |                                |          | Entities where control / significant influence by KMPs and their relatives exist |              |                      |       |                                |            |  |  |  |  |  |  |  |  |  |  |  |
|                                              | Associates                                                                       | Subsidiaries | Management Personnel | Key    | Post - employment benefit plan | Total    | Associates                                                                       | Subsidiaries | Management Personnel | Key   | Post - employment benefit plan | Total      |  |  |  |  |  |  |  |  |  |  |  |
| Amount receivable/ (payable)                 | -                                                                                | (74.18)      | (3.44)               | 2.38   | -                              | (75.24)  | -                                                                                | (86.84)      | (7.10)               | 16.54 | (0.04)                         | (77.44)    |  |  |  |  |  |  |  |  |  |  |  |
| SAE Towers Mexico S de RL de CV, Mexico      | -                                                                                | 28.09        | -                    | -      | -                              | 28.09    | -                                                                                | (17.25)      | -                    | -     | -                              | (17.25)    |  |  |  |  |  |  |  |  |  |  |  |
| SAE Towers Brasil Torres de Transmissão Ltda | -                                                                                | 17.86        | -                    | -      | -                              | 17.86    | -                                                                                | 10.94        | -                    | -     | -                              | 10.94      |  |  |  |  |  |  |  |  |  |  |  |
| KEC Towers LLC                               | -                                                                                | 14.53        | -                    | -      | -                              | 14.53    | -                                                                                | (90.60)      | -                    | -     | -                              | (90.60)    |  |  |  |  |  |  |  |  |  |  |  |
| KEC International (Malaysia) SDN. BHD.       | -                                                                                | 1.45         | -                    | -      | -                              | 1.45     | -                                                                                | 12.37        | -                    | -     | -                              | 12.37      |  |  |  |  |  |  |  |  |  |  |  |
| KEC Global FZ-LLC, Ras UL Khaimah            | -                                                                                | -            | -                    | -      | -                              | -        | -                                                                                | 0.44         | -                    | -     | -                              | 0.44       |  |  |  |  |  |  |  |  |  |  |  |
| RPG Transmission Nigeria Limited             | -                                                                                | (0.17)       | -                    | -      | -                              | (0.17)   | -                                                                                | (0.17)       | -                    | -     | -                              | (0.17)     |  |  |  |  |  |  |  |  |  |  |  |
| KEC Spur Infrastructure Private Limited      | -                                                                                | (119.74)     | -                    | -      | -                              | (119.74) | -                                                                                | (2.56)       | -                    | -     | -                              | (2.56)     |  |  |  |  |  |  |  |  |  |  |  |
| KEC EPC LLC                                  | -                                                                                | (16.20)      | -                    | -      | -                              | (16.20)  | -                                                                                | ★            | -                    | -     | -                              | ★          |  |  |  |  |  |  |  |  |  |  |  |
| RPG Life Sciences Limited                    | -                                                                                | -            | -                    | 0.37   | -                              | 0.37     | -                                                                                | -            | -                    | -     | -                              | -          |  |  |  |  |  |  |  |  |  |  |  |
| Raychem RPG Private limited                  | -                                                                                | -            | -                    | (0.53) | -                              | (0.53)   | -                                                                                | -            | -                    | -     | (0.73)                         | -          |  |  |  |  |  |  |  |  |  |  |  |
| Palacino Properties LLP                      | -                                                                                | -            | -                    | 0.09   | -                              | 0.09     | -                                                                                | -            | -                    | -     | 0.09                           | -          |  |  |  |  |  |  |  |  |  |  |  |
| B N Elias & Co. LLP                          | -                                                                                | -            | -                    | 0.01   | -                              | 0.01     | -                                                                                | -            | -                    | -     | 0.01                           | -          |  |  |  |  |  |  |  |  |  |  |  |
| CEAT Limited                                 | -                                                                                | -            | -                    | 0.10   | -                              | 0.10     | -                                                                                | -            | -                    | -     | 4.73                           | -          |  |  |  |  |  |  |  |  |  |  |  |
| Spencer and Company Limited                  | -                                                                                | -            | -                    | 2.70   | -                              | 2.70     | -                                                                                | -            | -                    | -     | 2.70                           | -          |  |  |  |  |  |  |  |  |  |  |  |
| Harrisons Malayalam Limited                  | -                                                                                | -            | -                    | -      | -                              | -        | -                                                                                | -            | -                    | -     | 9.85                           | -          |  |  |  |  |  |  |  |  |  |  |  |
| RPG Enterprises Limited                      | -                                                                                | -            | -                    | (0.36) | -                              | (0.36)   | -                                                                                | -            | -                    | -     | (0.10)                         | -          |  |  |  |  |  |  |  |  |  |  |  |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                            | For the year ended March 31, 2023 |              |                      |     |                                                                         |                                |          | For the year ended March 31, 2022 |              |                      |        |                                                                         |                                |        | ₹ in Crore |
|---------------------------------------------------------|-----------------------------------|--------------|----------------------|-----|-------------------------------------------------------------------------|--------------------------------|----------|-----------------------------------|--------------|----------------------|--------|-------------------------------------------------------------------------|--------------------------------|--------|------------|
|                                                         | Entities                          |              |                      |     |                                                                         |                                |          | Entities                          |              |                      |        |                                                                         |                                |        |            |
|                                                         | Associates                        | Subsidiaries | Management Personnel | Key | where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total    | Associates                        | Subsidiaries | Management Personnel | Key    | where control / significant influence by KMPs and their relatives exist | Post - employment benefit plan | Total  |            |
| KEC International Ltd. Employees' Group Gratuity Scheme | -                                 | -            | -                    | -   | -                                                                       | -                              | -        | -                                 | -            | -                    | -      | -                                                                       | -                              | (0.04) | (0.04)     |
| Mr. H. V. Goenka                                        | -                                 | -            | (2.36)               | -   | -                                                                       | -                              | (2.36)   | -                                 | -            | -                    | (6.10) | -                                                                       | -                              | -      | (6.10)     |
| Mr. A. T. Vaswani                                       | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Mr. D. G. Piramal                                       | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Mr. G.L. Mirchandani                                    | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Ms. Nirupama Rao                                        | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Mr. R. D. Chandak                                       | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Mr. S. M. Trehan                                        | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Mr. Vinayak Chatterjee                                  | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.04) | -                                                                       | -                              | -      | (0.04)     |
| Mr. Vikram Gandhi                                       | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Mr. M. S. Unnikrishnan                                  | -                                 | -            | (0.12)               | -   | -                                                                       | -                              | (0.12)   | -                                 | -            | -                    | (0.12) | -                                                                       | -                              | -      | (0.12)     |
| Investment (including investment in preference shares)  | ★                                 | 1,076.07     | -                    | -   | -                                                                       | -                              | 1,076.07 | ★                                 | 964.45       | -                    | -      | -                                                                       | -                              | -      | 964.45     |
| RPG Transmission Nigeria Limited                        | -                                 | 0.18         | -                    | -   | -                                                                       | -                              | 0.18     | -                                 | 0.18         | -                    | -      | -                                                                       | -                              | -      | 0.18       |
| KEC Global FZ-LLC, Ras Ul Khaimah                       | -                                 | -            | -                    | -   | -                                                                       | -                              | -        | -                                 | ★            | -                    | -      | -                                                                       | -                              | -      | ★          |
| KEC Investment Holdings, Mauritius                      | -                                 | 883.70       | -                    | -   | -                                                                       | -                              | 883.70   | -                                 | 769.75       | -                    | -      | -                                                                       | -                              | -      | 769.75     |
| KEC Global, Mauritius                                   | -                                 | 0.00         | -                    | -   | -                                                                       | -                              | 0.00     | -                                 | 2.33         | -                    | -      | -                                                                       | -                              | -      | 2.33       |
| KEC Power India Private Limited                         | -                                 | 0.37         | -                    | -   | -                                                                       | -                              | 0.37     | -                                 | 0.37         | -                    | -      | -                                                                       | -                              | -      | 0.37       |
| KEC Towers LLC                                          | -                                 | 130.31       | -                    | -   | -                                                                       | -                              | 130.31   | -                                 | 130.31       | -                    | -      | -                                                                       | -                              | -      | 130.31     |
| KEC International (Malaysia) SDN. BHD.                  | -                                 | 4.58         | -                    | -   | -                                                                       | -                              | 4.58     | -                                 | 4.58         | -                    | -      | -                                                                       | -                              | -      | 4.58       |
| KEC Spur Infrastructure Private Limited                 | -                                 | 56.93        | -                    | -   | -                                                                       | -                              | 56.93    | -                                 | 56.93        | -                    | -      | -                                                                       | -                              | -      | 56.93      |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

| Transactions                                               | For the year ended March 31, 2023 |              |                      |     |                                                                                  | For the year ended March 31, 2022 |              |                      |     |                                                                                  |
|------------------------------------------------------------|-----------------------------------|--------------|----------------------|-----|----------------------------------------------------------------------------------|-----------------------------------|--------------|----------------------|-----|----------------------------------------------------------------------------------|
|                                                            | Associates                        | Subsidiaries | Management Personnel | Key | Entities where control / significant influence by KMPs and their relatives exist | Associates                        | Subsidiaries | Management Personnel | Key | Entities where control / significant influence by KMPs and their relatives exist |
| RP Goenka Group of Companies Employees Welfare Association | ★                                 | -            | -                    | -   | -                                                                                | ★                                 | -            | -                    | -   | -                                                                                |
| Guarantees given on behalf of the related party:           | -                                 | 2,731.44     | -                    | -   | -                                                                                | -                                 | 1,966.55     | -                    | -   | -                                                                                |
| KEC EPC LLC                                                | -                                 | 185.35       | -                    | -   | -                                                                                | -                                 | 51.56        | -                    | -   | -                                                                                |
| SAE Towers Mexico S de RL de CV                            | -                                 | -            | -                    | -   | -                                                                                | -                                 | 81.09        | -                    | -   | -                                                                                |
| KEC Spur Infrastructure Private Limited                    | -                                 | 395.00       | -                    | -   | -                                                                                | -                                 | -            | -                    | -   | -                                                                                |
| SAE Towers Brasil Torres de Transmissão Ltda.              | -                                 | 1,041.07     | -                    | -   | -                                                                                | -                                 | 702.22       | -                    | -   | -                                                                                |
| KEC Towers LLC                                             | -                                 | 265.72       | -                    | -   | -                                                                                | -                                 | 296.56       | -                    | -   | -                                                                                |
| KEC International (Malaysia) SDN. BHD.                     | -                                 | 844.30       | -                    | -   | -                                                                                | -                                 | 835.12       | -                    | -   | -                                                                                |

★ less than rounding off norms adopted by the Company

Note: The sales / provision to and purchase / provision of services from related parties are made on terms equivalent to those that prevail in arm's length transactions.

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 57 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

#### (i) Contingent Liabilities #

Claims against the Company not acknowledged as debt:

| ₹ in crore |                                                                                                       |                                                           |                      |                      |
|------------|-------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------|----------------------|
| Sr. No.    | Particulars                                                                                           | Relating to various years comprise in the period          | As at March 31, 2023 | As at March 31, 2022 |
| 1          | Sales Tax /Value Added Tax* (Tax/Penalty/Interest)                                                    | 1994-2021                                                 | 30.40                | -                    |
|            |                                                                                                       | 1994-2018                                                 | -                    | 32.18                |
| 2          | Excise Duty * (Tax/Penalty/Interest)                                                                  | 2008-2018                                                 | 11.86                | -                    |
|            |                                                                                                       | 2003-2018                                                 | -                    | 16.55                |
| 3          | Service Tax * (Tax/Penalty/ Interest)                                                                 | 2008-2016                                                 | 4.05                 | -                    |
|            |                                                                                                       | 2008-2016                                                 | -                    | 4.05                 |
| 4          | Entry Tax* (Tax/Penalty/Interest)                                                                     | 2010-2012                                                 | 0.31                 | -                    |
|            |                                                                                                       | 2009-2012                                                 | -                    | 0.50                 |
| 5          | Goods & Services Tax (Tax/Penalty/Interest)                                                           | 2018-2021                                                 | 0.12                 | -                    |
|            |                                                                                                       | 2018-2021                                                 | -                    | 0.14                 |
| 6          | (i) Income Tax matters mainly on account of Tax levied on guarantees given for Associated Enterprises | A.Y 2015-16<br>A.Y 2016-17<br>A.Y 2017-18<br>A.Y. 2018-19 | 42.05                | -                    |
|            |                                                                                                       | A.Y 2014-15<br>A.Y 2015-16<br>A.Y 2016-17<br>A.Y 2017-18  | -                    | 51.00                |
|            | (ii) Income Tax matters at overseas unit/s**                                                          | 2002-2021                                                 | 17.64                | -                    |
|            |                                                                                                       | 2002-2019                                                 | -                    | 11.94                |
|            | (iii) Income Tax matters of a jointly controlled operations (Company's share)                         | 2013-2017                                                 | 4.39                 | -                    |
|            |                                                                                                       | 2013-2017                                                 | -                    | 4.39                 |
| 7          | Customs Duty^                                                                                         | 1995-1996                                                 | 0.60                 | -                    |
|            |                                                                                                       | 1995-1996                                                 | -                    | 0.60                 |
| 8          | Civil Suits^^                                                                                         |                                                           | 9.78                 | -                    |
|            |                                                                                                       |                                                           | -                    | 9.46                 |

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

\*These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax / Value added tax, also relate to the issue of submission of relevant forms and the Company's claim of exemption for MVAT on export sales and services.

\*\* These claims mainly relate to the issues of tax applicability on certain income/adjustments at overseas locations.

^ These claims mainly relate to the issues of clearance of goods from customs within time limit.

^^ These suits includes Civil suits as well as Industrial relations & labour laws cases.

# Excluding financial guarantees referred to in Note 54B.3

#### (ii) Commitments

| ₹ in crore |                                                                                                                          |                      |
|------------|--------------------------------------------------------------------------------------------------------------------------|----------------------|
| Sr. No.    | Particulars                                                                                                              | As at March 31, 2023 |
| 1          | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances) | 46.93                |
| 2          | Derivative related commitments                                                                                           | Refer notes 54C      |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 58 – DISCLOSURE PURSUANT TO IND AS 1 – “PRESENTATION OF FINANCIAL STATEMENTS”

The details of amounts which are expected by the Company to be recovered or settled after twelve months in respect of assets and liabilities relating to long-term contracts which are classified as current are as under:

| ₹ in crore           |                         |                         |
|----------------------|-------------------------|-------------------------|
| Particulars          | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| Trade Receivables    | 696.77                  | 1,160.82                |
| Contract Assets      | 265.01                  | 391.11                  |
| Contract Liabilities | 383.63                  | 353.38                  |
| Trade Payable        | 218.81                  | 238.56                  |

**NOTE 59** - The Company is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to infrastructure interalia products, projects and systems and related activities for power transmission, distribution, railway, civil, cable and other EPC businesses. Information reported to and evaluated regularly by the Chief Operational Decision Maker (CODM) i.e. Managing Director for the purpose of resource allocation and assessing performance focuses on the Company as a whole. The CODM reviews the Company's performance on the analysis of profit before tax at an overall entity level. Accordingly, there is no other separate reportable segment as defined by Ind AS 108. “Segment Reporting”. As the Company also prepares the consolidated financial statements (CFS), other relevant segment information is disclosed in the CFS.

### NOTE 60 - EXPENDITURE TOWARDS CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

|         |                                                                  |                         | ₹ in crore              |
|---------|------------------------------------------------------------------|-------------------------|-------------------------|
| Sr. No. | Particulars                                                      | As at<br>March 31, 2023 | As at<br>March 31, 2022 |
| (a)     | Gross amount required to be spent by the Company during the year | 13.71                   | 13.73                   |
| (b)     | Amount approved by Board to be spent during the year             | 13.71                   | 13.73                   |
| (c)     | Amount spent during the year (in cash) on:                       |                         |                         |
| (i)     | Construction/acquisition of any asset                            | -                       | -                       |
| (ii)    | on purposes other than (i) above*                                | 9.37                    | 10.59                   |

\*Includes ₹ 9.29 crore (Previous year ₹ 10.03 crore) towards contribution to RPG Foundation (Implementing Agency - CSR00000030) and ₹ Nil (Previous year ₹ 0.56 crore) towards direct CSR spent by the Company and ₹ 0.08 crore (Previous year ₹ Nil) towards impact assessment.

#### A. Details of ongoing CSR Projects under Section 135(6) of the Act

| ₹ in crore                   |                                 |                                             |                                 |                                   |                              |
|------------------------------|---------------------------------|---------------------------------------------|---------------------------------|-----------------------------------|------------------------------|
| Balance as at April 01, 2022 |                                 | Amount required to be spent during the year | Amount spent during the year    |                                   | Balance as at March 31, 2023 |
| With the Company             | In separate CSR Unspent Account |                                             | From the Company's bank account | From Separate CSR Unspent Account |                              |
| 3.13                         | -                               | 13.71                                       | 9.37                            | 3.13                              | 4.34*                        |

| ₹ in crore                   |                                 |                                             |                                 |                                   |                              |
|------------------------------|---------------------------------|---------------------------------------------|---------------------------------|-----------------------------------|------------------------------|
| Balance as at April 01, 2021 |                                 | Amount required to be spent during the year | Amount spent during the year    |                                   | Balance as at March 31, 2022 |
| With the Company             | In separate CSR Unspent Account |                                             | From the Company's bank account | From Separate CSR Unspent Account |                              |
| 4.27                         | -                               | 12.69                                       | 9.56                            | 4.28**                            | 3.13*                        |

\* ₹ 4.34 crore as at March 31, 2023 (Previous year ₹ 3.13 crore) were transferred to separate “CSR Unspent Account” before their respective due dates pursuant to the provisions of the Companies Act, 2013.

\*\* Includes interest of ₹ 0.01 crore earned on unspent CSR amount

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### B. Details of CSR expenditure under Section 135(5) of the Act in respect of other than ongoing projects

| ₹ in crore                           |                                                                               |                                             |                              |                                      |
|--------------------------------------|-------------------------------------------------------------------------------|---------------------------------------------|------------------------------|--------------------------------------|
| Balance unspent as at April 01, 2022 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2023 |
| -                                    | -                                                                             | -                                           | -                            | -                                    |
| Balance unspent as at April 01, 2021 | Amount deposited in Specified Fund of Schedule VII of the Act within 6 months | Amount required to be spent during the year | Amount spent during the year | Balance unspent as at March 31, 2022 |
| -                                    | -                                                                             | 1.03                                        | 1.03                         | -                                    |

**NOTE 61** - Figures in respect of the Company's overseas branches in Abu Dhabi, Afghanistan, Algeria, Bangladesh, Bhutan, Burkina Faso, Burundi, Cameroon, Egypt, Ethiopia, Georgia, Ghana, Guinea, Ivory Coast, Jordan, Kenya, Kuwait, Lebanon, Libya, Malaysia, Mali, Moldova, Morocco, Mozambique, Nepal, Nicaragua, Nigeria, Oman, Papua New Guinea, Philippines, Senegal, Sierra Leone, South Africa, Sri Lanka, Tanzania, Thailand, Togo, Tunisia, Uganda, and Zambia have been incorporated on the basis of financial statements (the Branch Returns) audited by the auditors of the respective branches.

**NOTE 62** – During previous year ended March 31, 2022, the Company had recorded a charge of ₹ 43.64 crore net of provision towards write-off of its receivables, consequent to the order of the Supreme Court of South Africa, dated October 6, 2021, in a case with a customer in South Africa.

**NOTE 63** - The Company has issued unsecured Commercial Papers from time to time. These Commercial Papers are having a Credit Rating of CRISIL A1+ and IND A1+ and are Listed on BSE Limited. During the year ended March 31, 2023, the Company has repaid interest and principal of all Commercial Papers on their respective due dates. Refer note 30.2.

#### NOTE 64 -

(a) The Company is executing a few projects in Afghanistan, which are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. The Company does not expect any material financial impact due to this event as the projects are funded by international funding agencies (Asian Development Bank, USAID and World Bank). As at March 31, 2023, the Company has a net exposure of ₹ 252 crore (translated at period end exchange rate) including Afghanistan branch exposure of ₹ 79.20 crore, after netting off advances, liabilities (including contract liabilities) and proposed settlement with a funding agency. The Company is in regular discussions with its customer and the funding agencies to release payments against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the projects in view of the ongoing force majeure are not being renewed beyond their existing validity date(s) except bank guarantees in respect of one project which has been renewed pursuant to the direction of the Hon'ble Bombay High Court. In respect of all projects under execution, the Hon'ble Bombay High Court has injuncted the banks and the customer from invoking, making or receiving payment under the bank guarantees.

(b) The following note has been included in the financial statement of Afghanistan branch, which is reproduced as under:

“The KEC International Ltd- Afghanistan Branch (the “Company”) is executing few projects in Afghanistan. These projects are currently on hold due to force majeure event. The Company is closely monitoring the situation and expects to resume work once the geopolitical environment in Afghanistan is resolved. These Projects are funded by international funding agencies such as Asian Development Bank, USAID, and World Bank. Therefore, the Company does not expect any material financial impact.

The Company has a net exposure of USD 90,87,881 (equivalent to INR.79.20 crores) after netting off advances, liabilities (including contract liabilities) and insurance cover as at Mar 31,2023. The Company is in regular discussion with the funding agencies and the customers for releasing payment against the outstanding receivables, which has been responded positively by them. Further, the bank guarantees issued for the aforesaid ongoing projects are currently not enforceable due to force majeure event.”

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

### NOTE 65 - RATIOS

| Sr. No. | Particulars*                                  | Year ended<br>March 31, 2023 | Year ended<br>March 31, 2022 | %<br>Variance | Reason for variance                                    |
|---------|-----------------------------------------------|------------------------------|------------------------------|---------------|--------------------------------------------------------|
| a)      | Current Ratio                                 | 1.11                         | 1.14                         | 3%            |                                                        |
| b)      | Debt Equity Ratio                             | 0.69                         | 0.63                         | 10%           |                                                        |
| c)      | Debt Service Coverage Ratio                   | 1.68                         | 2.91                         | 42%           | Higher debt repayment in year ended March 31, 2023.    |
| d)      | Return on equity ratio (%)                    | 4.61                         | 11.78                        | 61%           | Decrease in profit during the year 2022-23             |
| e)      | Inventory Turnover Ratio (No. of Days)        | 32                           | 39                           | 18%           |                                                        |
| f)      | Trade Receivable Turnover Ratio (No. of Days) | 143                          | 153                          | 7%            |                                                        |
| g)      | Trade Payable Turnover Ratio (No. of Days)    | 208                          | 229                          | 9%            |                                                        |
| h)      | Net Capital Turnover Ratio                    | 10.48                        | 8.27                         | 27%           | Increase due to higher revenue during the year 2022-23 |
| i)      | Net Profit Margin (%)                         | 1.17                         | 3.46                         | 66%           | Decrease in profit during the year 2022-23.            |
| j)      | Return on Capital Employed (%)                | 11.4                         | 16.27                        | 30%           | Decrease in profit during the year 2022-23             |
| k)      | Return on Investment                          | 4.68                         | 7.16                         | 35%           | Decrease in profit during the year 2022-23             |

\* For Numerator & Denominator, please refer below table:

| Sr. No. | Particulars                                   | Numerator                                                                                     | Denominator                                                                                                                                            |
|---------|-----------------------------------------------|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)      | Current Ratio                                 | Current Assets                                                                                | Current Liabilities                                                                                                                                    |
| b)      | Debt Equity Ratio                             | Non-current borrowings + Current borrowings + Interest accrued but not due on borrowings      | Total Equity                                                                                                                                           |
| c)      | Debt Service Coverage Ratio                   | Profit after taxes + Depreciation and amortizations + Interest + Loss on sale of Fixed assets | Finance Cost + Repayment of Debt & Lease liability                                                                                                     |
| d)      | Return on equity ratio (%)                    | Profit for the period                                                                         | Average Shareholder's Equity                                                                                                                           |
| e)      | Inventory Turnover Ratio (No. of Days)        | Average Inventory                                                                             | Cost of material consumed + Changes in inventories of finished goods, work-in-progress + Erection and construction material consumed + Stores consumed |
| f)      | Trade Receivable Turnover Ratio (No. of Days) | Average Trade Receivable                                                                      | Total Revenue from Operations                                                                                                                          |
| g)      | Trade Payable Turnover Ratio (No. of Days)    | Average Trade Payables                                                                        | Cost of material consumed + Changes in inventories of finished goods, work-in-progress + Erection and sub-contracting expenses                         |
| h)      | Net Capital Turnover Ratio                    | Total Revenue from Operations                                                                 | Working Capital                                                                                                                                        |
| i)      | Net Profit Margin (%)                         | Profit for the period                                                                         | Total Revenue from Operations                                                                                                                          |
| j)      | Return on Capital Employed (%)                | Earning before interest and taxes                                                             | Tangible Net Worth (Net worth-Intangible Asset) + Total Debt + Deferred Tax Liability                                                                  |
| k)      | Return on Investment                          | Earning before interest and taxes                                                             | Average Total Assets                                                                                                                                   |

## Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

**NOTE 66** – The Auditors of Branches located in Sri Lanka, South Africa and a jointly controlled operation at South Africa have given an Emphasis of matter paragraph, in relation to going concern assumption used for preparation of financial statements. Basis Company's assessment, the Company can adequately source the funding required at the mentioned branches and the Jointly Controlled Operation.

**NOTE 67** – During the previous year ended March 31, 2022, the Company had received ₹ 0.50 crore towards government grant from Government of Rajasthan for setting up an Oxygen plant under Special package for Medical oxygen. The Company has amortised the grant based on useful life of the plant and recognised income for current year of ₹ 0.02 crore under other income (Refer note 39). The balance amount of grant is shown as "Deferred Grant" in non-current liability ₹ 0.45 crores (Refer note 29) and other current liability of ₹ 0.02 crore (Refer note 35). The Company doesn't have any unfulfilled conditions and other contingencies attached to the same.

### NOTE 68 - DETAILS OF BENAMI PROPERTY HELD:

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

### NOTE 69 - WILFUL DEFAULTER:

The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

### NOTE 70 - RELATIONSHIP WITH STRUCK OFF COMPANIES:

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the current and previous financial year. Balance outstanding with struck off companies given below:

| ₹ in crore |                                                         |                                                   |                                          |                                          |                                          |
|------------|---------------------------------------------------------|---------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|
| Sr. No.    | Name of the struck off company                          | Nature of transaction with the struck off company | Relationship with the struck off company | Balance outstanding as at March 31, 2023 | Balance outstanding as at March 31, 2022 |
| 1          | King'Sbourn Globel Export India Private Limited         | Trade payables                                    | NA                                       | 0.03                                     | 0.06                                     |
| 2          | Anamika Infratech Private Limited                       | Trade payables                                    | NA                                       | 0.03                                     | -                                        |
| 3          | Om Sairam Engicon Private Limited                       | Trade payables                                    | NA                                       | 0.01                                     | 0.01                                     |
| 4          | Koushalya Power Construction Private Limited            | Trade payables                                    | NA                                       | 0.01                                     | 0.02                                     |
| 5          | Srs Software Solutions Private Limited                  | Trade payables                                    | NA                                       | 0.00                                     | 0.00                                     |
| 6          | Popular Stock And Share Services Private Limited        | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 7          | Ushdev Securities Limited                               | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 8          | Gnk Investments Private Limited                         | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 9          | Badri Sarraf Finance And Mutual Benefit Company Limited | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 10         | Pegasus Mercantile Private Limited                      | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 11         | Highlands Garments Private Limited                      | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 12         | Aggarwal Securities Private Limited                     | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |
| 13         | Lakhan Pal Brothers Private Limited                     | Shares held by struck off company                 | NA                                       | 0.00                                     | 0.00                                     |

# Notes

forming part of the Financial Statements as at and for the year ended March 31, 2023

## NOTE 71 – DETAILS OF CRYPTO CURRENCY OR VIRTUAL CURRENCY:

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

## NOTE 72 - COMPLIANCE WITH NUMBER OF LAYERS OF COMPANIES:

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

## NOTE 73 - UNDISCLOSED INCOME:

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

## NOTE 74 - VALUATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSET:

The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.

## NOTE 75 - REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES:

There are certain charges which are historic in nature, and it involves practical challenges in obtaining no-objection certificates (NOCs) and/or getting requisite formalities completed towards charge satisfaction from the charge holders of such charges, despite repayment of the underlying loans. The Company is in the continuous process of getting the charge satisfaction e-form filed and processed with MCA, within the timelines, as and when it receives NOCs/confirmation from the respective charge holders.

## NOTE 76 - UTILISATION OF BORROWINGS AVAILED FROM BANKS AND FINANCIAL INSTITUTIONS:

The borrowings obtained by the Company from banks and financial institutions have been applied for the purposes for which such loans were taken.

**NOTE 77** – The Company has approved its financial statements in its board meeting dated May 03, 2023.

Signatures to Notes 1 to 77 which form an integral part of financial statements.

In terms of our report of even date

**For Price Waterhouse Chartered Accountants LLP**  
Firm Registration Number: 012754N/N500016

**SARAH GEORGE**

Partner  
Membership Number: 045255

Place: Mumbai  
Date: May 03, 2023

**For and on behalf of the Board of Directors**

**H.V. GOENKA**  
Chairman  
DIN: 00026726

**RAJEEV AGGARWAL**  
Chief Financial Officer

**VIMAL KEJRIWAL**  
Managing Director & CEO  
DIN: 00026981

**AMIT KUMAR GUPTA**  
Company Secretary

**A.T. VASWANI**  
Audit Committee Chairman and Director  
DIN: 00057953

Place: Mumbai  
Date: May 03, 2023

 **hello happiness**

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**KEC International Limited**

RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030, India  
Tel: +91-22-6667 0200, [www.kecrpg.com](http://www.kecrpg.com)

An  **RPG** Company

An  RPG Company

## KEC INTERNATIONAL LIMITED

CIN: L45200MH2005PLC152061

Registered Office: RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030

Website: [www.kecrpg.com](http://www.kecrpg.com), Email: [investorpoint@kecrpg.com](mailto:investorpoint@kecrpg.com)

Tel No.: 022-66670200, Fax No.: 022-66670287

### Notice

Notice is hereby given that the Eighteenth Annual General Meeting ("AGM") of KEC International Limited will be held on Tuesday, August 08, 2023 at 3:00 p.m. (IST) through Video Conferencing ("VC")/Other Audio-Visual means ("OAVM"), to transact the following businesses:

#### ORDINARY BUSINESS:

##### 1. To receive, consider and adopt:

- the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and the Auditors thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

- To declare a Dividend on Equity Shares at the rate of ₹ 3/- (Rupees Three Only) per Equity Share for the financial year ended March 31, 2023.
- To appoint a Director in place of Mr. Vimal Kejriwal (DIN: 00026981), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### 4. Ratification of Remuneration to Cost Auditor

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED** that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹ 700,000/- (Rupees Seven Lakh Only) plus taxes as applicable and re-imbursment of out of pocket expenses incurred in connection with the audit, payable to M/s. Kirit Mehta & Co., Cost Accountants (Firm Registration No. 000353), who have been appointed by the Board of Directors as the Cost Auditors to conduct audit of

cost records of the Company for the financial year ending March 31, 2024, be and is hereby ratified.

**RESOLVED FURTHER** that the Board of Directors of the Company (including any Committee thereof) or the Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

##### 5. Approval for Material Related Party Transactions with Al Sharif Group & KEC Limited Company, a Subsidiary of the Company

To consider, and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED** that pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the applicable provisions of the Companies Act, 2013 read with the Rules made thereunder and other applicable laws, if any (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Company's Policy on Related Party Transactions and based on the recommendation/approval of the Audit Committee and the Board of Directors of the Company, consent of the Members of the Company be and is hereby accorded for entering into and/or carrying out transaction(s) and/or continuing with/modification(s) of existing transaction(s)/contract(s)/arrangement(s)/agreement(s) as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise) with Al Sharif Group & KEC Limited Company, subsidiary of the Company and Related Party under Section 2(76) of the Companies Act, 2013 and Regulation 2(1)(zb) of the Listing Regulations, as per the details set out in the explanatory statement to this resolution, during the financial year 2023-24, for an amount not exceeding ₹ 2,000 Crore (Rupees Two Thousand Crore), notwithstanding the fact that the aggregate value of all these transaction(s), whether undertaken directly by the Company and/or its subsidiary(ies), may exceed the prescribed thresholds as

per provisions of the Listing Regulations as applicable from time to time, provided however, that these transaction(s)/contract(s)/arrangement(s)/agreement(s) shall be carried out at an arm's length basis and in the ordinary course of business.

**RESOLVED FURTHER** that the Board of Directors of the Company (including any Committee thereof), be and is hereby authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such contracts/arrangements/transactions, to delegate all or any of its powers conferred under this resolution to any Director or Key Managerial Personnel or any officer(s) of the Company and to do all such acts, deeds, matters and things as they may deem fit in their absolute discretion to give effect to this resolution, for and on behalf of the Company."

#### 6. Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

"**RESOLVED** that pursuant to the provisions of Sections 196, 197, 198 and 203 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification or re-enactment thereof for the time being in force) and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and Articles of Association of the Company and subject to such other regulatory approvals, permissions and sanctions, as may be required, approval of the Members be and is hereby accorded for the re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director of the Company, to be designated as "Managing Director & Chief Executive Officer (MD & CEO)" with effect from April 01, 2024 for a period of one year, liable to retire by rotation, on the terms and conditions including payment of remuneration as recommended by Nomination and Remuneration Committee and approved by Board of Directors and set out below, with further liberty to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include the Nomination and Remuneration Committee), to alter and vary the said terms and conditions including remuneration from time to time as it may deem fit and as may be acceptable to Mr. Vimal Kejriwal, subject to the same not exceeding the limits specified under Section 197 read with Schedule V of the Act or any statutory modification(s) or re-enactment(s) thereof:

#### A. Salary and Allowances:

- i. Basic Salary of ₹ 1,68,87,833/- (Rupees One Crore Sixty Eight Lakh Eighty Seven Thousand Eight Hundred and Thirty Three Only) per annum, and
- ii. Other Allowances ₹ 5,62,25,023/- (Rupees Five Crore Sixty Two Lakh Twenty Five Thousand and Twenty Three Only) per annum

(with such increments as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.)

#### B. Perquisites:

- i. Contribution towards Provident Fund, Superannuation Fund or Annuity Fund and Gratuity as per the rules of the Company.
- ii. Company Car & driver and Mobile Phone for official duties as per the rules of the Company.
- iii. Leave encashment as per the rules of the Company.

In terms of Schedule V of the Act, the Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961, payment of Gratuity at a rate not exceeding half a month's salary for each completed year of service, provision of Company Car & driver and Mobile Phone for official duties and encashment of leave at the end of his tenure shall not be included in the computation of the ceiling on remuneration.

- C. Performance bonus/incentive not exceeding ₹ 6,00,00,000/- (Rupees Six Crore Only), payable annually for each financial year, based on the performance of Company/individual across multiple parameters such as revenue, order book, profitability etc., as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time.

The aggregate of salary, allowances, perquisites and performance bonus/incentive as specified above shall be subject to overall ceiling stipulated under Section 197 of the Act and including any statutory modification(s) or re-enactment(s) thereof.

**RESOLVED FURTHER** that notwithstanding anything contained herein, where in during the tenure of the MD & CEO, the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite regulatory approvals, if required, pay to the MD & CEO the above remuneration as the minimum

remuneration by way of salary, allowances, perquisites, performance bonus and benefits as specified herein above and as last recommended by the Nomination and Remuneration Committee and approved by the Board of Directors from time to time for a period of one year and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment as per policy of Company shall not be included in the computation of the ceiling on remuneration specified in Schedule V of the Act.

**RESOLVED FURTHER** that the Board be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the Members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER** that any of the Directors, Mr. Rajeev Aggarwal, Chief Financial Officer and Mr. Amit Kumar Gupta, Company Secretary, be and are hereby severally authorised to execute all such writings and instruments including the agreement with respect to the re-appointment of Mr. Vimal Kejriwal as the MD & CEO of the Company and to take all the necessary steps, make necessary applications and to do all such acts, deeds, matters and things as may be necessary, including filing of necessary e-form(s) with the Ministry of Corporate Affairs, in connection with the aforesaid resolution and if required, the Common Seal of the Company be affixed on any document(s) in presence of any one of the aforesaid persons."

#### 7. Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED** that in accordance with the provisions of Regulation 17(6)(ca) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the approval of the Members be and is hereby accorded for payment of commission of ₹ 2,36,37,248 (Rupees Two Crore Thirty-Six Lakh Thirty-Seven Thousand Two Hundred and Forty-Eight Only) to Mr. Harsh V. Goenka, Non-Executive Chairman, being an amount exceeding fifty percent of the total annual remuneration payable to all the Non-Executive Directors of the Company, within the overall limit of five percent of the net profits of the Company for the financial year 2022-23, as approved by the Members in the Annual General Meeting held on July 23, 2019.

**RESOLVED FURTHER** that the Board of Directors of the Company (including Nomination and Remuneration Committee thereof) or the Company Secretary of the Company, be and are hereby severally authorised to

do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

#### 8. Enhancement of borrowing limits of the Company

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED** that in supersession of the Special Resolution passed by the Members of the Company at the Annual General Meeting held on July 29, 2016 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactment thereof for the time being in force) and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to borrow any sum or sums of money (including fund based and non-fund based working capital facilities) from time to time at its discretion, for the purpose of the business of the Company, from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may, at any time, exceed the aggregate of the paid-up share capital of the Company, its free reserves (that is to say reserves not set apart for any specific purpose) and securities premium, subject to such aggregate borrowings not exceeding the amount of ₹ 25,000 Crore (Rupees Twenty Five Thousand Crore Only) and that the Board be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may, in its absolute discretion, think fit.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds, things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

#### 9. Authority for creation of mortgage and/or charge on properties of the Company

To consider, and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED** that in supersession of the Special Resolution (without prejudice to the actions already taken by virtue thereof) passed by the Members of the Company at

the Annual General Meeting held on July 29, 2016 and pursuant to the provisions of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board), to mortgage/charge/hypothecate/pledge/create security in any form or manner on all or any of the movable and/or immovable properties of the Company, both present and future or the whole or substantially the whole of the undertaking(s) of the Company for securing any loan(s) or facility(ies) including Rupee loans, foreign currency loans, debentures, bonds or other instruments or fund based and non-fund based working capital facilities availed or as may be availed by the Company, within the overall borrowings limits fixed by the Members from time to time, from any Financial Institution(s) or Bank(s) or Person(s) or entities, together with interest, costs, charges, expenses and any other monies payable thereon.

**RESOLVED FURTHER** that for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper, or desirable and to settle any question, difficulty, doubt that may arise in respect of creating any mortgage and/or charge etc., as stated above and further to do all such acts, deeds, things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

**By Order of the Board of Directors**

Date: May 03, 2023  
Place: Mumbai

**Amit Kumar Gupta**  
Company Secretary  
(M. No. ACS-15754)

**Registered Office:**

CIN: L45200MH2005PLC152061  
RPG House  
463, Dr. Annie Besant Road  
Worli, Mumbai – 400 030

**Notes:**

- a) An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") which sets out details relating to Special Businesses to be transacted at the Eighteenth Annual General Meeting ("AGM"), is annexed hereto.
- b) The Ministry of Corporate Affairs ("MCA") vide its Circular No. 14/2020 dated April 08, 2020, No.17/2020 dated April 13, 2020, No. 20/2020 dated May 05, 2020, No. 02/2021 dated January 13, 2021, No. 19/2021 dated December 08, 2021, No. 21/2021 dated December 14, 2021, No. 02/2022 dated May 05, 2022 and No. 10/2022 dated December 28, 2022 (collectively referred as, "MCA Circulars") have permitted Companies to conduct AGM through Video Conferencing ("VC") and Other Audio Visual Means ("OAVM") without the physical presence of Members at a Common Venue. The deemed venue of the AGM shall be the Registered Office of the Company. In compliance with the applicable provisions of the Act and in terms of the MCA Circulars, the AGM of the Members is to be held through VC/OAVM. Hence, Members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and also available at the Company's website [www.kecprg.com](http://www.kecprg.com)
- c) As this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for this AGM and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint Authorised Representatives to attend

the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

- d) Securities and Exchange Board of India ('SEBI') vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 03, 2021 and clarification issued vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 has mandated all listed Companies to record/update the KYC details i.e. PAN, Nomination, Bank Account and Contact Details of the first holder for the shares held in physical mode. The Company had sent a letter to all the Members holding shares in physical mode whose details are yet to be updated seeking the aforesaid information. Detailed information is available at the Company's website <https://www.kecprg.com/transfer-of-shares-in-demat-form-only>

Members holding shares in Physical mode are requested to ensure the aforesaid KYC details are updated with the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited ("RTA") before October 01, 2023, as per revised timeline of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated March 16, 2023, post which the shares in the said Folios shall be frozen. In case, the shares continue to remain frozen, till December 31, 2025, the same shall be referred to the Administering Authority under the Benami Transactions (Prohibitions) Act, 1988 and Prevention of Money Laundering Act, 2002. Accordingly, the Company is in the process of dispatching a letter to all the Members holding shares in physical mode whose details are yet to be updated seeking the KYC information as per SEBI Circular dated March 16, 2023.

- e) SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated that the service requests received for Issuance of Duplicate Share Certificate, Release of Shares from Unclaimed Suspense Account of the Company, Renewal/Exchange of Share Certificate, Endorsement, Sub-division/Splitting of Share Certificate, Consolidation of Folios/Share Certificates, Transmission and Transposition shall be processed by issuing shares in dematerialized form only and Physical Share Certificates shall not be issued by the Company to the Member/Claimant. Further, SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/65 dated May 18, 2022, has simplified the procedure and standardized the format of documents for transmission of securities. Members are requested to make service requests by submitting a duly filled and signed Form ISR - 4 & ISR - 5, the format of which is available on the Company's website under the weblink: <https://www.kecprg.com/transfer-of-shares-in-demat-form-only>

Members holding equity shares of the Company in physical form are requested to kindly get their equity shares converted into demat/electronic form to get inherent benefits of dematerialisation and also considering that physical transfer of equity shares/issuance of equity shares in physical form have been disallowed by SEBI.

- f) **Record Date:** The Company has fixed Tuesday, July 25, 2023 as the Record Date for determining the entitlement of Members for payment of Dividend for the Financial Year ended on March 31, 2023, if declared at the AGM.

g) **Dividend:**

The dividend, as recommended by the Board, if declared at the AGM, will be paid, subject to deduction of tax at source, as applicable on or before Thursday, September 07, 2023.

**For Members holding shares in Demat form:**

- i) The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Beneficial Owners as at the end of business day on Tuesday, July 25, 2023 as per the data as may be made available by National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
- ii) Members may note that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the Members holding shares in dematerialised mode for any change of bank particulars or bank mandates. Hence, such changes in bank details, ECS mandate, address or e-mails are to be furnished by the Members to their Depository Participants only.

**For Members holding shares in Physical form:**

- i) The dividend shall be paid to those Members whose names stand registered in the Company's Register of Members as Members on the end of business day on Tuesday, July 25, 2023.
- ii) With a view to avoid any fraudulent encashment of dividend, the Member(s) holding shares in physical mode are requested to submit, if not already submitted, particulars of their Bank Accounts (Bank Account number, the name of the Bank and the Branch) in 'Form ISR -1' along with copy of the cancelled cheque leaf with the first named member's name imprinted on the face of the cheque leaf, where they would like to deposit the dividend warrants for encashment. These details should be furnished by the first/sole member, directly to the Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited ('RTA') (Unit: KEC International Limited), C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai - 400 083, Tel: 022 - 49186270, Fax: 022- 49186060, by quoting the folio number.
- iii) The Members, who are yet to encash the dividend declared by the Company for any of the financial years from FY 2016-17 till date, are advised to make their claims to the RTA of the Company. The last date upto which the Members are entitled to claim the dividend pertaining to FY 2016-17 is August 27, 2024. Pursuant to the provisions of Section 124(5) and 125 of the Act, the Company has transferred the unpaid or unclaimed dividends up to the FY 2015-16, from time to time on due dates, to the Investor Education and Protection Fund ("IEPF") established by the Central Government.
- iv) Pursuant to the provisions of Section 124(6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all such shares in respect of which dividend(s) had not been claimed by the Members for 7 (Seven) consecutive years or more have been transferred to IEPF Account set up by the Central Government.

The shares once transferred to IEPF Account including dividends and other benefits accruing thereon can be claimed from IEPF Authority after following the procedure prescribed under the said Rules and no claim shall lie against the Company. For the purpose of claiming transferred shares and dividend, a separate application can be made to the IEPF Authority in e-Form IEPF-5, as prescribed under the said Rules, which is available at IEPF website i.e. [www.iepf.gov.in](http://www.iepf.gov.in)

h) **Deduction of Tax on Dividend**

- i) Pursuant to Finance Act 2020, dividend income is taxable in the hands of Members w.e.f. April 01, 2020

and therefore the Company is required to deduct tax at source/withhold tax from dividend to be paid to Members at the prescribed rates. For the prescribed rates for various categories, the Members are requested to refer to the provisions in the Income Tax Act, 1961 and amendments thereof. The Members are requested to update their Residential status, PAN and category with the Company/RTA (in case of shares held in physical mode) and with the Depository Participants (in case of shares held in demat mode).

- ii) A Resident Individual Shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to Link Intime India Private Limited, the Company's RTA at <https://web.linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or by email to [kecditax@linkintime.co.in](mailto:kecditax@linkintime.co.in) by Tuesday, July 25, 2023. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate as applicable.
- iii) Non-resident Members (including Foreign Institutional Investors-FIIs/Foreign Portfolio Investors-FPIs) can avail beneficial rates under tax treaty between India and their country of tax residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the same at <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> or sending the same by email to [kecditax@linkintime.co.in](mailto:kecditax@linkintime.co.in). The aforesaid declarations and documents need to be submitted by the Members by Tuesday, July 25, 2023.
- iv) The formats of declarations, are available on the Company's website at <https://www.kecrpg.com/dividend>
- i) In terms of Section 152 of the Act, Mr. Vimal Kejriwal (DIN: 00026981), is liable to retire by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.
- j) Details of the Director(s) pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and Secretarial Standard on General Meetings in respect of the Director(s) seeking re-appointment of Directorship at this AGM are appended to this Notice.
- k) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under

Section 189 of the Act, will be available electronically for inspection by the Members during the AGM. All the documents referred to in the accompanying Notice and Explanatory Statements, shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to [agm@kecrpg.com](mailto:agm@kecrpg.com).

#### **ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT AND FUTURE CORRESPONDENCE:**

- l) In compliance with the aforesaid MCA Circulars and SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 and other Circulars ("SEBI Circulars"), Notice of the AGM along with the Integrated Annual Report 2022-23 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. Members may note that the Notice and Integrated Annual Report 2022-23 will also be available on the Company's website [www.kecrpg.com](http://www.kecrpg.com) under 'Investors' tab, websites of the Stock Exchanges i.e., BSE Limited and the National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- m) Members who have not registered or updated their email id so far are requested to register or update the same to receive the Notice and Integrated Annual Report from the Company, electronically, as per the following procedure:

#### **A. TEMPORARY REGISTRATION OF E-MAIL ID:**

##### **i) FOR MEMBERS HOLDING PHYSICAL SHARES:**

The Members of the Company holding Equity Shares of the Company in physical mode and who have not registered their e-mail addresses may get their e-mail addresses registered with Link Intime India Private Limited, by clicking the link: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) or by visiting their website <https://www.linkintime.co.in/> at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, Folio Number, Certificate Number, PAN, mobile number and e-mail id and also upload the image of share certificate in PDF or JPEG format (upto 1 MB). In case of any query, a Member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

On submission of the Members details an OTP will be received by the Members which needs to be entered in the link for verification.

**ii) FOR MEMBERS HOLDING SHARES IN DEMAT MODE:**

The Members of the Company holding Equity Shares of the Company in Demat form and who have not registered their e-mail addresses may temporarily get their e-mail addresses registered with Link Intime India Private Limited by clicking the link: [https://web.linkintime.co.in/EmailReg/Email\\_Register.html](https://web.linkintime.co.in/EmailReg/Email_Register.html) or by visiting their website <https://www.linkintime.co.in> at the 'Investor Services' tab by choosing the E-mail/Bank Detail Registration heading and follow the registration process as guided therein. The Members are requested to provide details such as Name, DPID/Client ID, PAN, Mobile Number and e-mail id. In case of any query, a Member may send an e-mail to RTA at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).

On submission of the Members details an OTP will be received by the Members which needs to be entered in the link for verification.

**B. FOR PERMANENT REGISTRATION OF E-MAIL ADDRESS:**

Members are requested to register the e-mail address with their concerned DPs, in respect of shares held in Demat form and in respect of shares held in physical form, please visit <https://web.linkintime.co.in/KYC> to know more about the registration process. Further, those Members who have already registered their e-mail addresses are requested to keep their e-mail addresses validated/updated with their DPs/RTA to enable servicing of notices/documents/Integrated Reports and other communications electronically to their e-mail address in future.

**PARTICIPATION AT THE AGM AND VOTING**

**A) The details of the process and manner for participating in Annual General Meeting through VC/OAVM are explained herein below:**

- i. Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against Company name. The link for VC/OAVM will be available in Shareholder's/Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. The Members can join the AGM in the VC/OAVM mode 30 minutes before the scheduled commencement time of the Meeting and window for

joining the Meeting shall be kept open throughout the proceedings of the AGM.

- iii. Members are encouraged to join the Meeting through Laptops/IPADS connected through broadband for better experience. Please note that Participants connecting from Mobile devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- iv. For smooth conduct of the proceedings of the AGM being conducted through VC/OAVM, Members who would like to express their views/ask questions during the AGM may send their queries in advance and register themselves as a speaker by sending their request from their registered e-mail id mentioning their name, DP ID and Client ID/Folio number, PAN, Mobile Number at [agm@kecrpg.com](mailto:agm@kecrpg.com) between 9.00 a.m. (IST) on Tuesday, August 01, 2023 and 5.00 p.m. (IST) on Thursday, August 03, 2023. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- v. The Members who do not wish to speak during the AGM but have queries on financial statements or otherwise, may send the same latest by Thursday, August 03, 2023 mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at [agm@kecrpg.com](mailto:agm@kecrpg.com). These queries will be replied suitably either at the AGM or by e-mail.
- vi. Institutional/Corporate Members are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution, whereby their authorized representative has been appointed to attend & vote at the AGM on their behalf pursuant to Section 113 of the Act, to the Scrutinizer's e-mail id: [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). They can also upload their Board Resolution/Power of Attorney/Authority Letter etc. by clicking on "Upload Board Resolution/Authority Letter" displayed under "e-Voting" tab in their login.
- vii. Members who need assistance before or during the AGM with use of technology, can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call on Tel no. : 022 4886 7000/022 2499 7000.

- viii. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

## B) Remote e-Voting and Voting at AGM

- i. Pursuant to the provisions of Section 108 of the Act and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI Listing Regulations, the Secretarial Standard on General Meetings issued by the Institute of Companies Secretaries of India, and in terms of SEBI Circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting Facility provided by Listed Entities, the Company is pleased to provide to the Members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting facility. Members are provided with a facility of casting their votes electronically, through the e-voting system provided by NSDL.
- ii. The remote e-Voting period commences on Friday, August 04, 2023 (09:00 a.m. IST) and ends on Monday, August 07, 2023, (05:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialised form, as on the cut-off date may cast their vote by remote e-voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- iii. The Members, who have cast their vote by remote e-Voting prior to the AGM, may also attend the AGM but shall not be entitled to cast their vote again at the AGM.
- iv. The voting right of the Member(s) shall be in proportion to their share in the paid up equity share capital of the Company as on Tuesday, August 01, 2023 ("cut-off date"). Members are eligible to cast vote electronically only if they are holding equity shares as on that date.

Any person, who acquires the share(s) of the Company and becomes a Member of the Company after the dispatch of this Notice of AGM and holds the share(s) as on the cut-off date, can also cast their vote through remote e-voting facility on the website of NSDL e-voting i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com)

Any person holding shares in physical form and non-individual members, who acquires shares of the Company and becomes a Member of the Company

after the notice is sent through e-mail and holding shares as of the cut-off date i.e. Tuesday, August 01, 2023, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-Voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000 and 022 - 2499 7000. In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. Tuesday, August 01, 2023, may follow steps mentioned in the Notice of the AGM under "**Access to NSDL e-Voting system**".

- v. The Company has appointed Mr. P. N. Parikh ((Membership No. FCS-327) and failing him Ms. Jigyasa Ved (Membership No. FCS-6488) of M/s. Parikh Parekh & Associates, Practicing Company Secretaries, to act as Scrutinizer to scrutinize the voting at the AGM and remote e-Voting process in a fair and transparent manner.
- vi. The Results will be declared within two working days from the conclusion of AGM. The results declared along with the Scrutinizer's Report shall be uploaded on the website of the Company i.e. [www.kecrpg.com](http://www.kecrpg.com) and on the website of NSDL e-voting i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and the same shall also be communicated to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the Notice Board at the Registered Office of the Company.
- vii. The details of the process and manner for remote e-Voting and joining the Annual General Meeting are explained herein below:

### Step 1: Access to NSDL e-Voting system

#### A. Login method for e-Voting and joining AGM for Individual shareholder holding securities in demat mode

In terms of SEBI Circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participant ('DP'). Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual Member holding securities in demat mode is given below:

| Type of shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Login Method                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual Shareholders holding securities in demat mode with NSDL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. On the e-Services home page, click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section which will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under value added services. Click on <b>'Access to e-Voting'</b> under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be re-directed to <b>e-Voting</b> website of <b>NSDL</b> for casting your vote during the remote e-Voting period or joining AGM &amp; voting during the AGM.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>'Register Online for IDeAS Portal'</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon <b>"Login"</b> which is available under 'Shareholders/Member/Creditor' section. A new screen will open. You will have to enter your User ID (i.e. your 16 digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository website wherein you can see e-Voting page. Click on <b>Company name</b> or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining AGM &amp; voting during the AGM.</li> <li>Shareholders can also download the NSDL Mobile App <b>'NSDL Speede'</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> |
| <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; align-items: center;">   </div> <div style="display: flex; justify-content: center; align-items: center; margin-top: 10px;">   </div> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Individual Shareholders holding securities in Demat mode with CDSL                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi/Easiest facility, can login through their existing user ID and Password. Option will be made available to reach e-Voting page without any further authentication. The users are requested to visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> to login to Easi/Easiest and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username &amp; password.</li> <li>After successful login to the Easi/Easiest the user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by Company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also be able to directly access the system of all e-Voting Service Providers.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 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 DP registered with NSDL/CDSL for e-Voting facility. Once you log in, you will be able to see e-Voting option. On Clicking on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against Company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

**Important note:** Members who are unable to retrieve User ID/Password are advised to use *Forgot User ID* and *Forgot Password* option available at respective websites.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL**

| Login type Helpdesk details |                                                                                                                                                                                   |
|-----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Securities held with NSDL   | Please contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at Tel no.: 022 - 4886 7000 and 022 - 2499 7000           |
| Securities held with CDSL   | Please contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33 |

**B. Login Method for e-Voting and joining the AGM for Members other than Individual Shareholders holding securities in demat mode and shareholders holding securities in physical mode:**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL:  
<https://www.evoting.nsdl.com> / either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders/Member/Creditor' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com> with your existing IDEAS login. Once you log-in to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical |                                                         | Your User ID is:                                                                                                                                        |
|----------------------------------------------------------------|---------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)                                                             | For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID<br>For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****. |
| b)                                                             | For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID<br>For example if your Beneficiary ID is 12***** then your user ID is 12*****.                                                  |

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical |                                              | Your User ID is:                                                                                                                                          |
|----------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| c)                                                             | For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the Company<br>For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001*** |

5. Password details for Members other than Individual shareholders are given below:

- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c. How to retrieve your 'initial password'?
  - i. If your email id is registered in your demat account or with the Company, your 'initial password' is communicated to you on your e-mail ID. You will be required to trace the e-mail sent to you from NSDL from your mailbox. You can open the e-mail and open the attachment i.e. a PDF file. The password to open the PDF file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The PDF file contains your 'User ID' and your 'initial password'.
  - ii. If your e-mail ID is not registered, please follow steps mentioned in '**Process for those shareholders whose e-mail ids are not registered**'.

6. If you are unable to retrieve or have not received the 'initial password' or you have forgotten your password:

- a) If you are holding shares in your demat account with NSDL or CDSL: Click on "**Forgot User Details/Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- b) If you are holding shares in physical mode: **Physical User Reset Password?** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.
10. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
6. You can also take the printout of the votes cast by you by clicking on the “print” option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

In case of any queries, with respect to remote e-voting or e-voting at the AGM, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 – 4886 7000/022 – 2499 7000 or can contact Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those Shareholder whose e-mail ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-Voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please register your e-mail id by following the process mentioned in point (m) registration of e-mail id.
2. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at Step 1(A), i.e. Login method for e-Voting and joining AGM for Individual shareholder holding securities in demat mode.
3. Alternatively, Shareholder/Members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-Voting by providing earlier mentioned documents.
4. Individual Shareholder holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and DPs. Shareholders are required to update their mobile number and e-mail id correctly in their demat account in order to access e-Voting facility.

**e-Voting at the AGM:**

- i) The procedure for e-Voting on the day of the Annual General Meeting is same as the instructions mentioned above for remote e-Voting.
- ii) Only those Members, who will be present in the meeting through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- iii) The details of the persons who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same persons mentioned for remote e-voting.

**Step 2: Cast your vote electronically and join Annual General Meeting on NSDL e-Voting system.**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of KEC International Limited for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. Assent or Dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

The following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 4 to 9 of the accompanying Notice:

### Item No. 4 – Ratification of Remuneration to Cost Auditor

In accordance with the provisions of Section 148 of the Companies Act, 2013 ("Act") and the Companies (Audit and Auditors) Rules, 2014 ("Rules"), the Company is required to maintain cost records in respect of its steel and cables manufacturing facilities in India and have the cost records audited by a qualified Cost Accountant. On the recommendation of the Audit Committee, the Board of Directors of the Company at its meeting held on May 03, 2023 have approved the appointment of M/s. Kirit Mehta & Co., Cost Accountants as the Cost Auditor of the Company to conduct an audit of cost records of the Company in respect of its 3 (three) steel and 2 (two) cables manufacturing facilities in India for the financial year ending March 31, 2024 at a remuneration of ₹ 700,000/- (Rupees Seven Lakh Only) plus taxes and reimbursement of actual out of pocket expenses incurred, if any, in connection with the cost audit. The revenue generated out of the manufacturing of towers and cables in India forms a small proportion to the overall standalone revenue of the Company. Hence the remuneration of ₹ 7,00,000/- plus taxes as applicable and reimbursement of out-of-pocket expenses to be incurred, proposed to be ratified for the Cost audit are commensurate with the turnover being generated out of manufacturing facilities in India.

In terms of the provisions of the Act and Rules, the remuneration of the Cost Auditors is required to be ratified by the Members of the Company.

The Board recommends the Ordinary Resolution, as set out at Item No. 4 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, are in any way concerned or interested (financially or otherwise), in the proposed Ordinary Resolution set out at Item No. 4 of the Notice.

### Item No. 5 – Approval for Material Related Party Transactions with Al Sharif Group & KEC Limited Company, a Subsidiary of the Company

As per the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), all material related party transactions, require the prior approval of Members through an Ordinary resolution, even though they are on an arm's length basis and in the ordinary course of business.

With effect from April 1, 2022, as per Regulation 23 of Listing Regulations, a Related Party Transaction will be considered 'material' if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year by the Company and/or by its subsidiaries, exceeds ₹ 1,000 Crore or 10% of the annual consolidated turnover of

the Company as per the last audited financial statements of the Company, whichever is lower ("Materiality Threshold").

Accordingly, the Members of the Company had approved the Material Related Party Transactions upto ₹ 2,000 Crore with Al Sharif Group & KEC Limited Company ('ASKEC'), a subsidiary of the Company for FY 2022-23 vide Postal Ballot.

In the Financial Year 2023-24, the Company, along with its subsidiary(ies), proposes to continue to enter into certain related party transaction(s) with Al Sharif Group & KEC Limited Company ('ASKEC'), its Subsidiary as mentioned below, on mutually agreed terms and conditions, on arm's length basis and in the ordinary course of business, and the aggregate of such transaction(s) together with the transactions already entered into, are expected to cross the Materiality Threshold. Accordingly, as per the Listing Regulations, prior approval of the Members is being sought through Ordinary Resolution for all such transaction(s)/contract(s)/arrangement(s)/agreement(s) entered/to be entered by the Company, and/or by its subsidiary(ies) with ASKEC.

The Company is a global infrastructure Engineering, Procurement and Construction (EPC) major, engaged in the EPC business of Power Transmission and Distribution (T&D), Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipelines, and Cables, carried out either directly or through its subsidiaries.

ASKEC, in which the Company is a major shareholder holding 51.1 percent of shares, is specialized in the fields of Overhead Transmission Lines, Substations and Underground Cabling projects. With proven experience and expertise spanning more than two decades, ASKEC is executing mega projects with comprehensive capabilities that deliver complete solutions covering design, testing, fabrication, erection and construction of transmission lines, Substation, Underground Cables projects on a turnkey basis. It is one of the major contributors for building Electricity Transmission Lines, Substations & laying of Cables across entire geographics of Saudi Arabia and executed major projects worth ₹ 14,300 Crore (SAR 6,545 million) in past.

In view of growing market demand in Middle East, especially in Saudi Arabia, ASKEC participates in various bids for Transmission Lines, Substation and Underground Cables projects, being a preferred locally incorporated company. During the last financial year 2022-23, ASKEC had been awarded projects of over ₹ 2,000 Crore, apart from securing L1 position of over ₹ 750 Crore. It further intends to participate in various tenders looking at the market demand in Saudi Arabia and other countries for various inter-country connection projects.

In order to execute the projects so awarded/future projects, ASKEC needs to avail various banking facilities from various domestic and foreign banks. To secure such banking facilities, the Company being majority shareholder in ASKEC, is required to extend support by way of Corporate Guarantees to such banks. Further, to facilitate execution of projects by ASKEC, the Company may be required to sell, lease or supply

various goods including towers, hardware etc., render shared services and provide resources either directly or through its various subsidiaries.

In view of the above, the Company and/or its Subsidiaries may have following transactions with ASKEC:

1. Sale, purchase, lease or supply of goods such as fabricated structures, towers and other business assets or equipment;
2. Availing or rendering of services;
3. Providing Guarantees on behalf of ASKEC and charges related thereto;
4. Any other services incidental to the execution of the project by ASKEC;

5. Transfer or exchange of any resources, services or obligations to meet business objectives/requirements.

The Company and/or its subsidiaries have been undertaking in past, similar nature of transactions in the ordinary course of business and on arm's length with ASKEC. The above proposed transactions are operational in nature, and commercially necessary for the business of the Company and its Subsidiaries including ASKEC and the quantum of above proposed transactions may exceed the Materiality Threshold. Therefore, it is proposed to seek approval of members for the potential quantum of transactions with ASKEC not exceeding ₹ 2,000 Crore, which includes transaction already entered with ASKEC in the current financial year.

**Details w.r.t Material Related Party Transactions to be entered into by the Company and/or its Subsidiaries with ASKEC are given below as required under SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2021/662 dated November 22, 2021:**

| Sr. No. | Particulars                                                                                                                                                   | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Name of the Related Party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise) | Al Sharif Group & KEC Limited Company, is a Subsidiary of the Company in which the Company holds 51.1% share capital.                                                                                                                                                                                                                                                                                                                                                                                       |
| 2.      | Type of Transaction                                                                                                                                           | <ol style="list-style-type: none"> <li>1. Sale, purchase, lease or supply of goods such as fabricated structures, towers and other business assets or equipment.</li> <li>2. Availing or rendering of services.</li> <li>3. Providing Guarantees on behalf of ASKEC and charges related thereto.</li> <li>4. Any other services incidental to the execution of the project.</li> <li>5. Transfer or exchange of any resources, services or obligations to meet business objectives/requirements.</li> </ol> |
| 3.      | Material terms and particulars of the proposed transaction                                                                                                    | Material terms and conditions are based on transaction(s)/contract(s)/arrangement(s)/agreement(s) which <i>inter alia</i> include the rates based on prevailing/extant market conditions and commercial terms as on the date of entering into such transaction(s)/contract(s)/arrangement(s)/agreement(s), which shall be on arm's length basis.                                                                                                                                                            |
| 4.      | Tenure of the proposed transaction                                                                                                                            | During the FY 2023-24.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| 5.      | Value of the proposed transaction                                                                                                                             | Not to exceed ₹ 2,000 Crore.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| 6.      | Value of RPT as % of Company's annual consolidated turnover and ASKEC's annual standalone turnover of FY 2022-23                                              | 11.57% of Company's annual consolidated turnover and 161.92 % of ASKEC's annual standalone turnover of FY 2022-23.                                                                                                                                                                                                                                                                                                                                                                                          |
| 7.      | If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|         | a) Details of the source of funds in connection with the proposed transaction                                                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|         | b) Details of financial indebtedness incurred                                                                                                                 | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|         | c) Applicable terms, including covenants, tenure, interest rate, repayment schedule, whether secured (nature of security) or unsecured                        | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|         | d) Purpose for which funds will be utilised by the ultimate beneficiary of such funds pursuant to the related party transaction                               | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Sr. No. | Particulars                                                                                                 | Details                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|---------|-------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 8.      | Justification as to why the RPT is in the interest of the Company.                                          | <p>The Company participates in bids of various EPC contracts in India as well as overseas in various verticals including Power Transmission &amp; Distribution (T&amp;D). The EPC projects in T&amp;D require erection of customized fabricated structure/towers as per contract specification.</p> <p>The Company has its own tower manufacturing facilities in India and overseas (through its Subsidiary Companies). The Company and/or its overseas Subsidiaries manufacture and provide such structures/towers at commercial terms in ordinary course of business to ASKEC.</p> <p>The Company and/or its Subsidiaries may also avail or render shared services from/to ASKEC to achieve synergies and economies of scale and to bring efficiency in operational and logistics costs, which are apportioned between the Company, its Subsidiaries and ASKEC. ASKEC avails credit facility for its working capital requirement which are <i>inter alia</i> secured by Corporate Guarantees of the Company.</p> <p>The Company may also be required to give Guarantees on behalf of ASKEC to enable it to meet client requirements under the terms of the contract, consortium or other agreements. The charges would be upto 0.65 % per annum which is benchmarked with the existing bank guarantee charges.</p> |
| 9.      | Copy of the valuation or other external party report, if any such report has been relied upon.              | Not Applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| 10.     | Any other information relevant or important for the members to take a decision on the proposed transaction. | <p>The above related party transaction(s)/contract(s)/arrangement(s)/ agreement(s) will materialize only if ASKEC is awarded the Contract post participation in various bids.</p> <p>Since it is not possible to predict the exact amount of each transaction(s)/ contract(s)/arrangement(s)/agreement(s)/financial support to be provided post award of contract, enabling approval of Members is being sought for transactions not exceeding ₹ 2,000 Crore in FY 2023-24.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

As per Regulation 23 of the Listing Regulations, all related parties of the Company, whether or not a party to the proposed transaction(s), shall abstain from voting on the said resolution.

The Board recommends the Ordinary Resolution set out at Item No. 5 for approval of the Members.

None of the Directors and Key Managerial Personnel (KMP) of the Company and their relatives are, in any way, concerned or interested (financially or otherwise), in the proposed Ordinary Resolution set out in Item No. 5.

#### Item No. 6 - Re-appointment of Mr. Vimal Kejriwal (DIN: 00026981) as Managing Director & CEO

Mr. Vimal Kejriwal had been appointed as Managing Director & CEO of the Company w.e.f. April 1, 2015 for a period of 5 years by the Members on March 30, 2015 and re-appointed for a second term w.e.f. April 01, 2020 for a period of 2 years by the Members of the Company on July 23, 2019. He was re-appointed for third term w.e.f. April 01, 2022, for a period of 2 years by the Members of the Company on August 04, 2021. The present tenure of Mr. Vimal Kejriwal as Managing Director & CEO of the Company is due to expire on March 31, 2024.

Under the leadership of Mr. Kejriwal, the overall performance of the Company has improved significantly. During his tenure, the Company has grown the Railway business manifolds and forayed into Civil and Oil & Gas Pipeline businesses. The Civil business has grown exponentially diversifying into areas such as Data Centers, Metros and process plants and has achieved revenues of over ₹ 3,300 Crore in its sixth year of commercial operations, while the revenue of the Oil & Gas pipeline business has grown by about 90% to reach over ₹ 475 Crore in its first full year of operation after acquisition. The overall revenue of the Company has grown from ₹ 8,467.80 Crore to ₹ 17,281. 71 Crore during his tenure as Managing Director & CEO.

The Company has continuously registered growth in its order intake and achieved the highest ever order intake of ₹ 22,378 Crore, including the single largest order of ₹ 2,060 Crore in FY 2022-23.

The performance of the Company and future prospects during his tenure as Managing Director & CEO have been very well perceived by the Investor's community and is reflected in the market capitalization of the Company, which has increased significantly from about ₹ 2,058 Crore as on March 31, 2015 to

₹ 11,732 Crore as on March 31, 2023 and had touched all time high of about ₹ 14,140 Crore on October 26, 2021.

Considering the responsibilities being shouldered by Mr. Kejriwal and his valuable contribution towards the growth of the Company since his appointment as Managing Director & CEO, the Nomination and Remuneration Committee at its meeting held on May 03, 2023 recommended to the Board the extension of tenure of Mr. Vimal Kejriwal as the Managing Director & CEO for a further period of 1 year w.e.f. April 1, 2024 to March 31, 2025. The Board at its meeting held on May 03, 2023 approved the extension of tenure of Mr. Vimal Kejriwal as the Managing Director & CEO and re-appointed him for a further period of 1 year w.e.f. April 1, 2024 to March 31, 2025, in terms of the applicable provisions of the Act, subject to approval of Members at this Annual General Meeting.

Mr. Vimal Kejriwal is a distinguished alumnus of the Kellogg School of Management, USA, and Narsee Monjee Institute of Management Studies (NMIMS), India. He is a meritorious Chartered Accountant and a Member of the Institute of Company Secretaries of India. He has over four decades of rich global corporate experience across industries including Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilisers, and Investment Banking. Prior to his appointment as Managing Director & CEO at the Company, he has worked as President-Transmission & Distribution business, President-Transmission business, Executive Director-International Transmission business, and Chief Financial Officer of the Company. Prior to joining the Company in 2002, he has worked in a leading Global Investment Bank. Further, Mr. Kejriwal was conferred with the "Outstanding Achiever Award" by the RPG Group for the years 2004-05, 2007-08 and 2013-14 in recognition of his exceptional performance and commitment.

The Company has received requisite consent/disclosure(s) as required under the Act and Rules framed thereunder for Mr. Vimal Kejriwal, for considering his re-appointment. Mr. Vimal Kejriwal also satisfies the conditions as set out in Section 196 and Schedule V of the Act for being eligible for re-appointment. Further, Mr. Kejriwal is not debarred from holding the office of a director by virtue of any SEBI order or any other such authority.

The Board of Directors on recommendation of the Nomination and Remuneration Committee approved the payment of remuneration to Mr. Vimal Kejriwal upon his re-appointment as Managing Director & CEO as stated in the Resolution No. 6.

In case the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite regulatory approvals, if any required, pay to the Managing Director & CEO the remuneration as stated in the proposed Resolution

as the minimum remuneration by way of salary, allowances, perquisites, performance bonus and benefits as specified therein and as further revised and recommended by the Nomination and Remuneration Committee and approved by the Board from time to time.

The Company operates in several countries across the globe. However pursuant to the provisions of the Act, only standalone profits are considered to compute the managerial remuneration and the profits of Subsidiaries and Joint Ventures are considered only in Consolidated Accounts. The performance and profitability of the Company on standalone basis may be adversely affected in future by the overall slowdown in economic growth due to various factors including high competition in Infrastructure Industry. However, keeping in view the performance and the expertise of Mr. Vimal Kejriwal, the Nomination and Remuneration Committee and Board of Directors deemed it necessary to pay remuneration as mentioned in the resolution as minimum remuneration. The Board of Directors seeks approval of the Members for the proposed re-appointment and payment of proposed remuneration as stated in the resolution and as may be revised by the Nomination and Remuneration Committee and approved by the Board from time to time as minimum remuneration for the period of one year of his re-appointment.

**Information as required under Schedule V of the Act is as below:**

#### I. General Information:

##### i. Nature of Industry

The Company is a global infrastructure Engineering Procurement and Construction (EPC) major. It has presence in the verticals of Power Transmission and Distribution, Railways, Civil, Urban Infrastructure, Solar, Smart Infrastructure, Oil & Gas Pipeline and Cables.

##### ii. Date or expected date of commencement of commercial production.

The Company was incorporated in 2005 and has already commenced commercial production since long.

##### iii. Standalone Financial Performance based on given indicator

(₹ in Crore)

| Particulars       | 2022-23   | 2021-22   | 2020-21   |
|-------------------|-----------|-----------|-----------|
| Total Revenue     | 15,413.23 | 12,573.27 | 11,851.79 |
| Profit Before Tax | 250.15    | 612.86    | 896.62    |
| Profit After Tax  | 180.25    | 434.44    | 646.09    |

##### iv. Foreign Investments or Collaborations, if any:

Nil

## II. Information about the appointees:

| Sr. No.                         | Particulars                                                                                                                             | Mr. Vimal Kejriwal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |        |                           |                                 |      |                                 |      |
|---------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|---------------------------|---------------------------------|------|---------------------------------|------|
| 1.                              | Background details                                                                                                                      | Mr. Vimal Kejriwal is an alumnus of the Kellogg School of Management, a meritorious Chartered Accountant and a member of the Institute of Company Secretaries of India. He has over forty years of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilizers and Investment Banking.                                                                                                                                                                                                                                                                                         |        |                           |                                 |      |                                 |      |
| 2.                              | Past Remuneration                                                                                                                       | <table><tr><th>Period</th><th>Remuneration (₹ in Crore)</th></tr><tr><td>April 1, 2022 to March 31, 2023</td><td>8.69</td></tr><tr><td>April 1, 2021 to March 31, 2022</td><td>8.18</td></tr></table>                                                                                                                                                                                                                                                                                                                                                                                                                             | Period | Remuneration (₹ in Crore) | April 1, 2022 to March 31, 2023 | 8.69 | April 1, 2021 to March 31, 2022 | 8.18 |
| Period                          | Remuneration (₹ in Crore)                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |        |                           |                                 |      |                                 |      |
| April 1, 2022 to March 31, 2023 | 8.69                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |        |                           |                                 |      |                                 |      |
| April 1, 2021 to March 31, 2022 | 8.18                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |        |                           |                                 |      |                                 |      |
| 3.                              | Recognition or Awards                                                                                                                   | Mr. Kejriwal was conferred with the “Outstanding Achiever Award” by the RPG Group for the years 2004-05, 2007-08 and 2013-14. Also, the Institute of Chartered Accountants of India awarded him the “CA Business Leader – Corporate award for the year 2018”.                                                                                                                                                                                                                                                                                                                                                                     |        |                           |                                 |      |                                 |      |
| 4.                              | Job Profile and suitability                                                                                                             | He shall be responsible for overall day to day management of the Company under the supervision and control of the Board of Directors of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |                           |                                 |      |                                 |      |
| 5.                              | Remuneration Proposed                                                                                                                   | As stated in the Resolution for his re-appointment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |        |                           |                                 |      |                                 |      |
| 6.                              | Comparative Remuneration Profile with respect to Industry, size of the Company, Profile of position and Person                          | Mr. Kejriwal carries vast and enriched experience in the business line of the Company. He has successfully led the Company towards profitable growth during his tenure and has especially been instrumental in diversifying its growth into adjacencies, such as Railways, Civil, Urban Infrastructure, Solar, Smart Infra and Oil & Gas Pipelines. He looks after and is responsible for the whole affairs of the management of the Company and is accountable to the Board of Directors of the Company, and the remuneration proposed to be paid to him is fully justifiable and comparable to that prevailing in the industry. |        |                           |                                 |      |                                 |      |
| 7.                              | Pecuniary Relationship, directly or indirectly with the Company or relationship with the managerial personnel, or other director if any | Mr. Kejriwal has a relationship with the Company as Managing Director & CEO only. He is not related to any of the Directors or Key Managerial Personnel of the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                           |        |                           |                                 |      |                                 |      |

## III. Other information:

## i. Reason for loss or inadequate Profits:

The Company is an Engineering, Procurement and Construction (EPC) major delivering projects in key infrastructure sectors such as Power Transmission and Distribution, Railways, Cables, Civil, Urban Infrastructure, Solar, Smart Infra, Oil & Gas Pipeline and Cables. The spending on infrastructure by Government and Private players may be low in future years due to economic slow-down and lack of policies at the Macro levels. Also, the Company is competing with some big players in the Industries and hence the margins for projects may be low.

The Company proposes to obtain approval of Members as an abundant caution in case the standalone profits are insufficient to pay the managerial remuneration as above.

## ii. Steps taken or proposed to be taken for improvement:

The Company has actively taken steps to improve on the performance of the Company. The Company has streamlined various processes including

mechanization thereof which has improved the efficiency of the operations. These along with other measures taken by the Company and with improvement in business sentiments, the Company is confident of improving its performance and profitability over the coming years.

## iii. Expected increase in productivity and Profits in measurable terms:

The Company expects a better performance of the Company in all measurable parameters in the coming years in view of the various measures taken by the Company to improve on its performance.

The Board is of the opinion that the re-appointment of Mr. Vimal Kejriwal as Managing Director and CEO would be beneficial to the Company and accordingly it recommends the Special Resolution, as set out at Item No. 6 of the Notice, for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Vimal Kejriwal and his relative(s), is in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 6 of the Notice.

#### Item No. 7 - Approval for payment of Commission to Mr. Harsh V. Goenka, Non-Executive Chairman

Pursuant to the provisions of Sections 197, 198 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Members at the Annual General Meeting of the Company held on July 23, 2019 had approved the payment of Commission not exceeding 5% of the net profits of the Company to the Non-Executive Directors of the Company in addition to the sitting fees for attending the meetings of the Board of Directors/Committee(s) and reimbursement of expenses in relation thereto.

Keeping in view the valuable contribution, responsibilities and the time devoted by the Non-Executive Directors, the Nomination and Remuneration Committee (NRC) and the Board of Directors at their respective meetings held on May 03, 2023, has recommended and approved the payment of Commission to Non-Executive Directors of the Company within the approved limits by the Members. The NRC recommended and Board has approved payment of Commission of ₹ 2,36,37,248 (Rupees Two Crore Thirty-Six Lakh Thirty-Seven Thousand Two Hundred and Forty-Eight Only) to Mr. Harsh V. Goenka, Non-Executive Chairman for the FY 2022-23.

Mr. Harsh V. Goenka is the promoter of the Company having extensive experience of more than four decades in industry and the EPC Sector and has been instrumental in helping guide the Company towards both short term growth as well as long term sustainability. As the Non – Executive Chairman of the Board, Mr. Goenka provides vision and thought leadership which has helped the Company achieve high standards of corporate governance, innovation, brand visibility and overall growth. His role in building a talent pool by leveraging his wide network of relationships has always been beneficial to the Company. Mr. Goenka provides guidance including feedback to the Company's senior management on a vast set of matters which has been instrumental in diversifying the Company's business into various new verticals over a period of time. The Board deems it appropriate to recognize his contribution and relatively greater engagement in the Company and hence deems it fair to remunerate him with the above said amount of commission.

Regulation 17(6)(ca) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, as amended, necessitates Members' approval by way of Special Resolution for paying remuneration to one Non-Executive Director in excess of 50 percent of the total remuneration payable to all Non-Executive Directors. The above commission as proposed to be paid to Mr. Harsh V. Goenka, exceeds 50 percent of the total annual remuneration payable to all Non-Executive Directors. Thus, consent of the Members of the Company is being sought by way of Special Resolution.

The Board recommends the Special Resolution, as set out at Item No. 7 of the Notice, for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives, except Mr. Harsh V. Goenka and his relative(s), are in any way concerned or interested (financially or otherwise), in the proposed Special Resolution set out at Item No. 7 of the Notice.

#### Item No. 8 - Enhancement of borrowing powers

The Members of the Company at the Annual General Meeting held on July 29, 2016, authorized the Board to borrow up to ₹ 20,000 Crore (Rupees Twenty Thousand Crore only), (including fund based and non-fund based working capital facilities). The Company's businesses have been growing on a continuous basis. For the requirement of increased business activities, the Company had to increase its borrowing as well. As on March 31, 2023, the banking facilities (fund based and non-fund based) utilised by the Company stood at ₹ 17,669 Crore.

The Company's order intake for the FY2022- 23 was at a record level of ₹ 22,378 Crore, with a significant growth of 30 percent over the previous year. With this the Company's closing order book position as at March 31, 2023 was at an all-time high of ₹ 30,553 Crore. In order to execute the above orders and to achieve higher revenues, the Company will require to borrow sum or sums of money (including fund based and non-fund based working capital facilities) in excess of the limits earlier approved by the Members. Accordingly, it is proposed to increase the existing borrowing limits of ₹ 20,000 Crore to ₹ 25,000 Crore.

As per Section 180(1)(c) of the Companies Act, 2013, approval of the Members by means of a Special Resolution is required, to enable the Board of Directors to borrow moneys (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) in excess of the aggregate of paid-up share capital, free reserves (that is to say reserves not set apart for any specific purpose) and securities premium of the Company. It is therefore necessary to obtain the Members' consent in the ensuing Annual General Meeting by way of Special Resolution.

Accordingly, the Board recommends the Special Resolution, as set out at Item No. 8 of the Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, (financially or otherwise), in the proposed Special Resolution set out at Item No. 8 of the Notice.

#### Item No. 9 - Authority for creation of mortgage and/or charge on immovable/movable properties of the Company

Section 180(1)(a) of the Companies Act, 2013 provides, *inter alia*, that the Board of Directors of the Company shall not, without the consent of Members in General Meeting, sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking(s) of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

The Company borrows sum or sums of money (including fund based and non-fund based working capital facilities) from any one or more Banks, Financial Institutions and other Persons, Firms, Bodies Corporate etc. for its business operations, within the overall limits fixed by the Members from time to time. To secure such borrowings the Company requires to create mortgage and/or charge on its immovable and movable properties. Creating such mortgage and/or charge as aforesaid, may be regarded as disposal of the whole or substantially the whole of the said undertaking(s) of the Company and therefore it requires consent of the Members by way of Special Resolution.

Accordingly, the Board recommends the Special Resolution as set out at Item No. 9 of the Notice for approval by the Members of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in any way, concerned or

interested, (financially or otherwise), in the proposed Special Resolution set out at Item No. 9 of the Notice.

**By Order of the Board of Directors**

**Amit Kumar Gupta**  
Company Secretary  
(M. No. ACS-15754)

Date: May 03, 2023  
Place: Mumbai

**Registered Office:**  
CIN: L45200MH2005PLC152061  
RPG House,  
463, Dr. Annie Besant Road  
Worli, Mumbai – 400 030

**Details of the Director seeking re-appointment in the Eighteenth Annual General Meeting to be held on Tuesday, August 08, 2023 pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards on General Meetings are as follows:**

|                                                                                               |                                                                                                                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of the Director</b>                                                                   | <b>Mr. Vimal Kejriwal</b>                                                                                                                                                                                                                                                                                                                           |
| Date of Birth & Age                                                                           | February 04, 1961<br>62 Years                                                                                                                                                                                                                                                                                                                       |
| Date of first Appointment on the Board                                                        | January 01, 2015                                                                                                                                                                                                                                                                                                                                    |
| Qualification                                                                                 | Chartered Accountant, ICAI;<br>Company Secretary, ICSI;<br>Advanced Executive Programme, Kellogg School of Management, USA                                                                                                                                                                                                                          |
| Expertise in specific functional area                                                         | Mr. Vimal Kejriwal is the Managing Director & CEO of KEC International Limited. He has successfully led the Company towards profitable growth during his tenure. Mr. Kejriwal has more than four decades of rich global corporate experience in the areas of Power Infrastructure, Oil & Gas, Pharmaceuticals, Fertilizers, and Investment Banking. |
| Terms and conditions of appointment                                                           | Set out in the resolution(s) at Item No. 6 and explanatory statement thereto                                                                                                                                                                                                                                                                        |
| Directorships in other companies<br>(excluding foreign companies)                             | 1. KEC Power India Private Limited<br>2. Spencer International Hotels Limited<br>3. Raychem RPG Private Limited<br>4. Indian Electrical and Electronics Manufacturers Association<br>5. KEC Spur Infrastructure Private Limited                                                                                                                     |
| Memberships/Chairmanship of<br>Committees in other companies<br>(excluding foreign companies) | NIL                                                                                                                                                                                                                                                                                                                                                 |
| Resignation from Listed entities in the<br>past three years                                   | NIL                                                                                                                                                                                                                                                                                                                                                 |
| No. of shares held in the Company,<br>including shareholding as a beneficial<br>owner         | 875 Equity Shares (Jointly held as second holder alongwith Mrs. Sunita Kejriwal)                                                                                                                                                                                                                                                                    |
| Relationship with other Directors and<br>Key Managerial Personnel                             | NIL                                                                                                                                                                                                                                                                                                                                                 |

**Note:** For other details such as number of meetings of the Board attended during the year, remuneration drawn, expertise etc., please refer to the Corporate Governance Report section of the Annual Report.