TRANSFORMING SELF

ENHANCING EXCELLENCE.

KEC INTERNATIONAL LIMITED

ANNUAL REPORT 2014-15

CONTENTS

Forward-looking Statements

This report may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in these assumptions. The achievements of results are subject to risks, uncertainties, and assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise.

Transformation is a journey that spans multiple milestones of excellence. At KEC, it is a journey that has already crossed several iconic landmarks which stand tall as symbols of distinction on the global landscape. For years, we have transformed the landscape of many a nation around the world with our superior, value-driven offerings across the EPC cycle. We have now embarked on a journey to extend this transformational agenda to our own systems and processes. In this self-transformation journey, we are driven by only one goal – to enhance our excellence focus in order to redefine the contours of EPC business globally.

TRANSFORMATION IS A JOURNEY THAT SPANS MULTIPLE MILESTONES OF EXCELLENCE.

CORPORATE INFORMATION

REGISTERED OFFICE

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

TRANSMISSION

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

Brazil

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

Mexico

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

CABLES

Mysore

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

Silvassa

Plot No. 273 / 4, Demni Road
Silvassa 396 191
Dadra and Nagar Haveli

Vadodara

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

BANKERS

INDIA

Bank of India
State Bank of India
ICICI Bank Ltd.
Export- Import Bank of India
IDBI Bank Ltd.
Abu Dhabi Commercial Bank
Allahabad Bank
Axis Bank Ltd.
Bank of Baroda
Central Bank of India
Corporation Bank
Dena Bank
Honkong Shanghai Banking Corporation
Kotak Mahindra Bank
Punjab and Sind Bank
Punjab National Bank
Societe Generale
Standard Chartered Bank
State Bank of Bikaner and Jaipur
State Bank of Hyderabad
Syndicate Bank
Union Bank of India
Yes Bank Ltd.

Middle East

First Gulf Bank, Abu Dhabi
Abu Dhabi Commercial bank, Abu Dhabi
Union National Bank, Abu Dhabi
National Bank of Oman, Muscat
Banque Saudi Fransi, Saudi Arabia
Bank Muscat, Saudi Arabia
State Bank of India, Jeddah

US

JP Morgan Chase Bank, N.A
Wells Fargo Bank, N.A

Mexico

Banco Nacional de Mexico, S.A
Grupo Financiero BBVA Bancomer
Banco Santander

Brazil

HSBC Bank Brasil S/A
Banco Bradesco S/A
Banco Itau BBA S/A
Banco Santander S/A
Banco Citibank

BOARD OF DIRECTORS

H. V. Goenka	Chairman
Vimal Kejriwal	Managing Director & CEO
S. S. Thakur	Director
G. L. Mirchandani	Director
D. G. Piramal	Director
S. M. Kulkarni	Director
A. T. Vaswani	Director
S. M. Trehan	Director
V. R. Chatterjee	Director
Nirupama Rao	Director
Ramesh D. Chandak	Director

MANAGEMENT TEAM

Vimal Kejriwal	Managing Director & CEO
Rakesh Amol	President - Infrastructure Business
Randeep Narang	President - South Asia (Transmission & Distribution)
Rajeev Aggarwal	Chief Financial Officer
Nikhil Gupta	Executive Director - Cables
Vasudevan Narasimha	Executive Director - Human Resource

VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Ch. V. Jagannadha Rao

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound
L. B. S. Marg, Bhandup (W) Mumbai 400 078
Ph.: 022- 25946970 Fax: 022-25946969
Email: rnt.helpdesk@linkintime.co.in

A TRANSFORMED ENTITY

KEC INTERNATIONAL LIMITED - A BILLION DOLLAR DIVERSIFIED GLOBAL INFRASTRUCTURE ENGINEERING, PROCUREMENT AND CONSTRUCTION (EPC) MAJOR AND A WORLD LEADER IN POWER TRANSMISSION EPC SPACE, IS CONTINUOUSLY EVOLVING ITSELF WITH THE PRIME FOCUS OF DELIVERING EXCELLENCE

1 POWER TRANSMISSION AND DISTRIBUTION

2 CABLES

Presence in **61+** countries across continents

Current project pipeline in **30+** nations

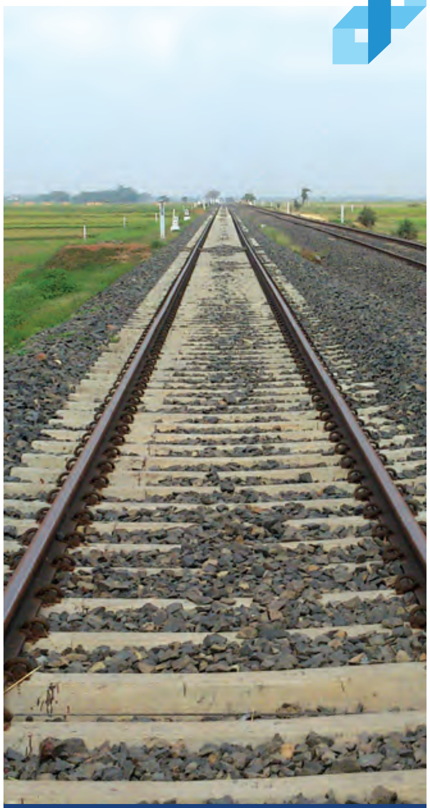
>50% business comes from outside India

~25 overseas offices across the globe

A flagship company of RPG Group, KEC is present in five key verticals of Power Transmission & Distribution, Cables, Railways, Water and Renewables (Solar). With around seven decades of extensive experience, including executing projects in extreme climatic conditions and hostile environments like deserts, forests, mountains, oceans, rivers and snowfields, KEC is recognised for its credibility and reliability.

KEC delivers turnkey solutions using its strengths in Design, Manufacture, Supply and Construction in the areas of Power Transmission lines up to 1,200 kV, Power Distribution Networks, Substations up to 1,150 kV (Gas Insulated Substations (GIS), Air Insulated Substations (AIS) & Hybrid), Railways, Water, Cabling & Engineering Services and Renewables (Solar).

The Company has repeatedly delivered projects with superior quality within scheduled timelines and in many cases ahead of the scheduled completion time as well. We have a strong network of vendors and logistics providers in India and across the globe. Our proficiently designed supply chain has played a crucial role in completion of our projects on time.



3 RAILWAYS

4 WATER

5 RENEWABLES (SOLAR)

8
manufacturing facilities in India, Brazil and Mexico

> 5,000
employees

A CREDIBLE AND RELIABLE

EPC Major

KEC's Tower Manufacturing Factory at Butibori, Nagpur, India

KEC's Tower Manufacturing Factory at Jhotwara, Jaipur, India

Tower Testing Station in Belo Horizonte, Brazil, The Americas

3,13,200 MTs p.a.

Tower manufacturing capacity of 3,13,200 MTs p.a.

ENGINEERING AND DESIGN COMPETENCE

The Company has robust engineering and design capabilities, in which we continue to invest to deliver enhanced excellence year after year.

- Well-equipped in-house design centres in India and the Americas, ensuring a continuous pipeline of innovative, construction-friendly and cost-effective designs
- Our professional, qualified and expert team uses the latest design technologies to give the Company exceptional capabilities in designing

EXCELLENT MANUFACTURING CAPABILITIES

- Largest globally operated Tower manufacturing capacity of 3,13,200 MTs p.a. including 12,000 MTs p.a. of pole manufacturing capacity
- Cables Manufacturing Capacity includes Power Cables - 36,000 km/year, Optical Fibre Cables - 0.6 mln Fkm and Copper Telecom Cables - 2.0 mln Ckm
- 8 Manufacturing Capacities spread across India and the Americas
- ISO 9001, ISO 14001 and OHSAS 18001 accredited

  Manufacturing Facilities (India):

  o **Towers:** Butibori (Nagpur); Panagar (Jabalpur); Jhotwara (Jaipur)

  o **Cables:** Savli (Vadodara); Hootagalli (Mysore); Silvassa (Dadra & Nagar Haveli).

  Manufacturing Facilities (International):

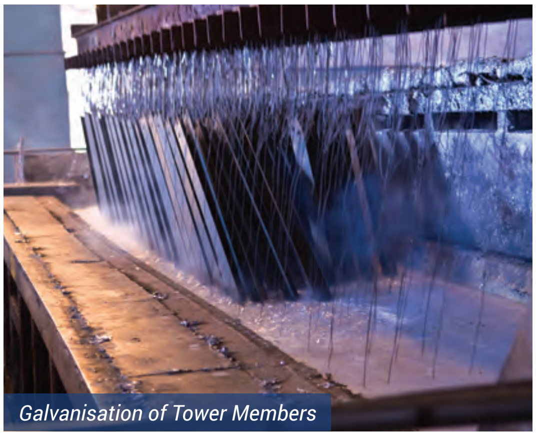
  o **Towers:** Betim, Belo Horizonte (Brazil) and Escobedo Monterrey (Mexico)

- Established credentials in Supply Chain Management

  o Large network of Vendors and Logistic Service Providers

  o Excellent Project Specific Manufacturing Quality Plan

  o Integrated ISO system across Supply Chain



Galvanisation of Tower Members

KEC's Tower Manufacturing Factory at Butibori, Nagpur, India

SAE Towers Factory at Mexico, The Americas

4

Only Company in the world to have 4 tower testing stations

- o Well defined Company Standards for ensuring Quality of Fabrication, Galvanising and Packing
- o Fully equipped Test Laboratories

TOWER TESTING PROWESS

- Largest Tower Testing station in India and Americas, with capability to test towers up to 1,200 kV
- Only Company in the world to have four tower testing stations – three in India and one in Brazil
- All the testing stations are strategically located near manufacturing facilities. They are capable of testing all types of towers – Lattice Towers, Guyed Towers, Tubular and Mono Poles; the Company can provide complete testing solutions to any type of transmission line requirements
- KEC Tower Test Station and Material (Quality) Testing Laboratories of Butibori, Jabalpur and Jaipur plants have received the prestigious ISO 17025:2005 accreditation certificate from National Accreditation Board for Testing & Calibration Laboratories (NABL).

SAE TOWERS HOLDINGS LLC, UNITED STATES

KEC's 100% subsidiary – SAE Towers Holdings LLC (SAE Towers) is headquartered in Houston, Texas (US).

The subsidiary, a leading manufacturer of transmission towers in the Americas, has led to the transformation of the region as one of KEC's large markets outside India. SAE's **well entrenched in-house design and engineering team and in house tower manufacturing & tower testing capabilities,** coupled with excellent track record, has lent it an enviable position in the business of Lattice Towers, Monopoles and Hardwares.

MAPPING OUR GLOBAL EXCELLENCE

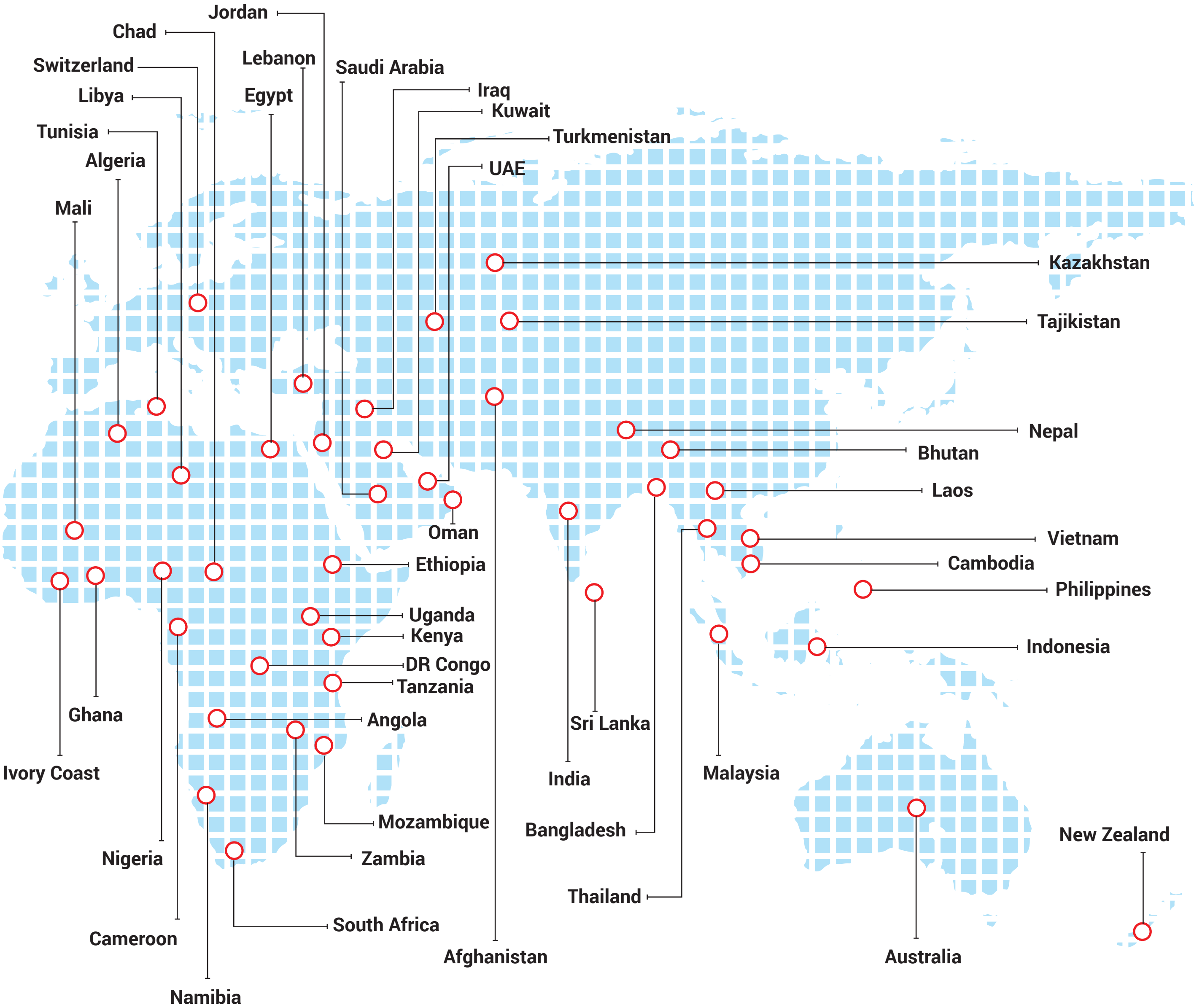
As an established leading global player, we continuously engage and invest in order to enhance the levels of our excellence for our customers as well as other stakeholders year-on-year. In this endeavour, we are guided by the future-centric vision of our Management, backed by the core values and inherent culture that has steered the transformational journey on which we have aggressively embarked to deliver higher growth and profitability.

KEC VISION

To be a global leader in Power Transmission and Distribution EPC Business and a significant player in other infrastructure business, providing superior value to all stakeholders.

CULTURAL PILLARS

KEC's culture is built on the foundation of the following eight pillars that we are nurturing with our deep-rooted strengths across business verticals.



DELIVERY FOCUS

COST AND PROFITABILITY FOCUS

OWNERSHIP AND ACCOUNTABILITY

CROSS-FUNCTIONAL TEAMWORK

EMPOWERING PERFORMANCE

VALUING PEOPLE

PROVIDING DIVERSE OPPORTUNITIES

FORWARD LOOKING

A TRANSFORMATIONAL JOURNEY TO ENHANCE EXCELLENCE

FOR DECADES, KEC, THROUGH ITS EXCELLENT TRACK RECORD OF SUCCESSFUL EPC PROJECTS, HAS BEEN AT THE HELM OF CHANGE THE WORLD OVER. TRANSFORMING LANDSCAPES, BUILDING ICONIC STRUCTURES AND CONNECTING PEOPLE, WE HAVE LEFT OUR IMPRINTS ON THE EDIFICE OF NATIONS ACROSS THEIR MYRIAD AND COMPLEX TERRAINS. A STRONG BALANCE SHEET, ROBUST ORDER BOOK, SUPERIOR WORKING CAPITAL MANAGEMENT & RISK MANAGEMENT STRATEGIES, AS WELL AS HIGH CREDIT RATING ENDORSE THE HIGH LEVELS OF EXCELLENCE WE HAVE CONSISTENTLY DELIVERED TO OUR STAKEHOLDERS OVER THE YEARS.

230 kV Double Circuit Bhola Barisal River Crossing Transmission Line Project in Bangladesh


765/400 kV Power Grid GIS Sub-Station, Thiruvalam, Tamil Nadu

Having emerged as a global major in the EPC space, we are now set to take the next big leap in our journey of excellence through a focussed agenda of self-transformation, geared towards further enhancement of our excellence motif.

As KEC has embarked on this transformational journey to further fortify its global leadership position, significant emphasis is being placed on achieving execution excellence through standardised project execution and management processes.

PROJECT EAGLE
- an agenda of change

Project Eagle was initiated with the objective of defining the 'KEC way of executing projects' to achieve best-in-class quality and safety standards, and the highest levels of profitability. Through Project Eagle, an attempt was made to consolidate 'internal best practices' and supplement them with learnings from world-class EPC companies. The focus was on ensuring cross pollination of learnings across diverse SBUs, geographies, clients and project types to enhance productivity and efficiency. Project Eagle continues to impact and improve all facets of operations in KEC, including bidding, micro planning, execution, working capital management, safety and sub contractor management. A continuous improvement engine in the form of Project Academy, comprising the best organisational talent, is responsible for driving the transformation agenda forward.

Profitability focus across the entire organisation ensures prudent financial management, one of the key success factors for EPC companies. Significant awareness of Profit Before Tax (PBT) management at the level of Project Managers and Construction Managers ensures each project is managed as a separate P&L account. The merger of Distribution business with Transmission (initiated last financial year), has yielded the desired levels of synergy with all-round competency building within the organisation. The distribution order book has significantly grown over the last 12-15 months, leveraging the synergy with Transmission business.

Project management best practices from T&D, as identified by Project Eagle and deployed in Infrastructure SBU, are expected to play a significant role in ensuring business turnaround and profitability improvement.

Supply chain transformation has also yielded significant results in terms of process optimisation, efficiency enhancement and cost optimisation. Focus on strategic sourcing, logistics management, as well as adoption of lean manufacturing practices and TPM principles, have significantly contributed to bottomline improvement for KEC. Going forward, Project Eagle will continuously strive to identify breakthrough opportunities to further optimise cost and efficiency.

MAKING STRIDES TOWARDS GREATER DIGITAL EXCELLENCE

In order to make the transformation process sustainable and ensure continuous improvement, KEC is investing in digitisation of business processes. While the bidding system has already been put in place, an application to manage end-to-end site operations is being developed, which will focus on physical construction tracking and management, and also provide an overview of project profitability to KEC's leadership.

WHAT WE HAVE INITIATED IS A COMPREHENSIVE AGENDA FOR SELF-TRANSFORMATION, ENCOMPASSING EVERY FACET AND FUNCTION OF OUR BUSINESS. WHAT WE ARE AIMING FOR IS HOLISTIC ENHANCEMENT OF OUR EXCELLENCE FOCUS ACROSS EVERY ASPECT OF OUR SYSTEMS AND PROCESSES.

FOCUSSED ON ENHANCING BUSINESS EXCELLENCE

HAVING REALIGNED AND RESTRUCTURED THE BUSINESS VERTICALS TO FOCUS ON THE MOST LUCRATIVE OF GLOBAL OPPORTUNITIES IN EPC, WE ARE NOW WORKING TOWARDS ENHANCING OUR STRENGTHS ACROSS THESE SEGMENTS.

POWER TRANSMISSION AND DISTRIBUTION

Power transmission and distribution has emerged as our largest business vertical. Our services under the vertical include:

- End-to-end solutions in power transmission and distribution
- Capable of executing projects of up to 1,200 kV transmission lines on a turnkey basis
- Ability to execute EPC Projects of High Voltage Electrical Switching and Distribution Substations, installation of Optical Fibre Cable (OFC) networks, Optical Ground Wire (OPGW) stringing, and HV/EHV Cabling project works on a turnkey basis
- Concept to commissioning of High Voltage Air Insulated Substations (AIS) up to 1,150 kV and Gas Insulated Substations (GIS) up to 765 kV as per various national and international standards
- Supported by in-house design and engineering expertise; capable of designing very complex and large towers

- Our capabilities in electrical as well as structural and civil works are steered by our global supply chain management team, backed by a highly experienced project management team, delivering projects as per customer-specific requirements

CABLES

Cables have evolved as a strong area of our business, enabling our emergence as a leading manufacturer of power cables and telecom cables in India. Our services under the vertical include:

- Wide range of power cables (HT and EHV cables up to 220 kV) and telecom cables
- Pioneered the production of cross linked polyethylene (XLPE) cables in the country
- ISO 9001, ISO 14001 and OHSAS 18001 accredited
- Three fully integrated manufacturing facilities. The Vadodara facility is a state-of-the-art manufacturing facility with modern technologies
- Manufacturing set-up equipped with latest machines and testing facilities that are benchmarked to national and international standards

RAILWAYS

KEC is present in Railways Infrastructure space since last 5 decades, having electrified more than 10,000 track kms of Indian Railways. KEC has grown into a complete turnkey solutions provider, present in all functional segments in the EPC infrastructure space in railways like:

- Civil infrastructure, including bridges, tunnels, platform, workshop modernisation, station building etc.
- Earthwork, new track laying and rehabilitation of existing tracks
- Railway electrification and power systems
- Signalling and telecommunication network

ISO 9001, ISO 14001 AND OHSAS 18001
accredited facilities


Solar Power Project in Punjab


Cables factory, Vadodara

220 kV
Capable of producing EHV Cables of up to 220 kV

- Prequalified to bid various parts of dedicated freight corridor projects in consortium with partners

WATER

We, at KEC, have established a strong presence in Water Resource Management (WRM) and Waste Water Treatment (WWT) projects. Our services under the vertical include:

- **WRM:** Building of canals, construction of dams and water system civil works related to thermal power projects
- **WWT:** Sewage and Industrial Effluent treatment projects

RENEWABLES (SOLAR)

- In line with the Government's increased focus on Renewable Energy sector, KEC has made a move to carve out its presence in the sector by providing Solar EPC services for large solar PV projects developed by private players and roof-top PV solutions for Industrial and Commercial consumers. Further, we are empanelled with the Ministry of New and Renewable Energy (MNRE) under their Solar On-grid programme contributing to their National roof-top mission. Our services under the vertical include:
- Design & Engineering, Project Execution, Project Management, Bid Management, Project Feasibility Analysis across large-scale Solar Photovoltaic Power Plants for both land-mounted as well as roof-top Solar PV projects

EMPOWERING PEOPLE THROUGH GLOBAL ICONS OF EXCELLENCE

From transmission towers and substations to railways, waste water treatment solutions and sustainable solutions like solar, our global icons of excellence stand out as vital assets for countries around the world.

Our strategic overseas business focus has yielded positive results, with international orders consistently accounting for more than 50% of the total order book.


138 kV Transmission Project in Philippines

WITH EXCELLENCE A WAY OF BUSINESS AT KEC, WE ARE CONTINUOUSLY WORKING TOWARDS CREATING GLOBAL ICONS OF EXCELLENCE THAT EMPOWER PEOPLE AROUND THE WORLD. OUR POWER BUSINESS, IN PARTICULAR, STANDS OUT FOR ITS PIVOTAL ROLE IN ENABLING THE PROGRESS OF VARIOUS COUNTRIES. OUR IMPACTFUL AND CUSTOMISED SOLUTIONS IN THIS SEGMENT HAVE PERSISTENTLY DEFIED ALL CHALLENGES TO DELIVER STEADFAST GROWTH TO NATIONS THROUGH A PARTNERSHIP APPROACH.


Substation Project in Bolangir, Odisha, India


Transmission Line Project in Afghanistan

Key business highlights

POWER TRANSMISSION AND DISTRIBUTION BUSINESS

- **Secured orders across regions:**
  Order intake for the year in this business is ₹ 6,812 crore. This includes orders from South Asia (Bangladesh and India), MENA (Oman, Saudi Arabia and Abu Dhabi), The Americas (Brazil, Canada, Mexico and US) and Africa & CIS (DR Congo, Zambia, Uganda, Nigeria and Kenya)

  During the year, the Company secured two orders from the private player - Sterlite Power Grid Ventures Limited for their BOO projects under Northern & Eastern Region System Strengthening Scheme

- **Expansion in the Transmission EPC space in the Americas:**
  The Company is leveraging its strong global EPC expertise, along with a local foothold in the American market, through SAE Towers. In addition to the two transmission line EPC orders secured last year, SAE Towers further secured three orders this year. The total value of these additional orders is ₹ 230 crore

- **Secured large size EPC orders:**
  We secured an order for supply and construction of 230 kV and 380 kV transmission lines in Jubail and Shedgum areas in Saudi Arabia. The order has been secured from Saudi Electricity Company and the order value is ₹ 736 crore (KEC share)

- **Enhancing presence in Substation space:** We increased our focus on Substation business & secured seven orders worth ₹ 1,094 crore in the year. Most of these orders are for GIS Substations and have been secured from PGCIL/ SEBs

- **Landmark on the Power Distribution front:**
  We have successfully executed a landmark 765/400 kV GIS Substation in Thiruvalam, Tamil Nadu for PGCIL

- **Executed our most prestigious, first-of-its-kind project in India -**
  A River Crossing project with Mid-Stream towers in Haldia, West Bengal was completed. The height of individual River Crossing (RC) tower is 775 feet which is about 75% of the height of Eiffel Tower. The weight of each RC tower is ~1790 MTs

CABLES BUSINESS

Total order intake in this business increased to ₹ 1,156 crore from ₹ 855 crore in the last fiscal, an increase of 35.2% Y-o-Y.

We manufactured the largest ever 220 kV XLPE in India, made from a single core 2000 mm2 copper conductor at Vadodara facility. Type-testing of 220 kV cable systems has been successfully completed at KEMA Netherlands and the long duration PQ test is also underway.

RAILWAYS BUSINESS

In this business, the Company has secured two orders of ₹ 246 crore for railway electrification from Central Organisation of Railway Electrification.

Further, the Company achieved good progress towards closing the legacy of loss-making orders. While some of these orders have already been physically closed during the year, the rest are expected to be closed in the second quarter of the financial year 2015-16.

₹ 6,812 crore

Order intake for the year in Power T&D Business

WATER BUSINESS

The Company has strategically decided to bid selectively for projects during the year and as a result, did not secure any order in this period.

RENEWABLES (SOLAR) BUSINESS

In the Renewables business, the Company marked an entry by securing its first turnkey order in solar space. The order, valued at ₹ 10 crore, includes design, supply, installation, testing and commissioning of Solar PV power plant.

TRANSFORMING, DELIVERING EXCELLENCE, BRAVING CHALLENGES

A PESSIMIST SEES CHALLENGE IN OPPORTUNITY, WHILE AN OPTIMIST LOOKS AT EVERY CHALLENGE AS AN OPPORTUNITY. WE ENJOY CHALLENGES AS THEY INSPIRE US TO GO DEEPER INTO THE REALMS OF OUR INTERNAL STRENGTHS. WE LIKE COMPLEXITIES AS THEY ENCOURAGE US TO STRETCH THE LIMITS OF OUR EXCELLENCE.

SO WHAT IF THAT MEANS BUILDING A TRANSMISSION TOWER THAT IS 3/4THS THE HEIGHT OF EIFFEL TOWER, AND THAT TOO IN THE MIDDLE OF A DEEP RIVER? SIZZLING DESERTS, FROZEN TUNDRAS, STEEP HILLS, DEEP VALLEYS – THE MORE DIFFICULT THE TERRAIN, THE MORE WE TRANSFORM OURSELVES TO MEET THE CHALLENGING DEMANDS OF COMPLEX PROJECTS. 'SIMPLIFYING DIFFICULTY' IS MORE THAN A MANAGEMENT CREDO FOR US; IT IS ACTUALLY A WORK PHILOSOPHY THAT WE HAVE INTERNALISED AND IMBIBED AS AN UNCOMPROMISABLE VIRTUE.

A glance at some outstanding instances of delivering excellence by surmounting complex challenges:

765/400 kV POWER GRID GIS SUB-STATION, THIRUVALAM, TAMIL NADU, INDIA

A landmark for KEC on Power Distribution front, this 765/400 kV GIS Substation, charged and commissioned by KEC for PGCIL in Thiruvalam, Tamil Nadu, is the first of its kind in Southern India. The GIS equipment for the project was supplied by our strategic partner, Pinggao. The project involved many challenges, including heavy rock blasting and construction of complex GIS Building, including a difficult 500 mm thick floor in which metal plates were embedded etc. Using the most advanced techniques and well integrated supply chain systems, we completed the project within the scheduled time, with GIS construction done in a record four months, along with bus duct erection.

Project status: Completed in March, 2015

INTERCONNECTION OF 380 kV TL FOR AL SALAM BSP AT MADINAH, THE KINGDOM OF SAUDI ARABIA

This project involved construction of 240 towers along 89 kms of critical hilly terrain. The challenge lay in the construction of the access road needed to maintain proper slopes, and in avoiding the sharp turns on the elevated terrain. Hot (dynamite) blasting had to be done (under strict police supervision) to build the structure pad. Besides, excavation for the foundation involved the costly and time-consuming task of chemical blasting. Given the difficult terrain and non-availability of approved suppliers, it was also difficult to transport ready mix concrete as well as tower materials. Tackling these challenges head-on, we have remained on track as per the project timelines.

Project status: Expected Completion by November, 2015

3

400 kV TWIN D/C TL, SILCHAR, IMPHAL, INDIA

This project, an offloaded job from PGCIL involving 46 Tower Erections and 35 kms of stringing, was successfully executed in a stringent timeframe of eight months by overcoming all odds, including difficult hilly terrain, harsh weather and local insurgency conditions. No access roads were available to transport materials for execution. Average head loading for all locations was approx. 3 to 5 kms. We had to engage approx. 15 gangs of people, only for the purpose of shifting of materials. Special arrangement through ropeway had to be made to ensure that welding materials, along with joint machines, could be transported to the hilltop. Such were the conditions, that our team could not even camp near the locations. They had to be kept in old army camps & PGCIL guest houses. The project was successfully completed with Indian Army's full support.

Project status: Completed in March, 2015

4

765 kV S/C TL SASAN, VINDHYACHAL, INDIA

Completion of 765 kV Sasan - Vindhyachal pooling transmission line was a challenging task as it had been on hold since the last three years due to severe Right of Way (ROW) and court cases. Undulated terrain and hard rock surface made tower spotting a challenge and PGCIL had to develop a special design for the foundation of four towers. We had to deploy special task force, jointly with the customer and local administration, to tackle the ROW issues. 32 Metre boom cranes had to be deployed for three DD+25 Metre towers. Amidst such challenges, we successfully completed this project in the timeframe set by the customer.

Project status: Completed in March, 2015

5

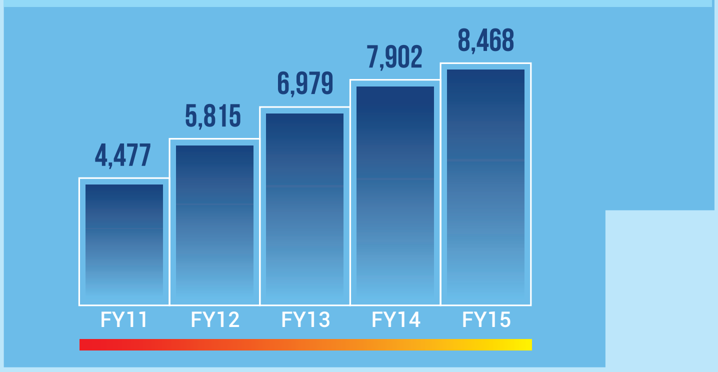
765 kV D/C TL RIHAND, VINDHYACHAL, INDIA

The scope of project involved installation of equipment across 91 locations, with a line length of 31 kms. The line was quad Bersimis conductor line, with all locations in forest region. We completed the project within six months of receiving the forest clearance, which was vehemently opposed by the locals. Though project had unequal leg at every location, it was completed without any deviation. Two special river crossing towers - DD+25 Mt tower each with approx. 160 MT - were erected with the help of cranes and jink poles, with mobilisation of more than five teams across two locations.

Project status: Completed in March, 2015

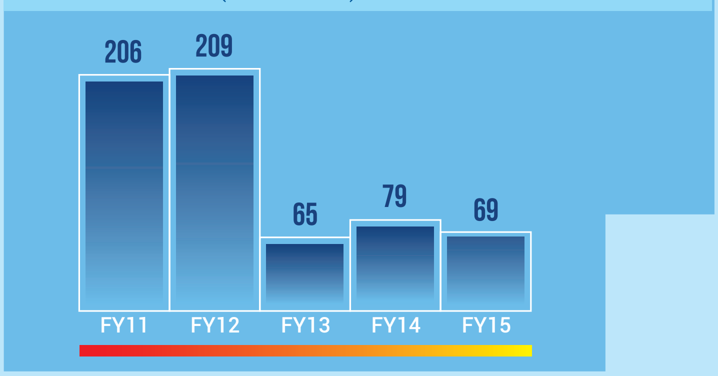
FINANCIAL PERFORMANCE

NET SALES (₹ in crore)



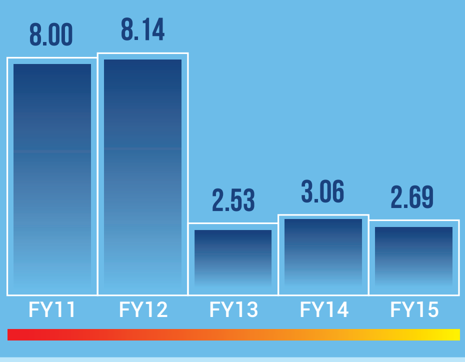
EBITDA (₹ in crore)

NET PROFIT# (₹ in crore)

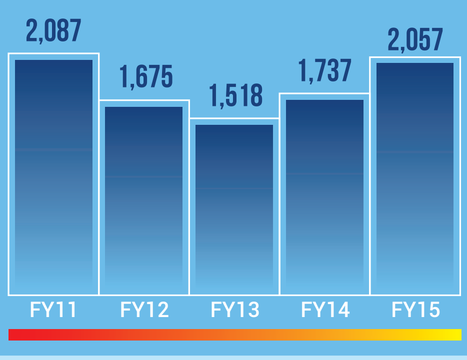


#Before impact of Voluntary Retirement Scheme (FY14) and disposal of Assets (FY15)

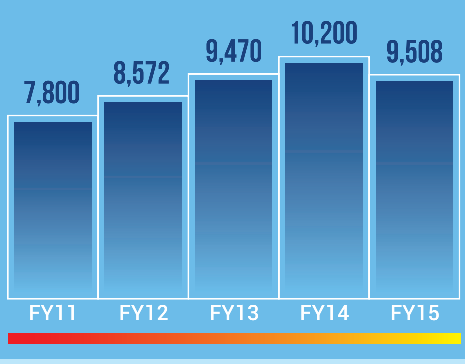
EPS# (₹)



YEAR-END MARKET CAPITALISATION (₹ in crore)

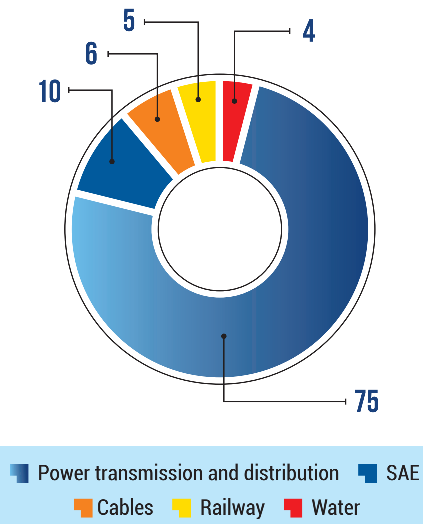


ORDER BOOK (₹ in crore)

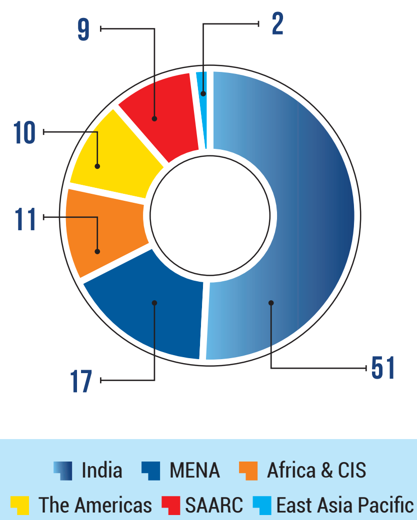


#Before impact of Voluntary Retirement Scheme (FY14) and disposal of Assets (FY15)

BUSINESS-WISE OUTSTANDING ORDER BOOK (%)



REGION-WISE ORDER BOOK (%)



TRANSFORMATION BEYOND BUSINESS

WE FIRMLY BELIEVE THAT TAKING CARE OF THE INTERESTS OF THE COMMUNITIES AND THE ENVIRONMENT GOES HAND-IN-HAND WITH A GLOBAL BUSINESS PERSPECTIVE. INSPIRED BY THIS BELIEF, WE CONTINUALLY ENGAGE IN CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES THAT EXTEND WELL BEYOND THE REALM OF BUSINESS FABRIC. OUR SOCIAL ENDEAVOUR ENCOMPASSES EMPOWERING COMMUNITIES, IMPARTING EDUCATION, HEALTHCARE AND ENVIRONMENTAL PROTECTION, AMONG OTHERS. THE CONSTANT ENDEAVOUR IS TO BUILD SOCIAL SUPPORT STRUCTURES THAT WILL PROMOTE INCLUSIVE GROWTH. OUR VISION IS TO DRIVE “HOLISTIC EMPOWERMENT” OF THE COMMUNITY, THROUGH IMPLEMENTATION OF SUSTAINABLE INITIATIVES WHICH WILL HAVE MAXIMUM SOCIETAL IMPACT BY IDENTIFYING THE CRITICAL NEEDS AND GAPS.

Tree plantation at KEC Training Centre Butibori by Mr. Vijay kumar Gautam, Director - Vocational Education & Training and Commissioner - Employment, Self-Employment and Skill Development

Entrepreneurship Development Training for Local Community Women Self-Help Group at KEC Training Centre, Butibori

Students being guided under Project Jeevan

ELEVATING LIVES THROUGH EDUCATION

Our conscious commitment towards quality education is manifested through the support we lend to RPG Group's **'Pehley Akshar programme'.** The programme aims to enhance the spoken and reading English skills of children, thereby, giving them an equal opportunity for making their lives brighter. In FY15, the Company carried out initiatives in Nagpur, Jabalpur and Jaipur educating more than 4,500 children, as against more than 4,000 in FY14.

EMPOWERING THROUGH GAINFUL EMPLOYMENT

One of the most effective ways of empowering local communities is to equip them with skills for their gainful employment. KEC, through RPG Group's **'Saksham'** programme, which has adopted Government run technical schools in Vidarbha, Maharashtra, provides the youth with soft skills training, along with hobby classes, finishing schools, 5S housekeeping system, science and energy classes. Enhancing their knowledge, skill and attitude has benefited around 700 students and further aims to improve more lives by widening its reach.

INDUSTRIAL TRAINING INSTITUTE (ITI) INITIATIVES

We adopted ITI Ashti, District Wardha, with the objective of upgrading technical infrastructure and building higher capacity under the PPP Model.

To enhance the proficiency and skills of students, the Institute organises on-job training, industry visits, soft skill training, English classes, workshops and additional technical training. During the year, E-classroom, Wireman Lab, Learning Resource Utilisation Centre and Computer Aided Training Lab were the new facilities created at the Institute. KEC has also been facilitating the sharing of best practices among ITIs in the Vidarbha region.

CONSERVING THE ENVIRONMENT

We are committed to protect our most silent stakeholder – the environment. A tree plantation drive was undertaken at the Silvassa unit on the occasion of World Environment Day, while a Green Walkathon was organised at Vadodara to generate awareness among the community to plant more trees and protect the environment.

Energy Conservation Day was also celebrated at plant units by conducting awareness sessions and providing employees with valuable tips on reducing power consumption.

EMPOWERING THE WOMEN

Under the flagship project Saksham, we work towards providing Entrepreneurship Development Training for Women with the objective of creating entrepreneurs and providing alternative livelihood opportunities. More than 200 women have been trained under the programme and many of them are now in business supplementing their household income.

HEALTH AND WELFARE INITIATIVES

We embrace a commitment to support health awareness campaigns and provide basic healthcare facilities.

Our flagship project 'Netranjali' focusses on eye care interventions across every age group – from children to senior citizens. Almost 2,500 people, including students, benefited from this initiative.

Under Project Jeevan, KEC strives to provide healthcare interventions for school children. Almost 4,000 students were screened at the health check-up camps conducted across the cities of Jaipur, Nagpur and Jabalpur. Dental check-up was also organised at these cities. Water Huts were installed at Government Schools in Jaipur for the provision of safe drinking water.

'**World No Tobacco Day'** was celebrated at Silvassa and Vadodara units. Various activities were organised on the occasion with the aim of sensitizing the community and employees about the ill-effects of tobacco through documentaries and lectures. World Aids Day was also celebrated at the plants to spread awareness among the employees and show support for people living with HIV.

OTHER CSR INITIATIVES

Union and workmen of Mysore unit contributed to providing lunch for the needy people of Vimala Terminal Home. Contributions were also made by the same unit for providing nourishing supplements to residents of the nearby old age home.

Summer camps were organised for children, which witnessed the participation of more than 130 youngsters. A Safety Run Competition was organised at Balbharati Maidan, Butibori.

RPG Cables Vadodara Unit celebrated World AIDS Day on December 1, 2014 to create an awareness among the employees and people of vicinity

Distribution of Spectacles to school children under Project Netranjali.

APPLAUDED!!!

1. Conferred with the **'Best Transmission Line Contractor'** (large players) Award by PGCIL for the 2nd consecutive year.

5. Bagged the **Top Infrastructure Company 2014** award by Dun & Bradstreet.

6. Conferred with the prestigious **'SKOCH Golden Award'** for our Haldia River Crossing project from over 260 Companies which participated. The SKOCH award is conferred upon Corporates which demonstrate outstanding business leadership while simultaneously contributing to India's socio-economic growth.

2. Bestowed with a Special Prize **'Vishesh Samman'** for helping PGCIL restore Power to New Delhi.

3. Our Jaipur tower manufacturing unit won the **"Best Employer Award 2013"** by Employer Association, Rajasthan, for the 3rd consecutive year.

4. Our Jabalpur unit won **Outstanding Achiever Award 2014** for Excellence in exports in large enterprise category by Federation of Madhya Pradesh Chambers of Commerce and Industry, Bhopal (FMPCCI, Bhopal).

7. Bestowed with the **'Star Performer Award'** in the category of Project Exports - Large Enterprise by Engineering and Export Promotion Council (EEPC) India.

8. Our Transmission & Distribution - South Asia SBU won the **'Best Safety Practices'** award by the National Safety Council in co-operation with the Directorate of Industrial Safety and Health, Maharashtra for adoption and following of the best safety practices.

9. Our Butibori Plant won the **'Best Safety Practices'** award by the National Safety Council in cooperation with the Directorate of Industrial Safety and Health, Maharashtra for adoption and following of the best safety practices.

DIRECTORS' REPORT

400 kV GIS Substation at Kishanganj, Bihar, India

To the Members of
KEC International Limited

The Directors have pleasure in presenting the Tenth Annual Report, along with the Consolidated and Standalone audited financial statements of the Company for year ended March 31, 2015.

1. FINANCIAL RESULTS

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY15	FY14	**FY15**	FY14
Net Revenue from Operations	8,467.80	7,901.83	6,592.09	6,558.77
EBITDA	511.80	493.27	327.46	372.89
Finance Cost	308.86	263.27	252.13	231.42
Depreciation & Amortisation	88.11	70.52	70.40	55.42
Profit Before Tax	261.06	155.10	182.34	150.86
Tax Expenses	100.09	88.34	72.70	65.27
Profit After Tax	160.98	66.75	110.74	85.59
Proposed Dividend on equity shares (including tax on dividend)	27.85	18.05	27.85	18.05
Transfer to General Reserve	11.07	8.56	11.07	8.56

Company secured orders of

₹ 8,223

crore in FY15

KEC

ON A CONSOLIDATED BASIS, THE NET REVENUE FROM OPERATIONS FOR FY15 IS ₹ 8,468 CRORE, A GROWTH OF 7.2% OVER FY14.

2. DIVIDEND

The Board of Directors has recommended a dividend of 45% (₹ 0.90) against a dividend of 30% (₹ 0.60) for the previous year on equity share of ₹ 2 each for the year ended March 31, 2015, on the equity share capital of the Company, aggregating to ₹ 27.85 crore. The dividend on equity shares is subject to the approval of the Members at the ensuing Annual General Meeting.

3. GENERAL RESERVE

The Board of Directors propose to transfer an amount of ₹ 11.07 crore to the General Reserve.

4. PERFORMANCE

Financial Performance

In FY15, several measures were taken for improving the performance of the Company and to secure new orders across various businesses and geographies.

On a consolidated basis, the net revenue from operations for FY15 is ₹ 8,468 crore, a growth of 7.2% over FY14. During the year Company disposed its surplus land at Thane, Mumbai which helped improve the net profit to ₹ 161 crore, a growth of 141.1% over FY14. On a standalone basis, the net revenue from operations increased to ₹ 6,592 crore and the net profit increased to ₹ 111 crore.

The Company secured orders of ₹ 8,223 crore in FY15. The closing order book position on March 31, 2015 is at ₹ 9,508 crore. The Company is also expecting to receive significant orders in the near future as it has a good L1 pipeline.

The transmission business continues to perform well both in terms of revenue and profitability. However, the overall profitability of the Company was affected due to time and cost overruns associated with project closures in Railways, Water and Distribution businesses. The profitability was also negatively impacted due to adverse movement in currencies. The Company's wholly owned subsidiary, SAE Towers, also reported negative profitability this year as a result of lower order intake in Mexico and lack of clearances in Brazil leading to higher inventories and lower production. This resulted in under absorption of fixed costs. The Cables business, however, has shown signs of turning around with topline growth of 43.7% over FY14. This was achieved due to higher capacity utilisation as a result of increase in demand. The Cables business has received type test approval for its 220 kV Cables from KEMA, Netherlands which has enabled the Company to commence sale of this product.

Operational highlights

The key highlights for the Company's various businesses are as follows:

Power Transmission & Distribution – This is the Company's largest business vertical which provides end-to-end solutions for power evacuation from generating stations to consumer distribution points.

The Company secured orders worth ₹ 6,812 crore during the year across India, MENA, Africa, SAARC and the Americas. The orders include the single largest order in transmission business from Saudi Electricity Company, Saudi Arabia and the largest ever order in domestic business from Karnataka Power Transmission Corporation Limited, Karnataka.

The Company has implemented a business transformation exercise to keep pace with the global growth in the business and the changing client requirements. As a result of this, the Company has:

- o Defined and documented its proprietary 'KEC way' of project execution (more than 90% of the processes are internal best practices selected for horizontal deployment)
- o Achieved associated savings in project cost due to wastage reduction;
- o Developed a mindset to complete projects on time with focus on working capital.

The impact of above will be felt in the coming years. The Company is also focusing on significant cost savings in supply chain – procurement and logistics, especially in the transmission business.

The successful implementation of the transformation exercise has led to a reduction in the execution cycle for Transmission and Distribution projects and the Company has also successfully completed a few projects ahead of the contracted schedule. The performance was acknowledged with two prestigious awards from Power Grid Corporation of India Limited (PGCIL) namely; Best Transmission Line Contractors (large players) & Special Prize for helping PGCIL in restoring Power to New Delhi during last year black out.

During the year the Company has completed the prestigious Haldia River Crossing project in West Bengal. The project included construction of two of the tallest (775 feet) and heaviest towers (each weighing more than

220 kV Cable Dispatch


KEC Cables Factory at Vadodara

With the 220 kV KEMA type test certificate we are well positioned to cater to the increasing demand

1790 MT) on the Hoogly River. This project reaffirms the Company's capability to execute challenging projects in difficult terrains and adverse weather conditions.

The Company also expanded its domestic presence in Substation business by securing large and prestigious orders for the establishment of various Gas Insulated Substations (GIS). A 765 kV GIS in Thiruvalam, Tamil Nadu constructed by KEC has been commissioned by PGCIL during the year, this is the second GIS Sub Station in India

The Company has also expanded its strong global EPC expertise in the Americas through its wholly owned subsidiary SAE Towers by securing five transmission EPC projects in Brazil.

Cables – The cables business has seen excellent order inflows during the year. It secured orders of ₹ 1,156 crore in FY15, a growth of 35.2 percent over the previous year. In EHV segment, KEC manufactures cables up to 220 kV although the production line is capable of manufacturing cables up to 400 kV. Recently, we manufactured a 220 kV, 2000 mm2 cable which is largest ever in India. With the 220 kV KEMA type test certificate we are well positioned to cater to the increasing demand not only domestic but also the international markets.

Railways – The Company has secured two orders of ₹ 246 crore for Over Head Electrification (OHE) from the Central Organization of Railway Electrification, India. The Company is also targeting projects related to Metro and Dedicated Freight Corridors in partnerships with other qualified players.

Water – This year the Company's focus has been on technology projects like waste water treatment (WWT), presently four waste water treatment projects are under execution. The Company is expecting to complete the balance water resource management (WRM) projects during the current financial year.

Sale of Surplus Assets

During the year ended March 31, 2015, the Company has consummated the transaction for sale of its surplus land at Thane near Mumbai for a total consideration of ₹ 212.35 crore. Further the Company has entered into agreement for sale of its telecom assets in the states of Chhattisgarh, Meghalaya and Mizoram. The consideration is envisaged at around ₹ 81 crore subject to fulfilment of certain conditions by the Company. The transaction is expected to be concluded in next few months after receipt of the required approvals.

KEC

THE COMPANY HAS ALSO EXPANDED ITS STRONG GLOBAL EPC EXPERTISE IN THE AMERICAS THROUGH ITS WHOLLY OWNED SUBSIDIARY SAE TOWERS

5. LISTING

The Equity Shares of the Company continue to remain listed on BSE Limited and National Stock Exchange of India Limited. The stipulated listing fees for FY16 have been paid to all the Stock Exchanges. The Company has voluntarily delisted its Equity Shares from MCX Stock Exchange Limited w.e.f. March 20, 2015.

6. FINANCE

During the year, the Company has issued Non Convertible Debentures of ₹ 7,500 lakhs to augment its long term working capital requirements. The Company continues its focus on the effective management of its Working Capital. Further to reduce the borrowings, the Company has disposed off its non-core assets. The Company has also replaced some high cost debts with low cost debts to save on interest cost.

7. FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of Sections 2(31) and 73 of the Companies Act, 2013, and the Rules framed thereunder and any re-enactments thereof.

8. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

The particulars of loans, guarantees and investments are detailed in Note 12 & 13 of the Financial Statements. All the loans, guarantees and investments made are in compliance with the provisions of the Companies Act, 2013.

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

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 Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in the prescribed format as Annexure A to this Report.

10. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In compliance with Clause 49 of the Listing Agreement entered into with the Stock Exchanges, a separate section on Management Discussion and Analysis, as approved by the Board of Directors, which includes details on the state of affairs of the Company as required to be disclosed in the Directors' Report, forms part of this Annual Report. Further, the Corporate Governance Report, duly approved by the Board of Directors, together with a certificate from the Statutory Auditors confirming the compliance with the requirements of Clause 49 forms part of this Annual Report.

11. SUBSIDIARY COMPANIES

The Company has twenty three direct and step down subsidiary companies. As per sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements and performance of the Company's subsidiaries, associate company and joint ventures for the year ended March 31, 2015, is included as per the prescribed format in this Annual Report. The Annual Accounts of these subsidiaries are uploaded on the website of the Company in compliance with Section 136 of the Companies Act, 2013. The Annual Accounts of these subsidiaries and the other related detailed information will be made available to any Member of the Company /its subsidiary(ies) seeking such information at any point of time and are also available for inspection by any Member at the Registered Office of the Company.

12. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Section 129(3) of the Companies Act, 2013 and Clause 32 of the Listing Agreement entered into with the Stock Exchanges, the Consolidated Financial Statements of the Company, including the financial details of all the subsidiary companies of the Company, forms part of this Annual Report. The Consolidated Financial Statements have been prepared in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

13. DIRECTORS

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. H. V. Goenka, is liable to retire by rotation and being eligible offers himself for re-appointment at the ensuing Annual General Meeting. Further the Board of Directors have appointed Mrs. Nirupama Rao as an Additional Director w.e.f. October 31, 2014. Pursuant to Section 161 of the Companies Act, 2013, and Article 124 of the Articles of Association of the Company, Mrs. Nirupama Rao holds office up to the date of the ensuing Annual General Meeting of the Company and is eligible for appointment as an Independent Director of the Company for a term of five years. Further, Mr. A. T. Vaswani, Director of the Company is also proposed to be appointed as an Independent Director of the Company at the ensuing Annual

Mr. I. S. Jha, Director (Projects), PGCIL inaugurating KEC stall at GRIDTECH 2015, on the right is Mr. Vimal Kejriwal, MD & CEO, KEC

General Meeting for a term of five years. The Company has received a notice from the Members of the Company under Section 160 of the Companies Act, 2013, proposing the appointment of Mrs. Nirupama Rao and Mr. A. T. Vaswani as Independent Directors for a term of five years. Further as per Sections 149(10) and 152 of the Companies Act, 2013, the Independent Directors of the Company are not liable to retire by rotation.

In compliance with Clause 49 VIII (E) of the Listing Agreement, brief resume, expertise and other details of all the Directors proposed to be appointed/ re-appointed are attached along with the Notice to the ensuing Annual General Meeting.

The Board of Directors recommend to the Members the appointment of Mrs. Nirupama Rao and Mr. A. T. Vaswani as Independent Directors of the Company for a term of five years and the re-appointment of Mr. H. V. Goenka as a Director of the Company.

Further Mr. Ramesh D. Chandak retired as Managing Director of the Company with effect from end of business day on April 01, 2015. The Board has placed on record its appreciation for the outstanding contribution of Mr. Ramesh D. Chandak during his tenure as Managing Director of the Company. Mr. Ramesh D. Chandak shall continue to be a Director on the Board of the Company and also as an Advisor of the Company.

The Board of Directors at its Meeting held on October 31, 2014 appointed Mr. Vimal Kejriwal as Director of the Company and also as Whole Time Director (WTD) with effect from January 01, 2015 up to March 31, 2015. He was appointed and designated as Managing Director and Chief Executive Officer (MD & CEO) with effect from April 01, 2015 for a period of five years or on reaching the superannuation age as per the policy of the Company. The Members of the Company through Postal Ballot approved appointment of Mr. Vimal Kejriwal as WTD and also as MD & CEO.

13.1 Declaration by Independent Directors

Pursuant to sub-section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors of the Company, viz. Mr. S. S. Thakur, Mr. G. L. Mirchandani, Mr. D. G. Piramal, Mr. S. M. Kulkarni, Mr. A. T. Vaswani, Mr. S. M. Trehan, Mr. Vinayak Chatterjee and Mrs. Nirupama Rao have given the declaration to the Company that they qualify the criteria of independence as required under the Act.

13.2 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual evaluation of its own performance, the Directors individually and also of all the Committees of the Board. The Company had provided an electronic platform to all the Directors of the Company to record their views. The Reports generated out of the evaluation process were placed before the Board at its Meeting and noted by the Directors.

The performance evaluation of the Board and its Committees was evaluated by the Board after seeking inputs from the Members on the basis of criteria such as Board composition, strategy, performance management, risk management etc. The performance of the Committee was evaluated using parameters like composition, frequency of Meetings, level of participation and effectiveness of the Committee.

Further during the year, two meetings of Independent Directors were held as required under Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Directors present reviewed the performance of Non-Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

13.3 Policy on Remuneration of Directors, Key Managerial Personnel and other employees

The Board based on the recommendation of the Nomination and Remuneration Committee, has formulated a policy on Remuneration of Directors, Key Managerial Personnel and other employees. The policy covers the appointment including criteria for determining qualification, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and other employees of the Company. The Nomination and Remuneration Policy is annexed as Annexure B to this report.

13.4 Meetings of the Board of Directors

During the year six Board meetings were held, the details of which are given in the Corporate Governance Report. Maximum gap between the meetings is well within the limits prescribed under Companies Act, 2013 and Clause 49 of the Listing Agreement.

13.5 Meetings of Audit Committee

During the year nine Audit Committee meetings were held which is in compliance with the requirement of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The details of which are given in the Corporate Governance Report. All the recommendations of the Audit Committee have been accepted by the Board.

14. CHANGES IN KEY MANAGERIAL PERSONNEL

During FY15, Mr. Vardhan Dharkar resigned from the office of Executive Director – Finance and Chief Financial Officer w.e.f. June 30, 2014. The following persons were appointed as the Key Managerial Personnel of the Company during FY15 in compliance with the provisions of the Companies Act, 2013:

A) Mr. Rajeev Aggarwal as the Chief Financial Officer of the Company w.e.f. September 01, 2014

B) Mr. Vimal Kejriwal as the Whole Time Director of the Company w.e.f. January 01, 2015

15. AUDITORS

Statutory Auditors

M/s. Deloitte Haskins & Sells (DHS), Chartered Accountants were appointed as the Statutory Auditors of the Company to hold office from the conclusion of the previous Annual General Meeting until the conclusion of the Twelfth Annual General Meeting subject to ratification by the Members at every Annual General Meeting. In view of the provisions of Section 139 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014, the Company has received a letter from DHS to the effect that their appointment, if made, would be within the limits prescribed under Section 141 of the Companies Act, 2013 and the Rules framed thereunder and that they are not disqualified for such appointment within the meaning of the said Act. Further, as required under Clause 49 of the Listing Agreement, the Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Board of Directors recommends to the Members to pass the resolution ratifying the appointment of DHS as the Statutory Auditors of the Company as stated in Item No. 4 of the Notice, convening the ensuing Annual General Meeting.

Branch Auditors

In terms of Section 143(8) of the Companies Act, 2013 read with Rule 12 of the Companies (Audit and Auditors) Rules, 2014, the audit of the accounts of the branch offices of the Company located outside India is required to be conducted by the person(s) or firm(s) qualified to act as Branch Auditors in accordance with laws of that country. The Board of Directors seeks approval of the Members to authorise the Audit Committee to appoint Auditors for the branch office of the Company and also to fix their remuneration. The Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 5 of the Notice, convening the ensuing Annual General Meeting.

Cost Auditors

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of manufacturing facilities for steel towers and cables need to be audited. In compliance to the above, the Board of Directors upon the recommendation of the Audit Committee appointed M/s Kirit Mehta and Associates, as the Cost Auditors of the Company for the FY15. In accordance with the

Mr. R. N. Nayak, CMD, PGCIL interacting with Mr. Vimal Kejriwal, MD & CEO, KEC at KEC stall, GRIDTECH 2015

TO ACHIEVE THE EHS OBJECTIVE OF ACCIDENT FREE WORKPLACE, VARIOUS EHS MANAGEMENT PROCESSES AND METHODOLOGIES HAVE BEEN DEPLOYED AND IMPLEMENTED

above provisions the remuneration payable to the cost auditor should be ratified by the Members. Accordingly, the Board of Directors recommends to the Members to pass the resolution, as stated in Item No. 6 of the Notice convening the ensuing Annual General Meeting.

Secretarial Auditors

In terms of the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s. Parikh Parekh & Associates, Practising Company Secretaries as Secretarial Auditors to conduct Secretarial Audit. The Secretarial Audit Report in the prescribed form is annexed as Annexure C to this Report. There are no qualifications, reservation, adverse remarks or disclaimer made by the Secretarial Auditors in their report.

16. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company firmly believes that CSR is not just an additional function to the business, rather, it is ingrained in its core business operations and as an organisation KEC has embraced this concept. Further, the Company, in compliance with Section 135 of the Companies Act, 2013 has constituted a Corporate Social Responsibility Committee (CSR Committee) of the Board of Directors on April 08, 2014. The CSR Committee comprises of three Directors viz. Mr. Ramesh D. Chandak, Chairman, Mr. A. T. Vaswani and Mr. S. M. Kulkarni as members. Further the Company developed a CSR Policy in alignment with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and to undertake the admissible CSR activities notified by the Ministry of Corporate Affairs in Schedule VII to the Act. The average net profits calculated as per provisions of Section 198 of the Companies Act, 2013 of the preceding three financial years being negative, the Company was not under any obligation to spend any amount on CSR. However, as a responsibility of the Company towards the society the Company has spent an amount of ₹ 39.5 Lakhs on CSR, the details of which are given as Annexure D to the Directors' Report.

17. WHISTLE BLOWER POLICY

The Company promotes ethical behavior from all the stakeholders and has developed and implemented a Whistle Blower Policy wherein all the stakeholders are free to report any genuine concerns, actual or suspected fraud or violation of the Company's Code of Conduct or any improper or unlawful activity

Adherence to Safety Standards at Site

or any misappropriation of funds etc. to the Corporate Ethics and Governance Committee (CEGC). As per the policy, in exceptional cases, the whistle blower/ complainant is provided with direct access to the Chairman of the Audit Committee.

Under the Whistle Blower Policy, confidentiality of those reporting violation(s) is protected and they shall not be subject to any discriminatory practices.

18. POLICY ON CODE OF CONDUCT AND ETHICS

KEC has laid down a Code of Conduct and Ethics (Code) applicable to all the employees of the Company. The Code provides for the matters related to governance, compliance, ethics and other matters. The Code also includes the policy on prevention, prohibition and redressal of sexual harassment of women at workplace in accordance with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 to effectively promote gender sensitive safe spaces and remove underlying factors that contribute towards a hostile work environment against women. During the year, one complaint was received and disposed off.

19. HUMAN RESOURCES

The total number of employees of the Company as on March 31, 2015 is 3,870, excluding the employees of Subsidiaries and JVs.

The particulars of the employees in compliance with the provisions of Section 134(3)(q) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 will be provided to the Members upon request. The same shall also be available for inspection by the Members of the Company at the Registered Office of the Company during business hours on working days of the Company till the date of Annual General Meeting of the Company.

The details as required by the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 are provided in the Annexure E to this report.

20. AWARDS RECEIVED DURING THE YEAR

The Company was conferred with the 'Best Transmission Line Contractor' award from Power Grid Corporation of India Limited (PGCIL) for the 2nd consecutive year and a special recognition from PGCIL for help in restoring power in New Delhi. Further our Jabalpur unit was awarded the 'Outstanding Achievement Award' in recognition of excellence in export in large enterprise category during the Outstanding Achievement Award 2014 function organized by Federation of Madhya Pradesh Chambers of Commerce and Industry, Bhopal (FMPCCI, Bhopal). KEC also won the prestigious 'The SKOCH Golden Award' for our Haldia River Crossing Project.

21. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors would like to affirm that the Financial Statements of the Company for the year under review conform in their entirety to the requirements of the Companies Act, 2013.

In terms of clause (c) of sub-Section (3) and sub-section (5) of Section 134 of the Companies Act, 2013, the Board of Directors of the Company hereby state and confirm that:

1. In the preparation of the annual accounts for the financial year ended March 31, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. The Directors had 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, 2015 and of the profit of the Company for the year ended on that date;

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

4. The Directors had prepared the annual accounts for the financial year ended March 31, 2015 on a going concern basis;

5. Internal financial controls have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and

6. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

THE COMPANY WAS CONFERRED WITH THE 'BEST TRANSMISSION LINE CONTRACTOR' AWARD FROM POWER GRID CORPORATION OF INDIA LIMITED (PGCIL) FOR THE 2ND CONSECUTIVE YEAR

Substation Project in Koenjhar, Odisha, India

22. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on March 31, 2015 in form MGT 9 is enclosed as Annexure F and forms part of this Report.

23. ENVIRONMENT HEALTH AND SAFETY (EHS)

At KEC, it has been our endeavor to achieve the EHS objective of accident free workplace. We have undertaken various EHS management processes and methodologies have been deployed and implemented under the EHS system to ensure that our employees become more safety conscious and improve the organization's approach towards loss prevention.

KEC has imparted a system of robust EHS training for employees and workmen and industry specific training. KEC has also made improvements in "reporting of unsafe acts/conditions & its closure".

All these robust EHS management processes help us in preventing loss of life and property damage incidents.

KEC has bagged various EHS awards and appreciation from our prestigious customers (like PGCIL) and independent agency (like National Safety Council, Baroda Productivity Council). The awards received by KEC include "Best Safety Practices Award", "Workplace Condition Assessment Achievement Award".

24. RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy which reflects the overall risk management philosophy, the Company's overall approach to risk management, and the role and responsibilities for risk management. Risk management forms an integral part of the business planning and review cycle. The Company's Risk Management Policy is designed to provide reasonable assurance that objectives are met by integrating management control into the daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. It makes management responsible for identifying the critical business risks and for the implementation of fit-for-purpose risk responses. The identification, analysis and putting in place the process for mitigation of these risks is an ongoing process. The Company has also laid down procedures to inform the Audit Committee and the Board about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks by means of a properly defined framework. The risks faced by the Company and the measures taken by the Company to mitigate those risks are detailed in Management Discussion and Analysis section.

25. RELATED PARTY TRANSACTIONS

There are no materially significant related party transactions made by the Company with its Directors/ Management or their relatives and Company's promoter and its subsidiaries/joint ventures that may have a potential conflict with the interest of the Company at large. The related party transactions entered into by the Company are disclosed in Note no. 35 of the Notes to Accounts.

The Audit Committee has reviewed and approved the related party transactions undertaken by the Company during the financial year. All the said transactions are in the ordinary course of the business and at arm's length. The policy on related party transaction is formulated by the Board and is uploaded on the Company's website.

26. SIGNIFICANT AND MATERIAL ORDERS

There are no significant or material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

27. INTERNAL FINANCIAL CONTROL

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

28. ACKNOWLEDGEMENT

Your Directors take this opportunity to thank the Customers, Vendors, Financial Institutions, Banks and all the various stakeholders for their continued co-operation and support to the Company. Further the Directors would also like to thank various Government and Regulatory Authorities for their support.

Your Directors appreciate and value the trust reposed and faith shown by shareholders of the Company.

The Board also wishes to place on record its deep gratitude to all its employees whose enthusiasm, team efforts, devotion and sense of belonging that has made this Company proud.

29. ANNEXURE

The following annexures enclosed form part of this Report:

a. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo – Annexure A

b. Nomination and Remuneration Policy – Annexure B

c. Secretarial Audit Report in Form MR – 3 – Annexure C

d. Boards report on Corporate Social Responsibility – Annexure D

e. Information required under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Annexure E

f. Extract of Annual Return in Form MGT – 9 – Annexure F

Corporate Governance Report and Management Discussion and Analysis also form part of the Directors Report and are enclosed hereinafter.

For and on behalf of the
Board of Directors

H. V. Goenka
Chairman
(DIN : 00026726)

Place: Mumbai
Date: May 06, 2015

400 kV Transmission Project in Oman

ANNEXURE A TO DIRECTORS' REPORT

(A) Conservation of Energy

The following specific actions were taken at various locations during the year under review:

Installed CFL street lights in Yard at 6 places saving 160 watts / lamp, maintained shut down status of 500 kVA transformer and ran plant on only one 750 kVA transformer even after expansion, installed 6 (36x3) W CFL lights, 250 watts conventional lamps, installed Air Agitator and Air receiver in galvanizing area instead of Compressed Air System, replaced old (22 kW) motors with Energy efficient 15 kW Hydraulic Motors, modified Preheater in 13 meter bath to reduce fuel consumption from 19.5 litre/MT to 17 litre/ MT, installed 78 induction lamps of 150 watts & 250 watts in place of 250 watts & 400 watts conventional lamps respectively, installed FRP sheets in fabrication shop, introduced 20 CFL lights of 20 Watts in place of 60 watts Bulb in machine lamps, installed Solar power system of 100 kWp.

(B) Technology Absorption

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

   Carried out R&D in existing bending furnaces with PAN type induction furnaces to bend the material, usage of plate induction heating, induction lights and high speed drilling, punching and plasma cutting machines for cutting of plates. R&D was also carried out in the manufacturing of 220 kV, 2,000 & 2,500 sqmm copper cables.

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

   The above efforts have resulted in numerous benefits including reduction in specific fuel consumption, improvement in productivity and reduction in tool changing time, reduction in fuel cost of plant, increased production of plates, reduction in the heating cycle time and fuel consumption with implementation of new technology, development of a product like 220 kV cable which has given the opportunities to enter into special market segment of EHV cables in India and aboard.

3. **Future plans of action**

   To carry out the technical upgradation of old machineries by replacement of slip ring motors driven system and DC drive system by advanced variable frequency drives, new induction heating furnace to be procured for higher section heating. It is proposed to introduce air agitation pumps to eliminate use of compressed air in galvanizing. It is also proposed to replace in place of fuel fired furnace with induction heating furnace.

4. **Expenditure on R&D**

   (a) Capital: ₹ 487.04 Lakhs

   (b) Recurring: ₹ 1,582.97 Lakhs

   (c) Total: ₹ 2,070.01 Lakhs

   (d) Total R&D expenditure as a percentage of total turnover: 0.31%

(C) Technology absorption, adoption and innovation:

1. **Efforts, in brief, made towards technology absorption, adaption and innovation:**

   Imported and installed high speed burners with PLC controlled system to reduce fuel consumption from 24 litre/MT to 17 litre/MT, installed Vertical Band saw for heal milling & QA sample cutting to replace conventional gas cutting process, installed two EOT cranes in TPI section with VFD technology, installed solar power system of 100 kWp.

2. **Benefits derived as a result of above efforts:**

   The above efforts have resulted in saving of total energy consumption, reduction in fuel cost of plant, saving of energy, reduction in power and fuel consumption per unit, fuel consumption in fabrication was reduced.

3. **In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information is furnished:**

   (a) Technology imported: High speed burners with PLC controlled system on our old 13 meter bath from GIMECO, Italy, Angle punching CNC from China, one angle line punching with CNC control from Italy, one fully automatic duel fuel fired furnace for galvanizing imported from UK and one plate profile cutting with CNC controls from Germany.

   (b) Year of import: FY11, FY12, FY13 and FY14

   (c) Has the technology been fully absorbed?: Yes

   (d) If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action: N.A.

(D) Foreign Exchange Earnings and Outgo:

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

(₹ in lacs)

	FY15	FY14
Foreign exchange earned	2,55,565.23	2,99,189.26
Foreign exchange used	1,46,458.64	1,98,188.61

ANNEXURE B TO DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

1. Introduction:

This policy on Nomination and Remuneration of Directors, Key Managerial Personnel and other employees has been formulated in terms of the provisions of the Companies Act, 2013 and the Listing Agreement in order to pay equitable remuneration to Directors, Key Managerial Personnel and other employees of the Company.

2. Objective:

I. Formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

II. To formulate the criteria for performance evaluation of all Directors.

III. Formulate Board diversity policy.

IV. Framing of remuneration policy for employees.

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 there under, 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.

"Key Managerial Personnel" (KMP) means

1. Chief Executive Officer or the Managing Director or the Manager; and in their absence, a Whole-time Director;
2. Chief Financial Officer; and
3. Company Secretary

"Senior Management Personnel" (SMP) means the employees of the Company who are directly reporting to the Managing Director/Chief Executive Officer.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 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 every Director's performance. 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.

c) Board diversity

NRC is to assist the Board in ensuring Board nomination process with diversity of gender, thought, experience, knowledge and perspective in the Board in accordance with the Board diversity.

d) Remuneration framework and policies

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

i. The remuneration of MD/CEO and KMPs.

ii. Remuneration of Non-Executive Directors and Chairman.

iii. Remuneration Policy for all employees including KMPs and SMPs which requires:

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

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

6. Policy for appointment and removal of Director, KMP and SMP :

A. Appointment criteria and qualifications

NRC shall identify a person and criteria for the qualification, expertise and experience of the person for appointment as Director, KMP or SMP and recommend to the Board his/her appointment.

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.

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.

7. Policy for remuneration to Directors, KMP, SMP MD/CEO:

Remuneration to the MD/CEO shall be proposed by the NRC and subsequently approved by the Board of Directors and the shareholders of the Company, wherever required.

NEDs:

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

ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders wherever required.

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

KMPs & SMPs:

The remuneration to be paid to the KMPs and SMPs, shall be recommended by the NRC 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.

8. Director and Officer Liability Insurance:

Where Insurance Policy is taken by the Company for its Directors, KMPs, SMPs 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.

9. General:

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder and the requirements of Clause 49 of the Listing Agreement with Stock Exchanges. In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other Regulations which makes any of the provisions in the policy inconsistent with the Act or Regulations, then the provisions of the Act or Regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

ANNEXURE C TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

(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 KEC International Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and the representations made by the Company, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015 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 KEC International Limited for the financial year ended on 31st March, 2015 according to the provisions of:

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

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

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

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

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

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

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; and

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(vi) Other laws as are applicable to the Company as per representations made by the Company.

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

  (i) Secretarial Standards of The Institute of Company Secretaries of India with respect to Board and General Meetings are not in force as on the date of this report.

  (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited and MCX Stock Exchange Limited (delisted w.e.f. March 20, 2015)

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, 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 at least seven days in advance to schedule the Board Meetings. Agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meetings, as represented by the management, were taken unanimously.

We further report that (as represented by the Company and relied upon by us) 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 no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For **Parikh Parekh & Associates**
Company Secretaries

Place: Mumbai
Date: May 06, 2015

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

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. Wherever 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

Place: Mumbai
Date: May 06, 2015

P. N. Parikh
Partner
FCS No: 327 CP No: 1228

ANNEXURE D TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES

1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or Programs	**1. Policy Statement:** At KEC, the Corporate Social Responsibility is an integral part of our Company's ethos and is one of its core business tenets. As a responsible business corporation, the Company takes pride in taking effective CSR initiatives which are vital towards fulfilling critical societal needs and gaps not only in the communities it operates in, but also society at large on sustainable basis. Therefore, some CSR initiatives have also been aligned with the Millennium Development Goals (MDGs)* established by the United Nations. KEC also encourages Employee Volunteering so that our employees can give back to the communities they live in and become responsible citizens. **2. CSR Vision:** Our Vision is to drive "holistic empowerment" of the community, through implementation of sustainable initiatives which will have maximum societal impact by identifying the critical needs and gaps. **3. CSR Philosophy and Approach:** The Company proposes to create social impact through 'hands on' execution of the social initiatives, directly and / or through partnerships with individuals, institutions, NGOs and local Government bodies in a PPP model for the purposes of accessing expertise/enhancing resources and for support in project implementation. We will also strive towards the MDGs established by the UN, and play our part as a responsible Indian & Global corporation. **4. CSR Objectives:** The Company may carry out any one or more of the CSR activities, notified under the Section 135 of the Companies Act, 2013 from time to time, inter-alia the following: a. To fight hunger, poverty and malnutrition b. To promote health care including rehabilitative health c. To promote education and enhance vocational skills especially among children, women and differently-abled persons. d. To promote gender equality e. To facilitate Rural development **5. CSR strategy & Initiatives:** The Company engaged Tata Institute of Social Sciences (TISS) to identify social needs and gaps in and around the geographies it operates. As recommended by TISS in its report, the Company, for achieving its CSR objectives, will operate at three tiers of the ecosystem, which it believes encircles its philosophy & values:

	Tier 1 (Plant's Local Community) Development of the local vicinity around the Company's plants in the areas of Primary Education, Skill development and Community Development via Health, Nutrition & Water based interventions. - Pehlay Akshar program is a large scale program for Primary Education with special focus on practical English speaking & reading skills to enhance employability. Pehlay Akshar operates at all our locations across India. - Saksham, a skill development program will focus on alternate livelihoods training for women & technical training for youth. - Jeevan is an integrated community project which will focus on improving all round quality of life in the areas of clean drinking water, sanitation and overall health and nutrition based interventions amongst others. These have been identified as critical local need gaps from the baseline study done by Tata Institute of Social Sciences (TISS), CSR Hub. **Tier 2 (Company Level)** Empowering women and youth through technical skills training, employment opportunities & alternate livelihood options. Saksham, our skill development program will focus on alternate livelihoods training for women & technical education for under privileged youth to provide employability skills to candidates from Govt.Technical Schools. KEC has also adopted ITI Ashti via a Public-Private-Partnership (PPP) model. **Tier 3 (Society at large)** India has the world's largest blind population (18Mn) and nearly 80% of the cases are preventable with suitable & timely eye care interventions. Our flagship Netranjali project is a Vision/ Eye care initiative which will focus on eye care interventions ranging from children to senior citizens thus reducing the incidence of preventable blindness. The pictorial presentation of and goals set under the above 3 tier CSR strategy are given in Appendix 1 and 2 for better understanding the impact thereof. **6. CSR Governance & Implementation:** The Board of Directors of the Company has constituted a 3 member CSR Committee, consisting of one Executive Director, one Non-Executive Director and one Independent Director. This Committee will be responsible for the following: a. To give strategic direction to the CSR initiatives b. To formulate and review annual plans and programmes c. To formulate annual budget for the CSR programmes d. To monitor and report to the Board the progress on various chosen projects

		KECs CSR initiatives can be implemented directly and / or through the RPG Foundation or any other foundations, trusts, not for profit organizations with an appropriate track record, NGOs and local Government bodies in a PPP model for the purposes of accessing expertise/enhancing resources and for support in project implementation. We will also strive towards the Millennium Development Group established by the United Nation, and play our part as a responsible Indian & Global corporation. Such NGOs will be registered organizations under the relevant laws. e.g. Income Tax Act. Any surplus arising out of the CSR projects or programs shall not form the part of the business profits of the Company.
2	The Composition of the CSR Committee	The CSR Committee consists of the following Directors: 1. Mr. R. D. Chandak, Chairman 2. Mr. A. T. Vaswani 3. Mr. S. M. Thakur
3	Average net profit of the Company for last three financial years (₹ Lakh)	(35.00)
4	Prescribed CSR Expenditure (two percent of the amount as in item 3 above)	Nil
5	Details of CSR spent during the financial year.	
	(a) Total amount to be spent for the financial year	39.50
	(b) Amount unspent, if any	Nil
	(c) Manner in which the amount spent during the financial year is detailed below	

(₹ in lacs)

(1) Sl. No.	(2) CSR Project or Activity Identified	(3) Sector in Which the Project is Covered	(4) Projects or Programs		(5) Amount Outlay (Budget) Project or Program wise	(6) Amount Spent on Projects or Programs		(7) Cumulative Expenditure up to the reporting period	(8) Amount Spent: Direct or through implementing agency
			Local Area or Other	Specify the state and district where projects or programs were undertaken		Direct Expenses	Overheads		
1	Project Netranjali	Vision- Eye Care	Butibori	Nagpur-Maharashtra	8.00	6.83		6.83	Agency - School Health Annual Report Program (SHARP)
2	Project Pehlay Akshar	Education	Butibori, Jaipur, Jabalpur	Nagpur-Maharashtra, Jaipur- Rajsthan, Jabalpur- Madhya Pradesh	-	10.85	1.84	12.69	Direct- Akshar Facilitators
3	Project Saksham	Entrepreneurship, Skill Development	Butibori	Nagpur District -Nagpur, Ashti-Wardha, Maharashtra	14.00	6.26		6.26	Agency- GK Technologies, Surabhi Kala Prashikshan Sansthan, Maharashtra Centre for Entrepreneurship Development
4	Project Jeevan	Health, Water & Sanitation	Butibori, Jaipur, Jabalpur	Nagpur-Maharashtra, Jaipur- Rajsthan, Jabalpur- Madhya Pradesh	12.10	13.72		13.72	Agency - Venture Group, School Health Annual Report Program (SHARP)
			Total			**37.66**	**1.84**	**39.5**	

We hereby declare that the implementation and monitoring of the CSR Policy are in compliance with the CSR Objectives and Policies of the Company.

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

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

ANNEXURE E TO DIRECTORS' REPORT

Information required under Rule 5(i) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year;	Mr. H. V. Goenka Mr. Vimal Kejriwal (for the period 01.01.2015 to 31.03.2015) Mr. S. S. Thakur Mr. G. L. Mirchandani Mr. D. G. Piramal Mr. S. M. Kulkarni Mr. A. T. Vaswani Mr. S. M. Trehan Mr. Vinayak Chatterjee Mrs. Nirupama Rao Mr. Ramesh D. Chandak	44.40 12.99 2.54 1.87 1.87 2.34 2.48 1.70 0.71 0.53 80.20
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;	Mr. H. V. Goenka Mr. Vimal Kejriwal Mr. S. S. Thakur Mr. G. L. Mirchandani Mr. D. G. Piramal Mr. S. M. Kulkarni Mr. A. T. Vaswani Mr. S. M. Trehan Mr. Vinayak Chatterjee Mrs. Nirupama Rao Mr. Ramesh D. Chandak Mr. Rajeev Aggarwal, Chief Financial Officer Mr. Ch. V. Jagannadha Rao, Vice President - Legal & Company Secretary	2,588.86 NA 163.41 245.65 278.57 126.14 174.03 188.00 NA NA 17.91 NA 12.55
The percentage increase in the median remuneration of employees in the financial year;	19.58%	
The number of permanent employees on the rolls of Company;	3,870	
The explanation on the relationship between average increase in remuneration and Company performance;	The increment budget of the organization is defined based on the Company performance measured in terms of ROCE and PAT. Last year, the Company performance was 91% and accordingly the increment budget was allocated. The increments are also decided based on salaries prevailing in the Industry in which the Company operates.	
Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;	Total remuneration of KMP in FY15 (₹ lakhs) Consolidated Revenue (₹ lakhs) Remuneration of KMPs (as % of revenue) Consolidated Profit after tax (₹ lakhs) Remuneration of KMPs (as % of PAT)	537.60 2,52,109 0.21% 6,286 8.55%
Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies;	Variations in Market Capitalisation and PE Ratio is as below: (see table below) The Company was listed as a result of Scheme of Arrangement and has not come out with an IPO. Hence the details of the same are not applicable.	

Variations in Market Capitalisation and PE Ratio is as below:

Particulars	31.03.2014	31.03.2015	% Change
Market Capitalisation (₹ in Lakhs)	1,74,048.83	2,05,285.06	17.95
PE Ratio	21.97	29.76	35.45

The Company was listed as a result of Scheme of Arrangement and has not come out with an IPO. Hence the details of the same are not applicable.

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 was 9%. There is no exceptional increase in the remuneration of Managerial Remuneration in comparison to the average increase in the salary of other employees. The profit before tax for the financial year ended 31st March, 2015 on standalone increased by 20.87%. The increase in remuneration of each of the Key Managerial Personnel is as below: 1. Mr. Ramesh D. Chandak, Managing Director : 5.14% 2. Mr. Ch. V. Jagannadha Rao, Vice President – Legal & Company Secretary : 12.55% The increase in remuneration and Company performance are directly related to each other; however, subject to individual performance, industry trends, economic situation, future growth prospects and possible replacement of employee.
The key parameters for any variable component of remuneration availed by the Directors;	The variable component of remuneration availed by the Directors is based on Profit After Tax reported by the Company at the end of each financial year and recommendation of Nomination and Remuneration Committee.
The ratio of the remuneration of the highest paid Director to that of the employees who are not directors but receive remuneration in excess of the highest paid Director during the year;	Not Applicable
Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration to employees of the Company is as per the remuneration policy of the Company.

ANNEXURE F TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L45200MH2005PLC152061
ii)	Registration Date	18/03/2005
iii)	Name of the Company	KEC INTERNATIONAL LIMITED
iv)	Category / Sub-Category of the Company	Company limited by shares/ Indian Non-Government Company
v)	Address of the Registered office and contact details	RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400030 Tel: (022) 66670200 Fax: (022) 66670287
vi)	Whether listed company	Yes on BSE and NSE
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai – 400 078. Tel: (022) 25946970 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Power Transmission and Distribution Business	351	82.1
2	Cables Business	273	13.6

KEC

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section of the Companies Act, 2013
1	Jay Railway Projects Private Limited	U31506MH2010PTC207498	Subsidiary	100	2(87)
2	KEC Power India Private Limited	U40102MH2008PTC179720	Subsidiary	100	2(87)
3	RPG Transmission Nigeria Limited, Nigeria	Foreign Company	Subsidiary	100	2(87)
4	KEC Global FZ – LLC, Ras UL Khaimah	Foreign Company	Subsidiary	100	2(87)
5	KEC Investment Holdings, Mauritius	Foreign Company	Subsidiary	100	2(87)
6	KEC Global Mauritius, Mauritius	Foreign Company	Subsidiary	100	2(87)
7	KEC International Holdings LLC, USA	Foreign Company	Subsidiary	100	2(87)
8	KEC Brazil LLC, USA	Foreign Company	Subsidiary	100	2(87)
9	KEC Mexico LLC, USA	Foreign Company	Subsidiary	100	2(87)
10	KEC Transmission LLC, USA	Foreign Company	Subsidiary	100	2(87)
11	KEC US LLC, USA	Foreign Company	Subsidiary	100	2(87)
12	SAE Towers Holdings LLC, USA	Foreign Company	Subsidiary	100	2(87)
13	SAE Towers Brazil Subsidiary Company LLC, USA	Foreign Company	Subsidiary	100	2(87)
14	SAE Towers Mexico Subsidiary Holding Company LLC, USA	Foreign Company	Subsidiary	100	2(87)
15	SAE Towers Mexico S de RL de CV, Mexico	Foreign Company	Subsidiary	100	2(87)
16	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	Foreign Company	Subsidiary	100	2(87)
17	SAE Towers Brazil Torres de Transmission Ltda, Brazil	Foreign Company	Subsidiary	100	2(87)
18	SAE Towers Ltd, USA	Foreign Company	Subsidiary	100	2(87)
19	SAE Towers Panama Holdings LLC, USA	Foreign Company	Subsidiary	100	2(87)
20	SAE Towers Panama S de RL, Panama	Foreign Company	Subsidiary	100	2(87)
21	SAE Engenharia E Construcao Ltda, Brazil	Foreign Company	Subsidiary	100	2(87)
22	SAE Engineering & Construction Services, S de RL de CV, Mexico	Foreign Company	Subsidiary	100	2(87)
23	KEC International (Malaysia) SDN BHD	Foreign Company	Subsidiary	100	2(87)
24	RP Goenka Group of Companies Employees Welfare Association	U93000HR2012NPL046012	Associate	49	2(6)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	6,394,835	0	6,394,835	2.49	7,863,191	0	7,863,191	3.06	0.57
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	120,639,030	0	120,639,030	46.92	121,007,169	0	121,007,169	47.07	0.15
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	127,033,865	0	127,033,865	49.41	128,870,360	0	128,870,360	50.13	0.72
(2) Foreign									
a) NRIs - Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2): -	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	127,033,865	0	127,033,865	49.41	128,870,360	0	128,870,360	50.13	0.72
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	69,704,770	57,655	69,762,425	27.14	59,009,145	57,655	59,066,800	22.98	-4.16
b) Banks / FI	5,217,178	12,820	5,229,998	2.03	111,785	12,820	124,605	0.05	-1.98
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	10,285,225	0	10,285,225	4.00	8,121,001	0	8,121,001	3.15	-0.85

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
g) FIIs	6,729,583	115,980	6,845,563	2.67	11,536,825	115,980	11,652,805	4.53	1.86
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others									
Foreign Banks	5,480	0	5,480	0.00	5,480	0	5,480	0.00	0.00
Foreign Portfolio Investor (Corporate)	0	0	0	0.00	326,209	0	326,209	0.13	0.13
Sub-total (B)(1):-	91,942,236	186,455	92,128,691	35.84	79,110,445	186,455	79,296,900	30.84	-5.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	7,638,129	1,241,360	8,879,489	3.45	9,894,082	1,240,840	11,134,922	4.33	0.88
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	20,421,744	4,842,107	25,263,851	9.83	24,988,370	4,500,549	29,488,919	11.47	1.64
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,774,216	0	1,774,216	0.69	5,170,800	0	5,170,800	2.01	1.32
c) Others (specify)									
NRIs/ OCBs	914,079	70,670	984,749	0.38	1,362,980	70,120	1,433,100	0.56	0.18
Clearing Members	414,494	0	414,494	0.16	971,462	0	971,462	0.38	0.22
Trusts	215,960	393,050	609,010	0.24	328,777	393,050	721,827	0.28	0.04
Directors and Relatives	5	0	5	0.00	5	0	5	0.00	0.00
Foreign Nationals	0	0	0	0.00	75	0	75	0.00	0.00
Sub-total (B)(2):-	31,378,627	6,547,187	37,925,814	14.75	42,716,551	6,204,559	48,921,110	19.03	4.28
Total Public Shareholding (B)= (B)(1)+(B)(2)	123,320,863	6,733,642	130,054,505	50.59	121,826,996	6,391,014	128,218,010	49.87	-0.72
C. Shares held by Custodian for GDRs & ADRs	NA	NA	NA	NA	NA	NA	NA	NA	NA
Grand Total (A+B+C)	**250,354,728**	**6,733,642**	**257,088,370**	**100.00**	**250,697,356**	**6,391,014**	**257,088,370**	**100.00**	**0.00**

(ii) **Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares	
*1	Swallow Associates LLP	69,546,616	27.05	0.00	69,546,616	27.05	0.00	0.00
*2	Summit Securities Limited	26,974,152	10.49	0.00	26,974,152	10.49	0.00	0.00
*3	Instant Holdings Limited	16,223,856	6.31	0.00	16,592,755	6.45	0.00	0.14
4	STEL Holdings Limited	4,685,880	1.82	0.00	4,685,880	1.82	0.00	0.00
5	Carniwal Investments Limited	2,970,981	1.16	0.00	2,970,981	1.16	0.00	0.00
6	Chattarpati Investments Limited	211,785	0.08	0.00	211,785	0.08	0.00	0.00
7	Atlantic Holdings Limited	25,000	0.01	0.00	25,000	0.01	0.00	0.00
8	Zensar Technologies Limited	760	0.00	0.00	–	–	0.00	0.00
9@	Mr. Harsh Vardhan Goenka Mrs. Mala Goenka	2,805,216	1.09	0.00	2,805,216	1.09	0.00	0.00
10	Mr. Harsh Vardhan Goenka Mrs. Mala Goenka Mr. Anant Vardhan Goenka	2,646,126	1.03	0.00	3,914,482	1.52	0.00	0.49
11#	Mr. Harsh Vardhan Goenka	169,500	0.07	0.00	169,500	0.07	0.00	0.00
12	Mr. Anant Vardhan Goenka	40,000	0.02	0.00	40,000	0.02	0.00	0.00
13	Mrs. Mala Goenka Mr. Harshvardhan Ramaprasad Goenka Mr. Anant Vardhan Goenka	50	0.00	0.00	50	0.00	0.00	0.00
14	Mr. Harsh Vardhan Goenka	30	0.00	0.00	30	0.00	0.00	0.00
15	Mr. Harsh Vardhan Goenka	733,913	0.29	0.00	933,913	0.36	0.00	0.07
	Total	**127,033,865**	**49.41**	0.00	**128,870,360**	**50.13**	0.00	**0.72**

** Shares held in multiple folios are combined*

 # Held as Karta of Harsh Anant Goenka HUF

@ Held as a trustee of Stellar Energy trust

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	127,033,865	49.41	127,033,865	49.41
	Date wise Increase/Decrease in Promoters' Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
1	01.04.2014 (Market Purchase) (Instant Holdings Limited)	12,743	0.01	127,046,608	49.42
2	04.04.2014 (Market Purchase) (H.V.Goenka)	99,967	0.04	127,146,575	49.46
3	07.04.2014 (Market Purchase) (H.V.Goenka)	144,332	0.06	127,290,907	49.52
4	09.04.2014 (Market Purchase) (H.V.Goenka)	321,287	0.12	127,612,194	49.64
5	09.04.2014 (Market Purchase) (Instant Holdings Limited)	56,156	0.02	127,668,350	49.66
6	10.04.2014 (Market Purchase) (H.V.Goenka)	468,049	0.18	128,136,399	49.84
7	11.04.2014 (Market Purchase) (H.V.Goenka)	79,721	0.03	128,216,120	49.87
8	15.04.2014 (Market Purchase) (H.V.Goenka)	355,000	0.14	128,571,120	50.01
9	21.10.2014 (Market Sale) (Zensar Technologies Limited)	(760)	0.00	128,570,360	50.01
10	06.02.2015 (Market Purchase) (Instant Holdings Limited)	300,000	0.12	128,870,360	50.13
	At the end of the year	**128,870,360**	**50.13**	**128,870,360**	**50.13**

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	HDFC Trustee Company Ltd.	23,282,899	9.06	23,110,249	8.99
2.	Reliance Capital Trustee Co. Ltd.	13,553,280	5.27	12,605,080	4.90
3.	Unit Trust of India	8,638,486	3.36	9,618,391	3.74
4.	Life Insurance Corporation of India	15,213,235	5.92	8,145,889	3.17
5.	FIL Investments(Mauritius)Ltd	-	-	66,30,715	2.58
6.	SBI Mangnum Taxgain Scheme	7,973,630	3.10	64,00,000	2.49
7.	Tata AIA Life Insurance Co Ltd	63,895	0.02	2,105,503	0.82
8.	Franklin India Smaller Companies Fund	1,058,507	0.41	1,758,507	0.68
9.	Birla Sun Life Trustee Company Pvt. Limited	6,898,802	2.68	1,681,646	0.65
10.	L and T Mutual Fund Trustee Ltd	-	-	1,605,196	0.62

Note: The shares of the Company are traded on daily basis by the top ten shareholders and hence the date wise increase/decrease in the shareholding is consolidated based on the Permanent Account Number (PAN) of the shareholder

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	**At the beginning of the year**	3,380,069	1.31	3,380,069	1.31
	Mr. Harsh Vardhan Goenka (01.04.2014)				
	04.04.2014 (Market Purchase) (H.V.Goenka)	99,967	0.04	3,480,036	1.35
	07.04.2014 (Market Purchase) (H.V.Goenka)	144,332	0.06	3,624,368	1.41
	09.04.2014 (Market Purchase) (H.V.Goenka)	321,287	0.12	3,945,655	1.53
	10.04.2014 (Market Purchase) (H.V.Goenka)	468,049	0.18	4,413,704	1.71
	11.04.2014 (Market Purchase) (H.V.Goenka)	79,721	0.03	4,493,425	1.74
	15.04.2014 (Market Purchase) (H.V.Goenka)	355,000	0.14	4,848,425	1.88
	At the end of the year (31.03.2015)	**4,848,425**	**1.88**	**4,848,425**	**1.88**
2	**At the beginning of the year**	5	0.00	5	0.00
	Mr. Ramesh D. Chandak (01.04.2014)				
	At the end of the year (31.03.2015)	**5**	**0.00**	**5**	**0.00**

V. INDEBTEDNESS

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

(₹ in lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	32,202.78	-	-	**32,202.78**
ii) Interest due but not paid	0.00	-	-	**0.00**
iii) Interest accrued but not due	166.25	-	-	**166.25**
Total (i+ii+iii)	**32,369.03**	**-**	**-**	**32,369.03**
Change in Indebtedness during the financial year				
· Addition	0.00	-	-	**0.00**
· Reduction	(2,703.35)	-	-	**(2,703.35)**
Net Change	(2,703.35)	-	-	**(2,703.35)**
Indebtedness at the end of the financial year				
i) Principal Amount	28,908.69	-	-	**28,908.69**
ii) Interest due but not paid	0.00	-	-	**0.00**
iii) Interest accrued but not due	756.99	-	-	**756.99**
Total (i+ii+iii)	**29,665.68**	**-**	**-**	**29,665.68**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (₹)
		Mr. Vimal Kejriwal (MD & CEO Designate)*	Mr. Ramesh D. Chandak (Former MD & CEO)**	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	5,503,347	28,438,486	33,941,833
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	9,900	143,136	153,036
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify			
	- Performance Bonus	-	5,468,419	5,468,419
Total (A)		**5,513,247**	**34,050,041**	**39,563,288**

* MD & CEO (Designate) w.e.f. 01.01.2015 upto 31.03.2015 and MD & CEO w.e.f. 01.04.2015
** MD & CEO upto 01.04.2015

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors								Total Amount
1. Independent Directors	**Mr. A. T. Vaswani**	**Mr. S. M. Kulkarni**	**Mr. S. S. Thakur**	**Mr. S. M. Trehan**	**Mr. G. L. Mirchandani**	**Mr. D. G. Piramal**	**Mr. Vinayak Chatterjee**	**Mrs. Nirupama Rao**	
• Fee for attending Board / Committee Meetings	655,000	595,000	680,000	3,20,000	395,000	395,000	300,000	225,000	3,565,000
• Commission	400,000	400,000	400,000	4,00,000	400,000	400,000	-	-	2,400,000
• Others, please specify	-	-	-		-	-	-	-	-
Total (1)									**5,965,000**
2. Other Non-Executive Directors	**Mr. Harsh Vardhan Goenka**								
• Fee for attending Board / Committee Meetings	395,000								395,000
• Commission	18,455,000								18,455,000
• Others, please specify	-								-
Total (2)									**18,850,000**
Total (B)=(1+2)									**24,815,000**
Total Managerial Remuneration									

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD :

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total (₹)
		Mr. Ch. V. Jagannadha Rao Company Secretary	Mr. Rajeev Aggarwal Chief Financial Officer	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	6,547,888	*9,827,962	16,375,850
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	-	19,800	19,800
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify	-	-	-
	Total	**6,547,888**	**9,847,762**	**16,395,650**

* Appointed w.e.f. September 01, 2014

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS


River Crossing Tower Haldia, West Bengal

Global growth in 2015 and 2016 is projected at 3.5 and 3.8 percent respectively.

About the Company

KEC International Limited (the Company) is an infrastructure EPC major with presence in Power Transmission & Distribution (T&D), Cables, Railways, Water and Renewables. The Company has footprints in more than 61 countries across the world including South Asia, the Middle East, Africa, Central Asia, the Americas and Southeast Asia.

Economy and Power Sector Review

A. Global Economic Scenario

Global growth has been less than moderate. Many advanced economies are battling legacies of global financial crisis and high unemployment barring a few like the US and the UK who are of late witnessing improved growth. On the other hand, emerging economies are faced with daunting challenges like increased market risks and enhanced geopolitical risks. Their growth, which was mainly fuelled by strong external demand from advanced economies is an area of concern in the current scenario. However, this is expected to be offset by the decline in oil prices which is benefiting the emerging economies. Furthermore, there is an urgent need for structural reforms in many economies, advanced and emerging market alike in areas including investment in public infrastructure etc. to boost investment prospects.

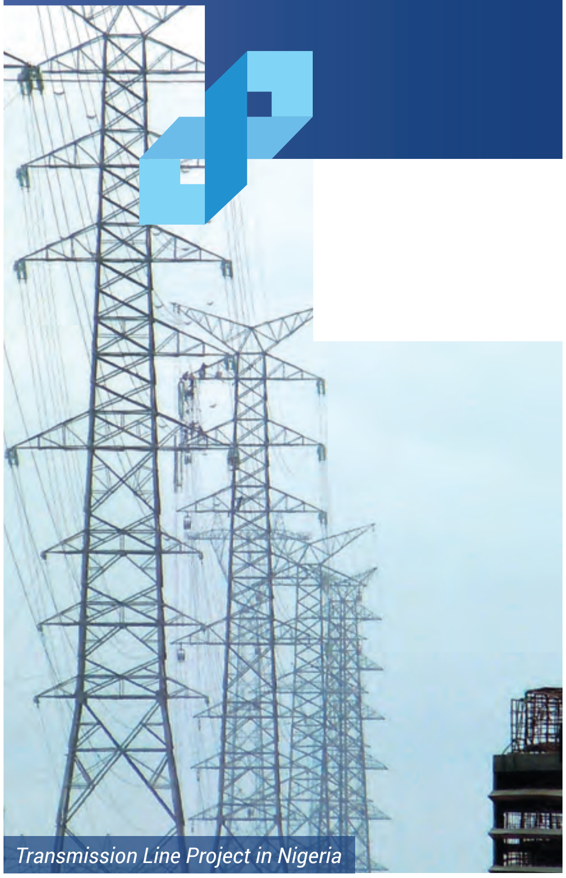
Global growth in 2015 and 2016 is projected at 3.5 and 3.8 percent respectively. In emerging markets and developing economies, growth is projected at 4.3 percent in 2015 and expected to increase to 4.7 percent in 2016 (World Economic Outlook, IMF, April, 2015 and January, 2015 updates). Although, the decline in oil prices is expected to give an impetus to global growth, uncertainty pertaining to the price path is a risk reflecting an altogether new dimension to global growth prospects.

GDP Growth (%)

Countries' Group Name	2013	2014	2015 (Projections)	2016 (Projections)
Advanced Economies	1.4	1.8	2.4	2.4
- United States	2.2	2.4	3.1	3.1
- Euro Area	-0.5	0.9	1.5	1.6
- Other Advanced Economies	2.2	2.8	2.8	3.1
Emerging Market and Developing Economies	5.0	4.6	4.3	4.7
- Commonwealth of Independent States (CIS)	2.2	1.0	-2.6	0.3
- Latin America and Caribbean	2.9	1.3	0.9	2.0
- Middle East, North Africa, Afghanistan and Pakistan	2.4	2.6	2.9	3.8
- Sub-Saharan Africa	5.2	5.0	4.5	5.1
- Emerging and Developing Asia	7.0	6.8	6.6	6.4
World Growth	**3.4**	**3.4**	**3.5**	**3.8**

Source: IMF - World Economic Outlook, April 2015

TOTAL INVESTMENT NEEDED FOR T&D FROM 2014-2035 IS ESTIMATED AT USD 6.8 TRILLION; USD 1.8 TRILLION FOR POWER TRANSMISSION AND USD 5.0 TRILLION FOR POWER DISTRIBUTION.



Transmission Line Project in Nigeria

B. Indian Economic Scenario

India's outlook for growth is gradually improving; there is renewal of confidence due to pick-up in industrial and investment activity. Reforms in the area of policy are also regaining momentum. Government's initiative of 'Make in India' and enhanced focus on manufacturing are further expected to boost India's growth prospects.

Indian economy is expected to grow at a high rate of around 8.1 to 8.5 percent in FY16, it grew at 7.4 percent in FY15 (E) and 6.9 percent in FY14 (Source: Economic Survey Highlights). This reiterates the fact that the economy is progressing and is moving beyond economic slowdown, persistent inflation, elevated fiscal deficit, slack in domestic demand, external account imbalances and fluctuating value of the Rupee.

C. Power Sector Review

Globally, emphasis on grid integration, migration to higher voltages, enhanced focus on clean and green energy etc. signify that power sector is transforming and evolving towards better quality outlook the world over. transmission and distribution networks are also expanding and quality of power is definitely gaining momentum. However, power is a scarce commodity and a large part of the globe still faces shortage of power. With rapid urbanisation and industrialisation, the demand for power is growing day by day necessitating substantial investments in Power Generation and Transmission & Distribution infrastructure. Total investment needed for T&D during 2014-2035 is estimated at USD 6.8 trillion; USD 1.8 trillion for Power Transmission and USD 5.0 trillion for Power Distribution. (Source: International Energy Agency (IEA) - World Energy Outlook 2014)

Investment needs in Power Transmission and Distribution during 2014 – 2035 (USD billion)

Region / Country	Transmission	Distribution	Total T&D
Americas	324	696	1,020
Europe	158	590	748
East Europe/Eurasia	126	301	427
Asia	793	2,335	3,127
Middle East	60	165	225
Africa	135	286	420
Latin America	128	308	436
World Total	**1,787**	**5,030**	**6,817**
India	**119**	**551**	**670**

Source: International Energy Agency (IEA) - World Energy Outlook 2014

Despite several improvements in power infrastructure, around 17 percent of the world population is still without access to electricity. Africa and South Asia are two regions where a majority of population lacks access to electricity, thus entailing focussed power infrastructure development and investments in these regions. All of this culminates into massive opportunities for the Company. The Company is present in most countries of these regions and is recognised for its capability in executing complex engineering projects necessary to fuel infrastructure requirements in these regions.

Industry Outlook and Opportunities across Businesses and Related Geographies

This section highlights the industry outlook and opportunities in each of the Company's Business - Power Transmission & Distribution, Cables, Railways, Water and Renewable (Solar).

Power Transmission and Distribution Business - Outlook and Opportunities

This is the largest business vertical of the Company. With around 7 decades of experience, KEC has global leadership position in the power transmission EPC space and is rapidly growing in power distribution space mainly in the domestic market. Globally, T&D investment is expected to be around USD 6.8 trillion between 2014 and 2035 largely led by Asia, America, Europe and Africa (Source: IEA). The Company's T&D business is spread across various regions. Region-wise outlook and opportunities in this business are as follows:

I) South Asia (India)

With around 2,72,503 MW of installed generation capacity, 3,16,281 ckm of installed transmission capacity and 6,08,245 MVA of substation transformation capacity, the Indian power sector has achieved remarkable growth over the years.

However, India still faces perennial shortage of power and around 25 percent of India's population is still without access to electricity. India's burgeoning population, rapid urbanisation and industrialisation, emphasis on 24X7 power across the country by 2019, focus on infrastructure development combined with proposed establishment of smart cities imply high growth in electricity demand which necessitates continuous and efficient supply of electricity.

Elaborating more on capacity additions, the 12th and 13th plan envisage around 88,537 MW and 93,400 MW of generation capacity addition; 1,09,440 ckm and 1,30,000 ckm of transmission capacity addition and 2,70,000 MVA and 3,00,000 MVA of substation capacity addition respectively. This requires an investment

Globally, T&D investment is largely led by ASIA, AMERICA, EUROPE AND AFRICA

of ₹ 1,80,000 crore and ₹ 3,06,235 crore during the 12th plan for transmission & distribution capacity addition respectively. The T&D sector in particular suffers from substantial underinvestment as compared to the generation sector. Evacuation of power is a major concern in India which has to be addressed at the earliest. Ensuring energy security is vital for India's growth and development. Adequate funds have to be infused to strengthen the T&D network in India.

The growth in intra-state power transmission networks, which falls under the State Electricity Boards (SEBs) and their transmission utilities (STUs) has not been able to match the inter-state capacity addition due to financial constraints. However, the Government of India (GoI) cleared the restructuring programme for SEBs. Some of the SEBs are in the process of restructuring their debt, a move which is likely to expedite progress of this sector and provide opportunities for power and its ancillary industries.

Country/Region	Per Capita Power Consumption (2011) (kWh)	Population without access to electricity (2011) (%)
United States	13,246	NA
Europe and Central Asia	2,955	0.1
China	3,298	0.3
South Asia	605	25.5
MENA	1,696	5.4
Sub-Saharan Africa	535	68.2
Latin America and Caribbean	1,985	5.3
World Average	**3,045**	**16.9**
India	**684**	**25**

Source: World Bank

Further, the industry continues to be grappled with numerous issues like fuel linkages for generation capacity additions, land acquisition, Right of Way, statutory clearances, poor financial health of SEBs and funding constraints which hamper the progress. Concurrently, the competitive intensity is increasing on both market side as well as supply side (fuel, logistics, finances and manpower).

Conscious about the challenges as well as about the fact that power sector development is necessary for sustained economic development, the Indian Government has embarked on numerous initiatives and mechanisms to expedite the progress of this sector. The Government is also encouraging Public Private Partnerships (PPP) in the T&D sector. We are incrementally seeing projects being awarded through competitive bidding processes on BOO/BOOT/BOOM model.

II) South Asia Region (SAARC excluding India)

The Company's presence in South Asia region is increasing. The region faces energy scarcity and hence prospective investment opportunities are expected to benefit the Company. The Company has strong local presence and execution experience in the region and is currently executing projects in Bhutan, Afghanistan, Bangladesh, Nepal and Sri Lanka. During the year, it has secured good orders from Bangladesh. Further, India's cross border electricity transmission interconnections with Bangladesh, Sri Lanka, Nepal and Bhutan are also being expanded to facilitate power trade between the countries.

III) The MENA Region

Power demand in the Middle East and North Africa (MENA) region is set to grow, mainly on account of strong economic and demographic growth associated with rapid urbanisation & strong industrial growth in the region. The region is also diversifying fuel sources and investing in renewables/nuclear sources.

The Middle East: It is projected to require an additional 1,48,000 kms of transmission lines and 13,14,000 kms of distribution lines during 2014 to 2035. Middle Eastern region would require an investment of USD 225 billion in T&D infrastructure over 2014-2035. (Source: IEA).

Gulf Cooperation Council (GCC) Countries: From 2016 to 2020 around USD 19.2 billion and USD 36.6 billion are expected to be invested by GCC countries in transmission & distribution networks respectively. (Source: Arab Petroleum Investment Corporation). Saudi Arabia continues to be region's largest market and has the highest power demand followed by UAE. Several large power generating projects, including nuclear power plants are being planned. Besides, to meet the increasing demand of power, Kuwait and Oman have also announced their plans to expand transmission lines network.

North Africa: The investment in this region has remained stagnant due to political turmoil. Few countries like Algeria and Egypt are regularly investing in the transmission sector. However, in countries like Libya, the political situation has not improved in FY15 due to which our project execution was hampered. The scenario is gradually improving. Investment in power is very crucial and fundamental to the growth of this economy. This is expected to be one of the key focus areas in the region, upon restoration of stability.

Transmission Line EPC project in Brazil

IV) Rest of Africa Region excluding North Africa Region

Due to the energy deficiency experienced by this region, it has significant growth potential. In Sub-Saharan Africa, the average electricity consumption per capita

In Sub-Saharan Africa, average electricity consumption per capita is

535 kWh

is 535 kWh. Further, around 68 percent of its population is still without access to electricity (Source: IEA). The continent has under-exploited energy resources and under-served demand as compared to the rest of the world.

Numerous multilateral funding agencies are dispensing funds for new projects in this region. Further, various cross-border transmission line interconnections are also expected which will improve power transmission infrastructure thereby leading to efficient energy exchange among the countries.

V) Central Asia Region

On account of its growing industrialisation, Central Asia continues to be a high growth market with increasing demand for electricity. Many countries in this region are facing electricity supply issues due to financial constraints. However, multilateral institutions have come to their rescue and are supporting and funding several initiatives to expand and upgrade the region's Soviet-era power infrastructure.

VI) North America and Latin America Region

North America: The North America transmission system needs investment to build new lines as well as upgrade and refurbish the existing network as existing transmission grid is ageing due to under-investment in transmission infrastructure as well as complying with potential upgrades to regulations, with a ruling expected by mid-2015.

As coal-fired power plants go offline under U.S. EPA's Clean Power Plan, building new power lines to evacuate renewable energy is expected to drive investment over next five years.

Around 2,60,000 kms of additional transmission lines are planned to be added between 2014 to 2035 (Source: IEA). Over this period, the expected investment in transmission line infrastructure is estimated to the tune of USD 324 billion.

Besides, with the new federally proposed Clean Power Plan in the US, many states have issued the Renewable Portfolio Standards regulation. This directive mandates electricity suppliers to produce a specified portion of their electricity from renewable energy sources.

In Canada, new generation sources in Alberta and new hydroelectric generation expansion continue to contribute for an increase in demand of transmission lines.

Latin America: Between 2014 to 2035 an estimated investment of USD 128 billion is planned to be made on transmission line in this region. Brazil, the largest market in Latin America, covers nearly half of the continent of South America. Brazil's Government plans to build about 2,28,000 kms of transmission lines between 2014 and 2035 (Source: IEA). In Mexico, the state-owned Comisión Federal de Electricidad (CFE) owns and operates transmission lines. Significant transmission line infrastructure is expected to be built in Mexico over the years to come.

VII) Southeast Asian Region

The region's energy demand has expanded approximately 2.5 times since 1990. Major demand drivers include growth of Industry, Buildings and Transport sectors. However, the region's per capita energy use is still low and 1/4th of its population is without access to electricity. The region is projected to require an additional 2,40,000 kms of transmission lines and 37,35,000 kms of distribution lines to connect end-users between 2014 and 2035. Its investment needs are expected to be around USD 544 billion for T&D infrastructure (Source: IEA). Many countries in this region have formulated plans to increase their power generation capacity and grid expansion.

The South East Asian region is projected to require an additional

2,40,000 kms

of transmission lines

Cables Business – Outlook and Opportunities

The Company manufactures power cables and telecom cables, with the former constituting a significant part of its cables business. A significant portion of our cables are also exported to numerous developed and developing countries.

The cable industry as a whole has grown by 16 percent last year on the back of modest recovery in demand.

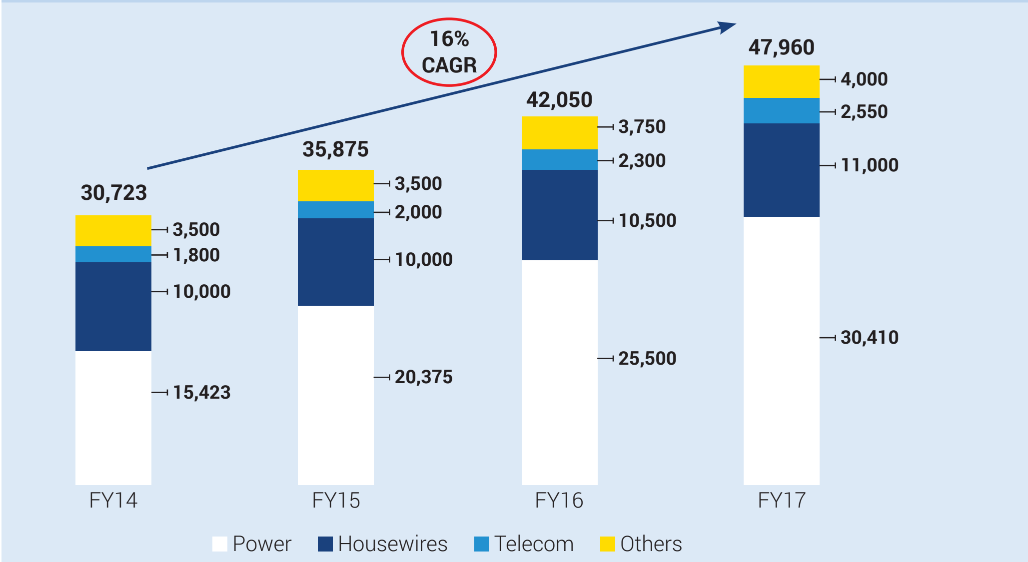
Power Cables

Domestic demand for these cables is inextricably linked to the infrastructure growth. Government's thrust on strengthening of sub-transmission and distribution systems and increasing share of Renewables is expected to result in increase in demand for Power Cables. The demand is also expected to get a boost on account of the proposed smart cities and mass transportation projects where higher proportion of EHV and HT cables are majorly used.

Telecom Cables

The Optic Fibre Cables requirement is expected to grow on the back of 3G, 4G network installations along with Government of India driven National Optic Fibre Network (NOFN) programme.

Indian Power & Telecom Cables Market (₹ crore)



Source: IEEMA Data; KEC forecast

Railways Business – Outlook and Opportunities

Capacity expansion, network expansion, upgradation and modernisation of the existing Indian Railways Infrastructure are expected to provide a huge impetus to this sector. The Railway budget of FY16 has provided tremendous opportunity by way of network expansion plans in coming days.

The major highlights of FY16 railway budget:

Network Expansion Plans:

- Increase track length by 20 percent from 1,14,000 kms to 1,38,000 kms over the next 5 years
- Decongesting networks with basket of traffic generating projects and last mile connectivity projects are a priority; fast track sanctioned works on 7,000 kms of double/ third/fourth lines and commission 1,200 kms in FY16 at an investment of ₹ 8,686 crore, 84 percent higher Y-o-Y
- Commissioning 800 kms of gauge conversion targeted in current fiscal
- 77 projects covering 9,400 kms of doubling/tripling/quadrupling works along with electrification, covering almost all States, at a cost of ₹ 96,182 crore which is over 2,700 percent higher in terms of amount sanctioned earlier for such projects
- Expected to award 750 kms of civil contracts and 1,300 kms of system contracts in FY16 on Dedicated Freight Corridor; 55 kms section of Eastern DFC to be completed in the current year. Preliminary Engineering

Earthwork in filling on Railway embankment, supplying & spreading of stone dust over formation as blanketing materials, construction of service building and other ancillary works in between Nalhati and Moregram (Km 45.0 to Km 26.0) in connection with doubling between Nalhati and Sagardighi cum Traffic Survey (PETS) for four other DFCs in progress

- Acceleration of pace of Railway electrification: 6,608 route kilometres sanctioned for FY16, an increase of 1,330 percent over the previous year
- Coastal Connectivity Programme, Railways in partnership with ports will deliver rail connectivity to Nargol, Chharra, Dighi, Rewas and Tuna
- Projects worth ₹ 2,500 crore through BOT/Annuity route. These include Wardha-Nagpur 3rd line, Kazipet-Vijaywada 3rd line, Bhadrak-Nargundi 3rd line and Bhuj-Nalia Gauge Conversion

(Source: Press Articles, Ministry of Railways)

With the nature of our present order book, KEC is very well poised to tap all these opportunities. The Company is pre-qualified in certain packages of Dedicated Freight Corridor projects and plans to bid selectively in consortium.

Mass Rapid Transit System (MRTS)

Increasing urbanisation, population density and strain on existing transport infrastructure have necessitated investments in the modern MRTS (Metro and Mono Rails). The Delhi Metro's success has set the stage for developing more Metro networks across the country. There are many projects that are in an advanced stage of planning and implementation in India. KEC's participation in this space is via joint ventures with internationally recognised partners.

Water Business – Outlook and Opportunities

Although around 70 percent of the earth's surface is covered with water, the distribution of water is uneven and it is a scarce resource in many parts of the world including India. Added to these woes, most cities in India release the untreated sewage in the rivers or lakes around them and are in polluted stage. Two-thirds of sewage generated in 118 towns, located in the Ganga River Basin, gets discharged in our national River Ganga alone. Government of India has drawn up an ambitious programme to clean the River Ganga and its tributaries by intending to set up effective Sewerage systems and Sewage Treatment Plants, Zero Liquid Discharge Plants, Waste Water Recycle/Reuse Tertiary Treatment Plants in the States of Uttarakhand, UP, Haryana, Delhi, Rajasthan, Bihar, Jharkhand, West Bengal, Chhattisgarh and Madhya Pradesh. This project outlay stands at ₹ 1,70,364 crore over the period of 15 years. (Source: Ganga River Basin Management Plan)

With a breakthrough in Municipal Water and Waste Water Management contracts in Karnataka and Uttarakhand, the Company is focussing on technology-oriented projects in Water and Waste Water Treatment space.

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

Net Sales increased by 7.2 percent Y-o-Y to ₹ 8,468 crore, driven by strong execution and good order inflow. 53 percent of the total net sales has come from the markets outside India.

EBITDA increased by 3.8 percent Y-o-Y to ₹ 512 crore. EBITDA margins decreased by 20 basis points to 6.0 percent of net sales. The reduction is

2,600 kl Over Head Service Reservoir at Lakhanpur Chungi, Ramnagar

6,608

route kilometres of Railway electrification sanctioned for 2015-16

on account of time and cost overruns and costs associated with project closures in Railways, Water and Distribution businesses. The profitability was also negatively impacted due to adverse movement in currencies. The Company's wholly owned subsidiary, SAE Towers, also reported negative profitability this year as a result of lower order intake in Mexico and lack of clearances in Brazil leading to higher inventories and lower production. This resulted in under absorption of fixed costs.

Depreciation and amortisation expense increased to ₹ 88 crore from ₹ 71 crore in the FY14. It has increased mainly due to depreciation on expansion/capex of our Butibori manufacturing facilities, revision in estimated useful life of fixed assets as prescribed by Schedule II to the Companies Act, 2013 and amortisation of Brand against the profits of the Company, consequent to full utilisation of 'Reserve for Amortisation of Brand' during the year.

Finance Costs increased to ₹ 309 crore from ₹ 263 crore in FY14. Finance Costs to Net Sales ratio increased to 3.6 percent as against 3.3 percent in FY14. It increased mainly due to increase in working capital loans on account of higher revenue, higher other current assets and a one-time charge related to refinancing of its SAE acquisition loan.

Other Income excluding profit on disposal of assets stood at ₹ 11 crore as against ₹ 14 crore in FY14. Profit on disposal of assets was ₹ 135 crore.

Net Profit stood at ₹ 161 crore as against ₹ 67 crore in FY14.

Net Profit excluding the impact of profit on disposal of assets stood at ₹ 69 crore, as against this, FY14 profit excluding impact of VRS at Thane Cables plant was ₹ 79 crore.

Earnings Per Share (EPS) before impact of sale of assets decreased to ₹ 2.69 from ₹ 3.06 in FY14.

Price to Earnings (PE) ratio stood at 37.7 times. (Based on FY15 EPS before impact of disposal of assets and price as on May 05, 2015)

Proposed Dividend for the year is 45 percent of face value of Equity Share, reflecting a distribution of ₹ 27.2 crore (including dividend distribution tax). This was on account of extraordinary profits on account of sale of Thane land.

Balance Sheet Analysis

Net Worth increased to ₹ 1,330 crore from ₹ 1,192 crore in FY14. Equity Share Capital remained unchanged at ₹ 51 crore. However, **Reserves and Surplus** increased to ₹ 1,278 crore from ₹ 1,140 crore recorded in FY14.

Book Value per share increased to ₹ 51.7 from ₹ 46.4 in FY14.

Gross Borrowings increased to ₹ 2,189 crore from ₹ 2,127 crore in FY14 while **Net Borrowings** remained unchanged at ₹ 1,983 crore.

Gross Debt-Equity ratio stood at 1.6 times while **Net Debt-Equity** ratio stood at 1.5 times.

Fixed Assets (without considering goodwill) decreased to ₹ 881 crore from ₹ 992 crore in FY14. This reduction was mainly due to disposal of surplus land in Thane, Maharashtra, assets related to Telecom Towers business being re-classified as asset held for sale and devaluation of Brazilian Real.

Gross Working Capital (including long term loans and advances and other non-current assets) cycle has decreased to 268 days from 269 days in FY14. Inventory cycle decreased to 21 days from 23 days in FY14. Total receivable cycle decreased to 179 days from 191 days in FY14. However, payable cycle has reduced to 143 days from 148 days in FY14.

Return on Capital Employed (before tax) declined to 13.0 percent in FY15 as compared to 15.0 percent in FY14.

Operational Performance

- The Company successfully completed Project Eagle, a transformation exercise
- Successfully completed sale of Thane land and realised the consideration
- This year's total order intake is at ₹ 8,223 crore and year end order book is at ₹ 9,508 crore. The orders were spread across business verticals and geographies. During the year we:
  - o Secured highest ever single largest order from Saudi Electricity Company, Saudi Arabia valued at ₹ 1,067 crore (KEC share ₹ 736 crore)
  - o Secured highest ever single order in domestic business from Karnataka Power Transmission Corporation Limited, Karnataka (₹ 543 crore)
  - o We continue to expand our geographical presence. During the year, the Company re-entered Zambia, Georgia and Uganda with order wins and L1 position
  - o Secured orders from SAARC (India, Bangladesh), Americas (United States, Mexico, Canada, Brazil and Chile), MENA (Saudi Arabia, Abu Dhabi, Oman), Africa (Uganda, Mozambique, Nigeria, Kenya)

NET SALES INCREASED BY 7.2 PERCENT Y-O-Y TO ₹ 8,468 CRORE, DRIVEN BY STRONG EXECUTION AND GOOD ORDER INFLOW

KEC HAS SIGNIFICANT PRESENCE IN UNDERDEVELOPED AND EMERGING ECONOMIES

- Power T&D business expanded its domestic presence in Substation business by securing large and prestigious orders for the establishment of various Gas Insulated Substations (GIS) in conjunction with the GIS equipment supplier. Our share of these orders are valued at ₹ 1,094 crore
- Power T&D Business also secured a few orders from private players owning transmission lines
- Cables business secured orders worth ₹ 1,156 crore, an increase of 35.2 percent over the previous year
- Railways business secured two Over Head Electrification (OHE) orders of ₹ 246 crore, from the Central Organisation of Railway Electrification

Adequacy of Internal Control

KEC strives for comprehensive internal control system. The objective is to safeguard Company's assets and ensure that transactions are properly authorised. It also assures integrated, objective and reliable financial information. The Internal Audit department conducts audits at the head office, manufacturing facilities and international and domestic project sites. It covers all major functions with a focus on various operational areas and internal control systems. The suggestions, recommendations and implementation of the same are placed before the Management and the Audit Committee of the Board of Directors periodically. The adequacy of the internal control systems is also periodically reviewed by the Audit Committee.

Enterprise Risk Management and Internal Audits by external specialists

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

Risks and Challenges

The Company is predominantly engaged in the Engineering Procurement and Construction (EPC) business. As business is spread across many countries and faces various risks associated with turnkey projects, its long-term success depends largely on robust risk identification and management system, which helps the Company continuously identify and mitigate various risks. It continuously reviews its systems to ensure they are in-line with current internal and external environments. Details of some of the risks involved in the business and their mitigation ways are discussed below:

1) **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 if input costs rise, if it is not appropriately hedged in time. With a significant contribution to the business from international markets, the Company is exposed to the risk of currency fluctuations, if any exposure remains open.

   The Company believes in keeping its commodity and currency exposures optimally hedged. It measures and manages these risks centrally and carries out periodic reviews of these risks; whenever required external experts are also consulted.

2) **Infrastructure investment slowdown:** Infrastructure investment slowdown can lead to lower order intake and lower sales.

   Mitigation – The Company's global presence helps it minimise impact on business during investment slowdown in one country or region. Further, the Company has significant presence in underdeveloped and emerging economies, where infrastructure investment is a key priority for sustainable growth.

3) **Political unrest:** Political unrest in countries and markets where the Company is present can impact the progress of its projects.

   Mitigation – The Company carries out detailed studies of the potential risks involved in a market before bidding for a project in a country. This careful selection of the country, along with the Company's prior experience, aids in coping with the challenges.

4) **Delays in execution of projects:** EPC projects could face delays/other similar issues due to challenges relating to right of way, forest clearances, manpower shortage. This could lead to payment delays, thereby prolonging the working capital cycle and increasing the overall project costs.

   Mitigation – The Company reviews these risks periodically and employs suitable strategies and actions to minimise the impact.

Human Resources

At KEC, we continue to align our human resources policies and processes to our strategy and enable business growth. KEC is investing significantly in digitisation to automate people processes and improve productivity.

There is a renewed focus on employee engagement with a view to driving this in a structured manner. We continue to invest in engineering and managerial talent to build capability for the future.

We are a preferred employer in the infrastructure sector and enjoy the position as an employer of choice.

We have enhanced our focus on delivery and performance management with robust goal setting to support and enable it. Greater emphasis is being placed on identification of top talent, their long-term development and credible succession planning. We continue to retain our talent with lowered levels of attrition.

Employee Count – As on March 31, 2015, the KEC Group (including subsidiaries and joint ventures) has 5,034 permanent employees.

Environment, Health & Safety (EHS)

The Company is committed to ensure a safe and healthy workplace for its employees and contractors while protecting the environment. The Company has an EHS policy which lays down that the Company should comply with EHS regulations and customer requirements as well as enhance the awareness, skills and competence of employees and contractors to meet EHS objectives.

The Company's goal is to achieve the target of zero accident. A dedicated team has been set-up at the corporate level to develop EHS tools and processes, monitor the actual practices through frequent audits and improve it by imparting trainings and implementing plans. Some of the initiatives taken by the Company include:

1) We are consciously increasing our visibility around safety through "Team safety visits / Hierarchical safety visits" or "Hierarchical EHS review / weekly safety review" by which the unit/project management is aware of the real safety conditions.

2) We have implemented a system for providing robust training to our employees and workmen including "Life after accidents" training etc. Effective reporting of proactive indicators like "deviations and near miss" and its closure are also in place which will help us to build a common understanding of EHS culture.

3) To ensure the effectiveness of loss preventions, we are also in a process of integrating safety in each of our business operation like tendering, contractor selection and pre-mobilisation to support our collective EHS objective and to attain EHS culture.

Corporate Social Responsibility

KEC firmly believes that Corporate Social Responsibility (CSR) is an important aspect of business and its role in the community is ingrained in the Company's value system. Its social endeavours are categorised under the three broad areas i.e. Education, Environment and Employability. Detailed information on CSR initiatives taken by the Company is mentioned on page 20 & 21 of this report.

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 other factors such as litigation and industrial relations.

400 kV D/C Wardha-Aurangabad Transmission Line upgradable to 1,200 kV S/C associated with Mundra Regional System for WR

CORPORATE GOVERNANCE REPORT

110 kV D/C Monopole line on Kabul Highway, Afghanistan

The Corporate Governance signifies the role of the management as the trustees to the property of the shareholders and acceptance of the inherent rights of the shareholders by the management. Corporate Governance is a framework which helps various participants viz. shareholders, Board of Directors and Company's management, in shaping Company's performance and the way it is proceeding towards attainment of its goals.

I. Company's Philosophy on Corporate Governance

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements, such as the terms of Listing Agreement with Stock Exchanges, but also several voluntary practices at a superior level of business ethics, effective supervision and enhancement of shareholders' value.

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 is in compliance with the requirements on the Corporate Governance stipulated under Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

II. Board of Directors

Size and Composition of the Board of Directors

The Company's policy is to maintain optimum combination of Executive and Non - Executive Directors. As on March 31, 2015, the Board of Directors (Board) comprises of 11 Directors out of which 8 are Independent Directors. A Non-Executive Director chairs the Board. Composition of the Board and the category of Directors as on March 31, 2015, are as follows:

Certified Copy of Directors

Category	Name of the Director
Promoter Director	Mr. H. V. Goenka, Chairman
Executive Director	Mr. R. D. Chandak, Managing Director*
	Mr. Vimal Kejriwal, Whole-time Director and MD & CEO(Designate)#
Independent Directors	Mr. S. S. Thakur Mr. G. L. Mirchandani Mr. D. G. Piramal Mr. S. M. Kulkarni Mr. A. T. Vaswani Mr. S. M. Trehan Mr. Vinayak Chatterjee Mrs. Nirupama Rao

* Tendered his request for retirement as the Managing Director of the Company to be effective from end of business day April 01, 2015 at the Board Meeting held on February 04, 2015. However, he shall continue to act as a Non – Executive Director of the Company thereafter.

Appointed as the Managing Director & CEO of the Company effective from April 01, 2015 by the Members of Company through Postal Ballot.

All the Independent Directors of the Company furnish declaration annually that they qualify the conditions of they being independent. All such declarations are placed before the Board. Further, pursuant to Section 164(2) of Companies Act, 2013 all the Directors have provided declarations annually in Form DIR-8 that they have not been disqualified to act as Director. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

Details of the Directorship, Membership and Chairmanship in other companies for each Director of the Company as on March 31, 2015 is as follows:

Name of the Director (Director Identification Number)	No. of outside Directorships*	No. of outside Committees@ on which the Director is a	
		Member#	Chairman
Mr. H. V. Goenka (00026726)	6	-	-
Mr. R. D. Chandak (00026581)	4	-	-
Mr. Vimal Kejriwal (00026981)	1	1	-
Mr. S. S. Thakur (00001466)	4	3	3
Mr. G. L. Mirchandani (00026664)	3	2	-
Mr. D. G. Piramal (00032012)	5	2	-
Mr. S. M. Kulkarni (00003640)	8	4	3
Mr. A. T. Vaswani (00057953)	2	1	2
Mr. S. M. Trehan (00060106)	-	-	-
Mr. Vinayak Chatterjee (00008933)	2	2	1
Mrs. Nirupama Rao (06954879)	2	-	-

* excluding Directorships in private companies, foreign companies and companies which are formed under Section 25 of the Companies Act, 1956.

@ includes only membership in Audit Committee and Stakeholders' Relationship Committee.

number of Committees on which the Director is a member and also includes the number of Committees on which the Director is the Chairman.

Board Meetings

The Board meets at least four times in a year, with a maximum time gap of one hundred and twenty days between any two meetings. Additional meetings are held, when necessary. Agenda and detailed notes on agenda are circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not practicable to attach any document to the agenda, the same is placed before the meeting. In special and exceptional circumstances, additional item(s) on the agenda is / are permitted.

The members of the Board have access to all the information of the Company and are free to recommend inclusion of any matter in agenda for discussion.

The meetings of the Board are generally held at the Company's registered office at Mumbai.

During the year under review, six Board Meetings were held and gap between two meetings did not exceed 120 days. The dates on which said Board Meetings were held are as follows:

April 08, 2014, April 30, 2014, July 30, 2014, October 31, 2014, February 04, 2015 and March 23, 2015.

Attendance of the Directors during FY15:

Details of attendance at the Board Meetings and Annual General Meeting (AGM)

Name of the Director	No. of Board Meetings attended	Attendance at the AGM held on July 28, 2014
Mr. H. V. Goenka	6	Yes
Mr. R. D. Chandak	6	Yes
Mr. Vimal Kejriwal#	2	Not Applicable
Mr. S. S. Thakur	6	Yes
Mr. G. L. Mirchandani	6	Yes
Mr. D. G. Piramal	6	Yes
Mr. S. M. Kulkarni	5	Yes
Mr. A. T. Vaswani	6	Yes
Mr. S. M. Trehan	5	Yes
Mr. Vinayak Chatterjee	4	Yes
Mrs. Nirupama Rao*	3	Not Applicable

Appointed as an Additional Director & Whole-time Director w.e.f. January 01, 2015

* Appointed as an Additional Director w.e.f October 31, 2014.

Board's Responsibilities

The Board's mandate is to oversee the Company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the interests of the stakeholders.

Role of Independent Directors

The Independent Directors play an important role in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, management, law and public policy. Formal Letter of appointment has been issued to each Independent Director in the manner provided in the Companies Act, 2013.

Criteria for performance evaluation of Independent Directors

The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors of the Company.

Separate Meeting of Independent Directors

In compliance with Clause 49 II (B) of Listing Agreement entered into with Stock Exchanges, two separate meetings of the Independent Directors of the Company have been held on February 04, 2015 and March 23, 2015 for reviewing the performance of Non-Independent Directors, Board as a whole, the Chairperson of the Company (taking into account the views of Executive and Non-Executive Directors) as well as for assessing the quality, quantity and timeliness of flow of information between the Company management and the Board. All the Independent Directors were present at such meeting.

Familiarisation Programme for Independent Directors

In order to familarise the Independent Directors with the business of the Company, presentations by the SBU heads are made at every Board Meeting in respect of the business under their SBUs. The presentation covers details like the nature and scope of the business, its profitability and future scope. The details of Familiarisation Programmes held by the Company in order to familiarize the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates etc. have been disclosed on the website of the Company. Web link for access to the details of such Familiarisation Programmes is http://www.kecrpg.com/policies.

Information placed before the Board

All the information that is required to be made available, so far as applicable to the Company, in terms of Clause 49 of the Listing Agreement is made available to the Board.

Training of Board Members

The Company believes that the Board be continuously empowered with the knowledge in the Company's businesses and the external environment affecting the industry as a whole. To this end, the Directors were given presentations on the business environment, as well as all business areas of the Company including business strategy, challenges, risks and opportunities.

Details of Director(s)

In compliance with Clause 49 VIII (E) of Listing Agreement entered into with Stock Exchanges, brief resume, expertise and details of other directorships, membership in committees of Directors of other companies and shareholding in the Company of the Directors proposed to be re-appointed / appointed are attached to the Notice of the ensuing Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and senior management of the Company which is posted on the website of the Company. Web link for access to the Code of Conduct is http://www.kecrpg.com/KEC%20data/pdf/Code%20of%20Conduct.pdf.

All Board members and senior management personnel have affirmed compliance with the Code of Conduct on an annual basis. A declaration to this effect signed by the Managing Director & CEO forms part of this Annual Report.

Insider Trading Code

The Company has framed an Insider Trading Code (Code) prohibiting insider trading in conformity with applicable regulations of the Securities and Exchange Board of India (SEBI). Necessary procedures have been laid down for the designated employees (including Directors) for trading in the securities of the Company and the Code and the procedures were communicated to them. Trading window closures, when the designated employees are not permitted to trade in the securities of the Company, are intimated to all designated employees, in advance, whenever required. Directors and designated employees of the Company provide disclosure on an annual basis about the number of shares or voting rights held by them along with their dependents in the Company. Further the Directors and designated employees also declare that they have not traded in the shares of the Company based on the unpublished price sensitive information and on buying / selling any number of shares, they have not entered into an opposite transaction i.e. sell / buy during the six months from the date of earlier transaction as per the provisions of the Code.

Board Committees

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted a set of Committees with specific terms of reference / scope. The Board has established various Committees such as the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Finance Committee and Corporate Social Responsibility Committee.

The minutes of the meetings of all Committees are circulated to the Board for discussion / noting / ratification.

(A) Audit Committee

Composition

The Audit Committee of the Board comprises of three Independent Directors viz. Mr. A. T. Vaswani, Chairman, Mr. S. S. Thakur and Mr. S. M. Kulkarni. All members of Audit Committee are financially literate and the Chairman of the Audit Committee has accounting or related financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with the Stock Exchanges. The Chairman of the Audit Committee was present at the Ninth Annual General Meeting to answer shareholders' queries.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites such of the executives viz. Managing Director, Executive Director – Finance / Chief Financial Officer, Head (Internal Audit), and also Cost Auditors and Risk Management consulting firm as it considers appropriate to be present at the meetings of the Committee, but on occasions it may also meet without the presence of any executives of the Company.

The Company Secretary, Mr. Ch. V. Jagannadha Rao, acts as the Secretary to the Committee.

Meetings

During the year under review, nine meetings of the Audit Committee were held on April 30, 2014, July 03, 2014, July 30, 2014, October 17, 2014, October 30, 2014, January 06, 2015, February 04, 2015, March 23, 2015 and March 31, 2015 and the same were attended by all the members of the Committee except Mr. S. M. Kulkarni and Mr. S. S. Thakur to whom leave of absence was granted for the meetings held on April 30, 2014 and March 31, 2015 respectively.

Terms of reference

The role and terms of reference of the Audit Committee specified by the Board are in conformity with the requirements of Clause 49 of the Listing Agreement as well as Section 177 of the Companies Act, 2013. The Committee acts as a link between the Statutory and Internal Auditors and the Board. The responsibilities of the Audit Committee include overseeing of the financial reporting process to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of Statutory Auditors, Branch Auditors, Cost Auditors, review of the adequacy of internal control systems and the internal audit function.

The Audit Committee is authorized to

1. Investigate any activity within its terms of reference.
2. Seek information from any employee.
3. Obtain outside legal or other professional advice.
4. Secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees.
3. Approval of payments to the Statutory Auditors for any other services rendered by the Statutory Auditors.

4. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
    a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of sub-section (5) of Section 134 of the Companies Act, 2013;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgement by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Reviewing and monitoring with the management, performance of the Statutory and Internal Auditors, independence of Statutory Auditors and effectiveness of their audit process and adequacy of the internal control systems.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with Internal Auditors about any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with the 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.
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
13. Reviewing the functioning of the Whistle Blower mechanism.
14. Approval of appointment of CFO (i.e. the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
15. Approval or any subsequent modification of transactions of Company with related parties.
16. Scrutiny of inter-corporate loans and investments.
17. Valuation of undertakings or assets of the Company, wherever it is necessary.
18. Evaluation of internal financial controls and risk management systems.
19. To mandatorily review the following information:
    a. Management Discussion and Analysis of financial condition and results of operations;
    b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
    c. Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
    d. Internal audit reports relating to internal control weaknesses;
    e. The appointment, removal and terms of remuneration of the Chief Internal Auditor;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

(B) Nomination and Remuneration Committee

Nomenclature

During the year under review, in terms of the Companies Act, 2013 and the Listing Agreement the nomenclature of the Remuneration Committee was changed to Nomination and Remuneration Committee.

Composition

The Committee consists of three Directors viz. Mr. S. S. Thakur, Chairman, Mr. A. T. Vaswani and Mr. S. M. Kulkarni.

Meetings

During the year under review, six meetings of the Nomination and Remuneration Committee were held on April 30, 2014, July 03, 2014, July 30, 2014, October 17, 2014, October 30, 2014, February 04, 2015 and the same were attended by all the members of the Committee except Mr. S. M. Kulkarni to whom leave of absence was granted for the Meeting held on April 30, 2014.

Terms of Reference

The function of the Nomination and Remuneration Committee includes recommendation of appointment of Managing Director / Whole-time Director(s), evaluation of the performance of the Managing Director / Whole-time Director(s) and recommendation to the Board of the remuneration to Managing Director / Whole-time Director(s) and such other functions as delegated by the Board from time to time. The Nomination and Remuneration Committee is also authorized to recommend commission to be paid to the Director(s) of the Company who is/are not in the Whole-time employment of the Company, in accordance with and up to the limits laid down under the Companies Act, 2013.

Remuneration Policy and other terms of appointment of Directors

Executive Director:

The remuneration payable to the Managing Director/ Whole-time Director is recommended by the Nomination and Remuneration Committee of the Board and approved by the Board of Directors. The remuneration structure of Managing Director comprises of salary, perquisites, allowances, performance bonus, commission and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director / Whole-time Director is governed by the Agreement executed between the Executive Director and the Company.

Details of remuneration paid to the Managing Director/Whole-time Director during FY15

(Amount in ₹)

Name	Salary and Allowance	Performance Bonus	Perquisites	Contribution to Provident and other funds	Total#
Mr. Ramesh D. Chandak	2,56,36,218	54,68,419	1,43,136	28,02,268	3,40,50,041
Mr. Vimal Kejriwal (01.01.15 to 31.03.15)	51,39,387	-	9,900	3,63,960	55,13,247

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) are paid remuneration by way of commission and sitting fees. The NEDs are paid sitting fees at the rate of ₹ 75,000/- for attending each meeting of the Board, ₹ 25,000/- for attending each meeting of the Audit Committee and ₹ 5,000/- for attending each meeting of the Finance Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. No sitting fee is paid for the meetings of the Stakeholders' Relationship Committee.

Commission paid to the NEDs

In terms of the shareholders' approval obtained at the Annual General Meeting held on July 05, 2011, NEDs are entitled to be paid commission within the overall limit of 5% per annum of the net profits of the Company (computed in accordance with the Section 309(5) of the Companies Act, 1956). Accordingly, commission within the overall limit stipulated by the shareholders i.e. 5% of net profits of the Company was proposed to be paid to NEDs for FY12 and FY13. However, the Central Government approved the commission up to 1% of net profits of the Company. Accordingly, the Company has made a payment of commission as per the approval of the Central Government. The distribution of commission amongst the NEDs was recommended by the Remuneration Committee and placed before the Board of Directors. The commission is distributed on the basis of qualifications, experience and directorship in other companies having diverse business, time spent, inputs, guidance and contribution received from each of the NEDs to the Company. The Company will seek approval of Central Government every year, till FY15, for the amount proposed to be paid as commission, within the overall limit of 5% of the net profits, to the NEDs.

Remuneration paid to Non-Executive Directors is given below:

(Amount in ₹)

Name of the Director	Sitting Fees	Commission for FY 14	Total
Mr. H. V. Goenka	3,95,000	1,84,55,000	1,88,50,000
Mr. S. S. Thakur	6,80,000	4,00,000	10,80,000
Mr. G. L. Mirchandani	3,95,000	4,00,000	7,95,000
Mr. D. G. Piramal	3,95,000	4,00,000	7,95,000
Mr. S. M. Kulkarni	5,95,000	4,00,000	9,95,000
Mr. A. T. Vaswani	6,55,000	4,00,000	10,55,000
Mr. S. M. Trehan	3,20,000	4,00,000	7,20,000
Mr. Vinayak Chatterjee	3,00,000	*	3,00,000
Mrs. Nirupama Rao	2,25,000	*	2,25,000
Mr. M. K. Sharma#	-	4,00,000	4,00,000

* No commission was paid to Mr. Vinayak Chatterjee and Mrs. Nirupama Rao for FY14 who were inducted on the Board during FY15.
# Ceased to be a director w.e.f. March 31, 2014

Note:
Appropriate amount of TDS has been deducted at applicable rates from the above payments.

Equity Shares held by the Directors

Except as stated here under, none of the Directors hold any shares in the Company as on March 31, 2015:

Name of the Director	No. of shares held (₹ 2/- each)
Mr. H. V. Goenka	48,48,425
Mr. H. V. Goenka (as a Trustee of Stellar Energy Trust)	28,05,216
Mr. H. V. Goenka (as a Karta of Harsh Anant Goenka HUF)	1,69,500
Mr. R. D. Chandak	5
Mr. H. V. Goenka*	3,750

* held in trust on behalf of certain shareholders against their rights of Equity Shares of the erstwhile RPG Transmission Limited, since merged with the Company in the year 2007-08, kept in abeyance under Section 206A(b) of the Companies Act, 1956 due to pending court cases / issues. These shares which were initially held by Mr. J. M. Kothary have been transferred to Mr. H. V. Goenka as Mr. Kothary is ceased to be a Director of the Company.

The Company does not have any Stock Option Scheme.

(C) Stakeholders' Relationship Committee

Nomenclature

In line with the provisions of Section 178 of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement, the nomenclature of the Investors' Grievance Committee was changed to "Stakeholders' Relationship Committee" with effect from October 31, 2014.

Composition

The Committee consists of three Directors viz. Mr. S. S. Thakur, Chairman, Mr. R. D. Chandak and Mr. S. M. Kulkarni.

Meetings

During the year under review, twelve meetings of the Investors' Grievance/ Stakeholders' Relationship Committee were held. The dates on which said meetings were held are as follows:

April 30, 2014, May 30, 2014, June 30, 2014, July 30, 2014, August 28, 2014, September 30, 2014, October 31, 2014, November 28, 2014, December 31, 2014, January 30, 2015, February 27, 2015 and March 23, 2015.

The aforementioned meetings were attended by all three members of the Committee except Mr. S. M. Kulkarni to whom leave of absence was granted for the Meeting held on April 30, 2014.

Terms of Reference

The Board at its meeting held on July 31, 2006 passed a resolution authorizing any one of the members of Investors' Grievance Committee or the Company Secretary or an authorized signatory to attend to the matters relating to share transfers / transmissions and other related matters under the overall supervision of the Committee.

The function and powers of the Committee include approval and rejection of transfer or transmission of shares, issue of duplicate certificates, review and redressal of shareholders and investors complaints relating to transfer of shares and non-receipt of Annual Report etc. The Committee meets once in a month.

The work relating to share transfer etc. is looked after by Link Intime India Private Limited, Registrar and Share Transfer Agents (RTA). The minutes of the Stakeholders' Relationship Committee are periodically circulated to the Board.

Name and Designation of the Compliance Officer

Mr. Ch. V. Jagannadha Rao, Company Secretary, is the Compliance Officer in terms of Clause 47 of the Listing Agreement.

Investors' service

No. of complaints received during FY15	15
No. of complaints resolved to the satisfaction of shareholders during FY15	13

Number of pending requests for share transfers & dematerialization as on March 31, 2015

Name of the Director	No. of Requests	No. of Securities
Dematerializations	Nil	Nil
Transfers	Nil	Nil

(D) Finance Committee

Composition

The Committee consists of three Directors viz. Mr. S. M. Kulkarni, Chairman, Mr. S. S. Thakur, and Mr. R. D. Chandak

Meetings

During the year under review, eleven meetings of the Finance Committee were held. The dates on which said meetings were held are as follows:

April 17, 2014, May 29, 2014, July 03, 2014, July 30, 2014, August 20, 2014, September 22, 2014, October 31, 2014, December 11, 2014, January 06, 2015, February 04, 2015, March 23, 2015.

The aforementioned meetings were attended by all the members of the Committee, except Mr. S. M. Kulkarni to whom leave of absence was granted for the meetings held on April 17, 2014 and May 29, 2014.

Terms of Reference

1. To authorize the representatives of the Company and issue power of attorney(ies) in their favour 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 and issue guarantees as required during ordinary course of business of the Company;

3. 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 Accounts in the name of the Company as per the business requirements;

    b. To enter into transactions / agreements for foreign exchange swaps, options, futures, forwards and any other derivatives / commodities 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. Borrowing and make investments as per the powers delegated by the Board of the Company;

    d. All other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

4. Approve opening / closure of Branch Office(s) of the Company for the projects and in connection with the business of the Company.

Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have any Independent Director of the Company on the Board of any of the non-listed subsidiary company.

The financial statements of the subsidiaries are reviewed by the Audit Committee of the Board and also, the minutes of the Board Meetings of the subsidiary companies are placed before the Board of the Company.

General Body Meetings

Location and time of Annual General Meetings

Year	Date	Time	Location
2013-14	July 28, 2014	03.30 p.m.	Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025.
2012-13	August 21, 2013	03.30 p.m.	
2011-12	July 05, 2012	11.00 a.m.	

Special Resolutions transacted at the last three Annual General Meetings

July 28, 2014

1. Authority to obtain loans/ borrowings under Section 180(1)(c) of the Companies Act, 2013.

2. Creation of mortgage and/ or charge on all or any of the movable and/ or immovable properties of the Company.

3. Issuance of Non-Convertible Debentures on private placement basis.

August 21, 2013

Waiver of excess remuneration paid to Mr. R. D. Chandak, Managing Director for FY13.

July 05, 2012

Alteration of Article 3(a) (Capital Clause) of the Articles of Association.

Postal Ballot

During the year 2014-15, the Company has obtained the approval of its members by passing following special resolution through Postal Ballot in accordance to the procedure prescribed in terms of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014. Mr. P. N. Parikh of Parikh Parekh and Associates, Practicing Company Secretaries was appointed as a Scrutinizer by the Board.

The Company had sent the notice to all the shareholders, along with a draft resolution explaining the reasons thereof and requesting them to send their assent or dissent by postal ballot form or through e-voting within a period of 30 days from the date of dispatch of the notice. Upon the expiry of 30 days the scrutinizer submitted his report to the Company and all other requirements were complied with.

Details of the Special resolutions passed under the Postal Ballot are as under:

Date of passing the Resolution	Purpose	Result	
		In favour (%)	Against (%)
30.03.2015	To approve the appointment of Mr. Vimal Kejriwal as Whole-time Director of the Company	97.33	2.67
	To approve the appointment of Mr. Vimal Kejriwal as Managing Director & CEO of the Company with effect from April 01, 2015	97.32	2.68
	Payment of Managerial Remuneration to Managing Director	97.32	2.68
	Appointment of Mr. Ramesh D. Chandak as Advisor	97.32	2.68

III. Disclosures

Related Party Transactions

The Company follows the following policy in disclosing the related party transactions to the Audit Committee:

(a) A statement in summary form of transactions with related parties in the ordinary course of business is placed periodically before the Audit Committee.

(b) Details of material individual transactions with related parties, which are not in the normal course of business, if any, are placed before the Audit Committee.

(c) Details of material individual transactions with related parties or others, which are not on an arm's length basis, if any, are placed before the Audit Committee, together with management's justification for the same. Transactions with related parties entered in the ordinary course of business have been disclosed in Note 35 of the Standalone Financial Statements of the Company as at March 31, 2015.

Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large

There are no materially significant transactions made by the Company with its promoters, Directors or management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

Whistle Blower Policy

The Company had adopted a Whistle Blower Policy as per the requirements of Listing Agreement providing a mechanism to any of the employees to report genuine concerns or any violation. During the year no personnel has been denied access to the Audit Committee.

Risk Management

The Company has laid down procedures to inform the Board about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risks by means of a properly defined framework. The Company also has a risk management policy to mitigate the risks in commodities and foreign exchange.

Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange(s) or Securities and Exchange Board of India (SEBI) or any Statutory Authority, on any matter related to Capital Markets

The Stock Exchange(s), SEBI or any other Statutory Authority on any matters related to Capital Markets has not imposed any strictures or penalties on the Company.

Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Clause 49 of the Listing Agreement

Pursuant to Clause 47(c) of the Listing Agreement entered into with the Stock Exchanges, certificates, on half yearly basis, have been issued by the Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.

A Company Secretary-in-Practice carried out an Audit, on quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued & listed capital. The Audit confirms that the total issued / paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialised form.

Clause 49 of the Listing Agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of Corporate Governance as stipulated in the said Clause and annex the certificate with the Directors' Report, which is sent annually to all the shareholders. The Company has obtained a certificate from its Auditors to this effect and the same is annexed to this Report.

Apart from complying with the mandatory requirements prescribed by Clause 49 of the Listing Agreement, the Company has complied with non-mandatory requirements, such as appointed separate persons as Chairman and Managing Director & Chief Executive Officer.

CEO / CFO certification

Certificate from Mr. Vimal Kejriwal, Managing Director & CEO and Mr. Rajeev Aggarwal, Chief Financial Officer in terms of Clause 49 (IX) of the Listing Agreement entered into with the Stock Exchanges for FY15 was placed before the Board at its meeting held on May 06, 2015 and also forms part of this Annual Report.

IV. Means of Communication

Quarterly Results

As on March 31, 2015 the Company's shares are listed on BSE Limited and National Stock Exchange of India Limited. The Company had during the year applied for voluntary delisting of its Shares from the MCX Stock Exchange.

The Company has furnished quarterly financial results along with the notes on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Clause 41 of the Listing Agreement.

The Company has published the financial results within 48 hours of the conclusion of the Board Meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the language of the region, where the registered office of the Company is situated. The Company informs the Stock Exchanges where its securities are listed about the date of the Board Meeting at least seven clear days in advance and also issues immediately an advertisement in at least one national newspaper and one regional language newspaper about the aforesaid Board Meeting.

Newspapers wherein financial results were published

Financial Results	Un-audited / Audited	Newspapers
First Quarter	Un-audited	Economic Times and Maharashtra Times
Second Quarter	Un-audited	Economic Times and Maharashtra Times
Third Quarter	Un-audited	Economic Times and Maharashtra Times
Fourth Quarter / Full Year	Un-audited / Audited	Economic Times and Maharashtra Times

The financial results are also displayed on the website of the Company i.e. www.kecrpg.com.

Company's Website

The Company maintains a functional website (www.kecrpg.com) which depicts the detailed information about the business activities of the Company. The section on Investors provides information regarding financial details, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, credit ratings etc. Further the Memorandum and Articles of Association of the Company, Code of Conduct adopted by the Board, NECS form and Nomination form are also uploaded on the website of the Company.

The achievements and important events taking place in the Company like receipt of major orders are announced through press & electronic media and posted on the Company's website also.

The Company's other press coverage and corporate presentations, if made to Institutional Investors and Analysts, are also made available on the website. The means of communication between the Company and the shareholders are transparent and investor friendly.

The Company has uploaded Frequently Asked Questions (FAQs) giving information about the Company and the procedure to be followed by the Investors for transfer, transmission, dematerialization, rematerialization etc. of shares for the benefit of the Investors.

Management Discussion and Analysis Report forms part of this Annual Report.

V. General Shareholders Information

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

Corporate Identification Number (CIN) : L45200MH2005PLC152061

Plants' Location	Transmission Towers		
	Jaipur Jhotwara Industrial Area, Jaipur 302 012, Rajasthan	Butibori B-190 Industrial Area, Butibori 441 108, Maharashtra	Jabalpur Deori, P. O. Panagarh, Jabalpur 483 220, Madhya Pradesh
	Cables		
	Mysore Hebbal Industrial Area, Hootagalli, Belavadi Post, Mysore 571 186 Karnataka	Silvassa Plot No. 273 / 4, Demni Road, Silvassa 396 191 Dadra and Nagar Haveli	Vadodara Village: Godampura (Samlaya), Taluka: Savli, Gujarat - 391 520

<table>
<tr><th>Plants' Location</th><th colspan="6">SAE Towers #</th></tr>
<tr><td rowspan="5"></td><td colspan="3">SAE Towers Mexico S de RL de CV Mexico
Arco Vial Saltillo-Nuevo Laredo Km. 24.1
C.P. 66050-79
Escobedo, N. L. Mexico</td><td colspan="3">SAE Towers Brazil Torres de Transmissao Ltda# Brazil
R. Moacyr G. Costa, 15 - Jd. Piemont
Sul 32669-722 - Betim / MG, Brazil</td></tr>
<tr><td colspan="6">Tower Testing Stations</td></tr>
<tr><td colspan="2">Jaipur
Jhotwara Industrial Area,
Jaipur 302 012
Rajasthan</td><td colspan="2">Butibori
B-215 Industrial Area,
Butibori 441 108
Maharashtra</td><td colspan="2">Jabalpur
Deori, P. O. Panagarh,
Jabalpur 483 220
Madhya Pradesh</td></tr>
<tr><td colspan="6">SAE Towers Brazil Torres de Transmissao Ltda# Brazil
R. Moacyr G. Costa, 15 - Jd. Piemont
Sul 32669-722 - Betim / MG, Brazil</td></tr>
</table>

Wholly owned subsidiaries of KEC International Limited

Date, time and venue of Annual General Meeting	July 29, 2015 at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025
Financial Year	April 01 – March 31
Financial Calendar	April 01 – March 31
First quarter results	Second week of August 2015*
Second quarter results	Second week of November 2015*
Third quarter results	Second week of February 2016*
Results for the year ending March 2016	End of May 2016*
Dates of Book closure	July 22, 2015 - July 29, 2015 (both days inclusive)
Dividend Payment date	The dividend warrants will be posted on or after July 29, 2015

*Tentative

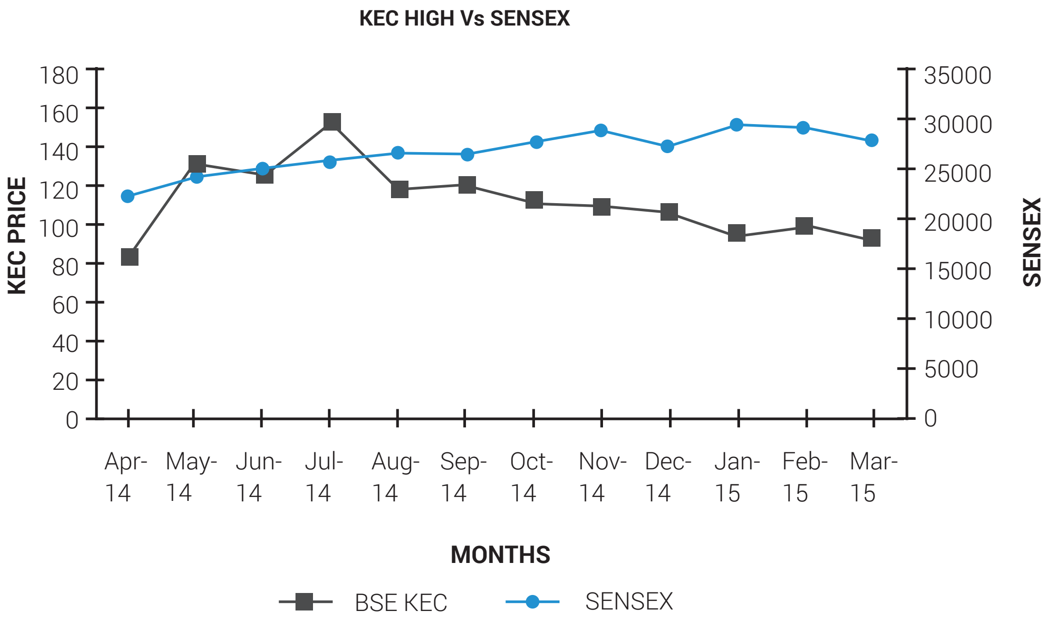
Status of Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges:

Name and address of the Stock Exchanges	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001	532714
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block Bandra - Kurla Complex, Bandra (E), Mumbai 400 051	KEC

Month	BSE		NSE		BSE Sensex
	High (₹)	Low (₹)	High (₹)	Low (₹)	Closing
April 2014	84.00	66.55	83.95	66.75	22,417.80
May 2014	129.90	76.50	130.00	76.20	24,217.34
June 2014	127.90	113.05	128.05	113.00	25,413.78
July 2014	153.00	114.25	154.70	114.20	25,894.97
August 2014	118.45	93.05	118.55	96.00	26,638.11
September 2014	121.00	100.30	120.70	100.00	26,630.51
October 2014	112.80	99.55	112.60	99.50	27,865.83
November 2014	109.75	94.75	110.10	94.70	28,693.99
December 2014	107.00	84.30	106.90	84.00	27,499.42
January 2015	95.75	88.20	95.90	88.00	29,182.95
February 2015	99.20	80.00	99.00	79.60	29,361.50
March 2015	94.45	71.95	94.40	72.00	27,957.49

A comparative chart of the price movement of the Company with BSE Sensex is given below.



Registrar and Share Transfer Agents

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-13, Pannalal Silk Mills Compound
LBS Marg, Bhandup (West)
Mumbai - 400 078
Tel: (022) 25946970
Fax: (022) 25946969
Email: rnt.helpdesk@linkintime.co.in

Contact Address for Investors

Shareholders can send their queries regarding Transfer / Dematerialisation of shares and any other correspondence relating to the shares of the Company to the abovementioned address of the Company's Registrar and Share Transfer Agents. Shareholders holding shares in electronic mode should address all correspondence to their respective depository participants.

Share Transfer System

Stakeholders' Relationship Committee meets once in a month. If documents are complete in all respects, the Company's Registrar and Share Transfer Agents process the application and return the transferred share certificates to the shareholders, within the stipulated timeframe. The delegated authority as mentioned earlier attends to the share transfer formalities and approves the share transfers at least once in a fortnight.

Distribution of Shareholding

Distribution of shares according to size of holding as on March 31, 2015.

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	60,825	84.09	8,915,234	3.47
501-1,000	6,416	8.87	4,971,737	1.93
1,001-2,000	2,413	3.34	3,540,903	1.38
2,001-3,000	861	1.19	2,167,922	0.84
3,001-4,000	374	0.52	1,331,499	0.52
4,001-5,000	381	0.53	1,759,095	0.68
5,001-10,000	542	0.75	4,057,298	1.58
10,001 & above	518	0.71	230,344,682	89.60
Total	**72,330**	**100**	**257,088,370**	**100.00**

Categories of Shareholders as on March 31, 2015

Category	No. of Shares Held	% of Shareholding
Promoters	12,88,70,360	50.13
Mutual Funds / UTI	5,90,66,800	22.98
Financial Institutions, Insurance Companies and Banks (including Foreign Banks)	82,51,086	3.21
Foreign Institutional Investors	1,16,52,805	4.53
Foreign Portfolio Investor (Corporate)	3,26,209	0.12
General Public	3,46,59,719	13.48
NRIs / OCBs	14,33,100	0.56
Other Companies	1,11,34,922	4.33
Clearing Members	9,71,462	0.38
Trusts	7,21,827	0.28
Foreign Nationals	75	0.00
Directors and Relatives	5	0.00
Total	**25,70,88,370**	**100.00**

Top ten Equity Shareholders of the Company as on March 31, 2015

Sr. No.	Name of the Shareholder	Number of shares held	% of holding
1.	Swallow Associates LLP*	69,546,616	27.05
2.	Summit Securities Limited*	26,974,152	10.49
3.	Instant Holdings Limited*	16,592,755	6.45
4.	HDFC Trustee Company Limited*	23,110,249	8.99
5.	Reliance Capital Trustee Co. Ltd.*	12,605,080	4.90
6.	Unit Trust of India*	9,618,391	3.74
7.	Life Insurance Corporation of India*	8,145,889	3.17
8.	FIL Investments(Mauritius)Ltd	6,630,715	2.58
9.	SBI Magnum Taxgain Scheme	6,400,280	2.49
10.	STEL Holdings Limited	4,685,880	1.82

*Shares held in multiple folios are combined

Unclaimed Shares

In terms of Clause 5A of the Listing Agreement entered into with the Stock Exchanges, 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. Thus, in compliance to the above, the shares still lying unclaimed pursuant to the reminders were transferred to an Unclaimed Suspense Account in dematerialized mode. During the FY15, few requests to claim these share were received, which were released after a thorough due diligence. As on March 31, 2015, following are the details of the unclaimed shares at the beginning and at the end of the year and the requests processed:

Beginning of the Year		No. of shareholders who approached for transfer	No. of shareholders to whom shares were transferred	End of the Year	
No. of shareholders	No. of shares			No. of shareholders	No. of shares
6,012	12,95,550	38	38	5,991	12,75,780

Dematerialization 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 dematerialized mode. The International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE389H01022. As on March 31, 2015, 250,697,356 Equity Shares representing 97.51% are held in dematerialized 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 to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Sections 123, 124 and 125 of the Companies Act, 2013, dividends which remain unclaimed/unencashed over a period of seven years are required to be transferred by the Company to the IEPF constituted by the Central Government.

Following are the details of Dividends paid by the Company and their respective due dates of transfer to the IEPF if they remain unclaimed / unencashed by the Members.

Dividend for the year	Date of declaration of dividend	Dividend declared	Last date up to which Members are entitled to claim the Dividend
2007-08	June 27, 2008	50%	August 01, 2015
2008-09	June 26, 2009	50%	July 26, 2016
2009-10	June 22, 2010	60%	July 23, 2017
2010-11	July 05, 2011	60%	August 04, 2018
2011-12	July 05, 2012	60%	August 08, 2019
2012-13	August 21, 2013	25%	September 22, 2020
2013-14	July 28, 2014	30%	September 04, 2021

During the year the Company has transferred ₹ 1,500,363.00 (Rupees Fifteen Lakh Three Hundred and Sixty Three only) i.e. the balance in the unpaid dividend account for the financial year 2006-07 to IEPF.

Declaration - Code of Conduct

All Board members and senior management personnel have, for the year ended March 31, 2015, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of the Listing Agreement entered into with the Stock Exchanges.

For **KEC International Limited**
Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Place: Mumbai
Date: May 06, 2015

Auditors' Certificate

To the Members of KEC International Limited

We have examined the compliance of conditions of Corporate Governance by KEC International Limited, for the year ended on March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated in the said clause. 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm Registration No. 117365W)

Saira Nainar
(Partner)
(Membership No. 040081)

Place: Mumbai
Date: May 06, 2015

CEO / CFO Certificate

The Board of Directors
KEC International Limited

We certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2015 and that to the best of our knowledge and belief:

(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the Auditors and the Audit Committee;

(i) significant changes in internal control over financial reporting during the year;

(ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) 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

Rajeev Aggarwal
Chief Financial Officer

Place: Mumbai
Date: May 06, 2015

KEC

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KEC INTERNATIONAL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KEC INTERNATIONAL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2015, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirement of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors/Management of the companies/entities included in the Group, its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Group and for preventing and detecting fraud and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the financial statements that give 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 Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account provision of the Act, the accounting and the auditing standards and matters which are required to be included in the audit report under the provision of the Act and Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statement give the information required by the Act in the manner so required and give true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associate and jointly controlled entities as at March 31, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

(a) We did not audit the financial statements of 27 branches of the Company included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 106,578.41 lacs as at March 31, 2015 and total revenues of ₹ 101,084.30 lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

(b) We did not audit the financial statements/consolidated financial statements of 22 subsidiaries, and 21 Jointly controlled entities, whose financial statements/consolidatedfinancial statements reflect total assets(net) of ₹ 144,402.95 lacs as at March 31, 2015, total revenues of ₹ 225,945.41 lacs and net cash flows amounting to ₹ 3,132.75 lacs for the year ended on that date, as considered in the Consolidated Financial Statements. These financial statements /ConsolidatedFinancial Statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entitiesand our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and jointly control entities, is based solely on the reports of the other auditors.

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

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companiesincorporated in India to which the Order is applicable, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposesof our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and an associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the other matters to be included in the Auditor's Report in accordancewith Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and tothe best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group,its associate and jointly controlled entities– Refer Note 28 to the consolidated financial statements.

      ii. Provision has been made in the consolidated financial statements, as required under the applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Saira Nainar
Partner
Membership No.040081

Place: MUMBAI,
Date: May 6,2015

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph1under 'Report on Other Legal and Regulatory Requirements' section of our reportof even date on the Consolidated Financial Statementsfor the year ended March 31, 2015 of KEC INTERNATIONAL LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities)

Our reporting on the Order includes 2 subsidiary companies incorporated in India, to which the Order is applicable, of which 1 subsidiary company have been audited by the other auditors and our report in respect of the said entity is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

(i) In respect of the fixed assets of the Holding Company:

  (a) The Holding Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

  (b) The fixed assets of the Holding Company were physically verified during the year by the Management of the Holding Company in accordance with a regular programme of verification which, in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(ii) In respect of the inventories of the Holding Company:

  (a) As explained to us, the inventories were physically verified during the year by the Management of the Holding Company at reasonable intervals.

  (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management of the Holding Company were reasonable and adequate in relation to the size of the Company and the nature of its business.

  (c) In our opinion and according to the information and explanations given to us, the Holding Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Holding Company and subsidiary companies incorporated in India have not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 (the Act) by the respective entities.

(iv) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, there is an adequate internal control system in the Holding Company and subsidiary companies incorporated in India, commensurate with the size of the respective entities and the nature of their business for the purchase of inventory and fixed assets and for the sale of goods and services, as applicable, and during the course of our and the other auditors audit no continuing failure to correct major weaknesses in such internal control system has been observed.

(v) According to the information and explanations given to us and the other auditors, the Holding Company and subsidiary companies incorporated in India have not accepted any deposits during the year in terms of the provisions of Section 73 and 76 of the Act or any other relevant provisions of the Act.

(vi) According to the information and explanations given to us, in our opinion, the Holding Company has, prima facie, made and maintained the prescribed cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under subsection (1) of Section 148 of the Act. We have, however, made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us and the other auditors, in respect of statutory dues of the Holding Company and subsidiary companies incorporated in India:

  (a) The respective entities have generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to the respective entities with the appropriate authorities.

(b) There were no undisputed amounts payable by the respective entities in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on March 31, 2015 on account of disputes by the aforesaid entities are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Relating to various years comprise in the period	Amount involved (₹ in lacs)
Sales Tax/Value Added Tax Acts	Tax/Penalty/Interest	Assistant Commissioner / Joint Commissioner / Deputy Commissioner / Additional Commissioner (Appeal)	1994-1995 to 2012-2013	7,248.36
	Tax/Penalty/Interest	Rajasthan Tax Board, Ajmer	1994-1995 to 1997-1998	46.66
	Tax/Interest	Appellate Tribunal	1989-1990 to 2007-2008	28.03
	Tax/Interest	High Court	2002-2003 to 2004-2005	8.59
The Central Excise Act,1944	Duty/Penalty/Interest	Assistant Commissioner / Deputy Commissioner / Additional Commissioner (Appeal)	1994-1995 to 2013-2014	887.22
	Duty/Penalty/Interest	Custom Excise and Service Tax Appellate Tribunal	1995-1996 to 2013-2014	1,143.63
	Interest on differential duty of excise	High Court	2001-2002 to 2005-2006	61.76
	Duty	Supreme Court	2008-2009 to 2009-2010	13.44
The Finance Act, 1994	Service Tax/Penalty/ Interest	Commissioner (Appeal)	2008-2009 to 2012-2013	68.44
	Service Tax/Penalty/ Interest	Custom Excise and Service Tax Appellate Tribunal	2007-2008 to 2012-2013	16,744.30
The Customs Act,1962	Custom Duty	Commissioner of customs (Appeal)	1995 to 1996	60.14
The Income Tax Act,1961	Income Tax	CIT (Appeal)	2009-10	168.99

For the above purpose only statutory dues payable in India have been considered.

(d) There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder within time.

(viii) The Group does not have consolidated accumulated losses at the end of the financial year and the Group have not incurred cash losses on a consolidated basis during the financial year covered by our audit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Holding Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Holding Company for loans taken by others outside of the Group from banks and financial institutions are not, prima facie, prejudicial to the interests of the Group.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Holding Company during the year for the purposes for which they were obtained, other than temporary deployment pending application.

(xii) To the best of our knowledge and according to the information and explanations given to us and the other auditors, no fraud by the Holding Company and subsidiary companies, incorporated in India and no material fraud on the Holding Company and subsidiary companies incorporated in India has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Saira Nainar
Partner
Membership No.040081

Place: MUMBAI,
Date: May 6,2015

CONSOLIDATED BALANCE SHEET

as at March 31, 2015

Particulars	Note No.	Current Year ₹ in lacs	Current Year ₹ in lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	5,141.77		5,141.77	
(b) Reserves and surplus	3	127,837.95		114,016.51	
			132,979.72		119,158.28
(2) Non-current liabilities					
(a) Long-term borrowings	4	73,704.09		60,259.99	
(b) Deferred tax liabilities (Net)	36(i)	7,036.15		7,308.32	
(c) Other Long-term liabilities	5	1,000.00		1,000.00	
(d) Long-term provisions	6	1,113.00		1,007.37	
			82,853.24		69,575.68
(3) Current liabilities					
(a) Short-term borrowings	7	130,808.63		120,686.73	
(b) Trade payables	8	332,483.24		321,306.24	
(c) Other current liabilities	9	84,285.07		98,903.61	
(d) Short-term provisions	10	11,072.24		11,506.41	
			558,649.18		552,402.99
TOTAL			**774,482.14**		**741,136.95**
II. ASSETS					
(1) Non current assets					
(a) Fixed assets					
(i) Tangible assets	11	73,095.95		82,733.04	
(ii) Intangible assets	11	13,367.14		14,688.51	
(iii) Capital work-in-progress	11	1,644.41		1,799.29	
		88,107.50		99,220.84	
(b) Goodwill on consolidation		39,426.78		37,777.03	
(c) Non-current investments	12	1.08		-	
(d) Deferred tax assets (Net)	36(ii)	1,763.34		2,171.38	
(e) Long-term loans and advances	13	31,206.76		19,765.90	
(f) Other non-current assets	14	19,286.64		13,122.91	
			179,792.10		172,058.06
(2) Current assets					
(a) Inventories	15	47,639.25		50,523.05	
(b) Trade receivables	16	385,293.45		380,779.80	
(c) Cash and cash equivalents	17	20,631.73		14,400.75	
(d) Short-term loans and advances	18	63,863.81		51,298.05	
(e) Other current assets	19	77,261.80		72,077.24	
			594,690.04		569,078.89
TOTAL			**774,482.14**		**741,136.95**

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Place : Mumbai
Date : May 06, 2015

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2015

	Particulars	Note No.	Current Year		Previous Year	
			₹ in lacs	₹ in lacs	₹ in Lacs	₹ in Lacs
I.	**Revenue from operations (Gross)**		865,730.76		809,265.41	
	Less: Excise duty		18,950.57		19,082.08	
	Revenue from operations (Net)	20		846,780.19		790,183.33
II.	**Other income**	21		14,622.51		1,378.98
III.	**Total Revenue (I+II)**			**861,402.70**		**791,562.31**
IV.	**Expenses**					
	Cost of materials consumed	22		452,735.17		419,914.30
	Changes in inventories of finished goods, work-in-progress and scrap	23		3,905.92		(10,013.51)
	Erection & sub-contracting expenses	24		188,626.79		186,038.61
	Employee benefits expense	25		58,648.09		56,610.11
	Finance costs	26		30,885.88		26,327.44
	Depreciation and amortisation expense (net)	11 & 1(B)(5)(b)(i)		8,811.00		7,052.10
	Other expenses	27		91,684.19		88,307.01
	Total Expenses			**835,297.04**		**774,236.06**
V.	**Profit before exceptional items and tax (III - IV)**			26,105.66		17,326.25
VI.	**Exceptional items - VRS Expenditure**	40		-		1,816.42
VII.	**Profit before tax (V-VI)**			**26,105.66**		**15,509.83**
VIII.	**Tax expenses :**					
	Current Tax * [includes share of joint ventures of ₹ 2,490.39 lacs *(Previous Year ₹ 463.40 lacs)*] *includes pertaining to earlier years ₹ 857.64 lacs (net) [*Previous Year - ₹ 962.81 lacs* (net)]			10,009.29		9,907.89
	Deferred Tax			(1.70)		(1,073.60)
				10,007.59		8,834.29
IX.	**Profit after tax before share of profit / (loss) of associate (VII-VIII)**			16,098.07		6,675.54
X.	**Share in profit / (loss) of an associate**			1.08		(0.49)
XI.	**Profit for the year (IX-X)**			**16,099.15**		**6,675.05**
XII.	**Earnings per equity share (of ₹ 2 each)**	35		₹		₹
	(1) Basic			6.26		2.60
	(2) Diluted			6.26		2.60

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Place : Mumbai
Date : May 06, 2015

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2015

Particulars	Current Year		Previous Year	
	₹ in lacs	₹ in lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:				
PROFIT BEFORE TAX		26,105.66		15,509.83
Adjustments for:				
Depreciation and amortisation expense (net)	8,811.00		7,052.10	
Profit on fixed assets sold (net)	(13,505.74)		(295.69)	
Finance costs	30,885.88		26,327.44	
Interest income	(1,014.92)		(967.24)	
Bad debts written off (net)	5,199.18		2,615.73	
Allowance for bad and doubtful debts, loans and advances (net)	2,201.84		76.54	
Mark to market loss on forward and commodity contracts	53.10		1,914.56	
Net unrealised exchange (gain) / loss	819.93		(2,329.67)	
		33,450.27		34,393.77
Operating profit before Working Capital Changes		59,555.93		49,903.60
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	2,883.80		(10,923.69)	
Trade receivables	(7,675.94)		(93,985.39)	
Loans and advances	(23,946.95)		(3,604.50)	
Other current assets & non current assets	(10,564.35)		2,743.70	
	(39,303.44)		(105,769.88)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables and other current liabilities	7,835.00		63,436.31	
Provisions	(593.86)		2,762.01	
	7,241.14		66,198.32	
		(32,062.30)		(39,571.56)
Cash generated from/ (used in) operations		27,493.63		10,332.04
Direct Taxes Paid (net of refund of taxes)		(12,208.45)		(11,264.11)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)		**15,285.18**		**(932.07)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets (after adjustment of increase/ decrease in capital work-in-progress and advances for capital expenditure)	(9,038.58)		(16,052.62)	
Proceeds from sale of fixed assets	20,689.11		1,451.99	
Advance against sale of fixed assets	-		190.94	
Interest received	787.16		938.58	
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	46.45		(140.34)	
		12,484.14		(13,611.45)
NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES (B)		**12,484.14**		**(13,611.45)**

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2015

Particulars	Current Year ₹ in lacs	Current Year ₹ in lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	65,361.85		26,151.71	
Repayment of other than short-term borrowings	(63,987.66)		(30,483.84)	
Net increase / (decrease) in short term borrowings	9,272.86		45,346.51	
Finance cost	(30,472.18)		(26,344.37)	
Dividends paid (including tax on distributed profit)	(1,746.06)		(1,495.70)	
		(21,571.19)		13,174.31
NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES (C)		**(21,571.19)**		**13,174.31**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**6,198.13**		**(1,369.21)**
Cash and cash equivalents at the beginning of the year		13,220.24		14,588.57
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(0.05)		0.88
Cash and Cash Equivalents at the end of the year		**19,418.32**		**13,220.24**
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		20,631.73		14,400.75
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements - Balances with banks in earmarked accounts		1,213.41		1,180.51
Cash and Cash Equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 17 [Refer Footnote (ii)]		**19,418.32**		**13,220.24**
Footnotes:				
(i) The Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements.				
(ii) Cash and cash equivalents at the end of the year comprises:				
(a) Balances with banks				
(i) In current accounts		8,973.19		10,087.66
(ii) In deposit accounts		2,781.25		1,407.90
(b) Cheques, drafts on hand		698.03		1,007.91
(c) Cash on hand		267.81		327.54
(d) Remittance in transit		6,698.04		389.23
		19,418.32		**13,220.24**
(iii) Previous year's figures have been regrouped to conform with those of the current year.				

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Place : Mumbai
Date : May 06, 2015

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

For and on behalf of the Board of Directors

H.V.GOENKA
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DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

NOTES

forming part of the consolidated financial statements

NOTE 1 – BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

A) Basis of accounting and preparation of the consolidated financial statements

The consolidated financial statements of KEC International Limited (the Company), its subsidiaries and jointly controlled entities (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The consolidated financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the previous year.

I. Principles of consolidation

The consolidated financial statements relate to KEC International Limited (the 'Company'), its subsidiary companies, jointly controlled entities and the Group's share of profit / loss in its associate. The consolidated financial statements have been prepared on the following basis:

i. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.

ii. The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company except for Al- Sharif Group and KEC Ltd Company, Saudi Arabia where it is drawn upto December 31, 2014. In respect of Al- Sharif Group and KEC Ltd Company, Saudi Arabia, effect has been given to significant transactions between the two reporting dates.

iii. The interest of the Company in the Jointly Controlled Entity has been reported by using proportionate consolidation whereby its share of each of the assets and liabilities of the Jointly Controlled Entity is reported as separate line item in the consolidated financial statements. When reporting an interest in a jointly controlled entity, in terms of arrangement entered into with other venturer/s the interest of the Company (venturer) reflects the substance and economic reality of the respective arrangement, rather than the joint venture's particular structure. In respect of Al-Sharif Group and KEC Ltd Company, Saudi Arabia as the assets, liabilities, income and expenses relating to the contracts awarded to Al-Sharif Group and KEC Ltd. Company, Saudi Arabia but executed by the Company under the arrangement with the Joint Venture Partner [being in substance in the nature of Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 " Financial Reporting of Interests in Joint Ventures"] have already been recognised in the financial statements of the Company considered for consolidation, necessary effects have been given by the management to the financial statements of Al-Sharif Group and KEC Ltd Company, Saudi Arabia as referred to in Note A(I)(ii) above which have been considered for consolidation. The intra-group balances and intra group transactions and unrealised profits or losses are eliminated to the extent of the Group's proportionate share.

iv. The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.

v. The excess of cost to the Company of its investments in the Subsidiary Companies / Jointly Controlled Entities over its share of equity of the Subsidiary Companies / Jointly Controlled Entities, at the dates on which the investments in the Subsidiary Companies / Jointly Controlled Entities are made/acquired, is recognised as 'Goodwill on consolidation' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the Subsidiary Companies / Jointly Controlled Entities as on the date of investment/acquisition is in excess of cost of the investment of the Company , it is recognised as 'Capital reserve on consolidation' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.

vi. The goodwill on consolidation is not amortised; however, it is tested for impairment at each Balance Sheet date and impairment loss, if any, is provided for.

NOTES

forming part of the consolidated financial statements

vii. The consolidated financial statements of SAE Towers Holdings LLC, USA and its subsidiaries (SAE Group) have been prepared in accordance with the accounting principles generally accepted in the United States. The appropriate adjustments have been made to the consolidated financial statements of SAE Group for preparation of the consolidated financial statements of KEC Group.

II. The following subsidiaries, jointly controlled entities and an associate have been considered in preparation of consolidated financial statements:

(a) Subsidiaries

Particulars	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2015	As at March 31, 2014
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ–LLC–Ras UL Khaimah	UAE	100	100
Jay Railway Projects Private Limited	India	100	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC Power India Private Limited	India	100	100
Indirect Subsidiaries			
KEC International Holdings LLC	USA	100	100
KEC Brazil LLC	USA	100	100
KEC Mexico LLC	USA	100	100
KEC Transmission LLC	USA	100	100
KEC US LLC	USA	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 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 Panama Holdings LLC	USA	100	100
SAE Towers Panama S de RL	Panama	100	100
SAE Engenharia E Construcao Ltda	Brazil	100	100
SAE Engineering & Construction Services, S de RL de CV*	Mexico	100	100
KEC International (Malaysia) SDN BHD**	Malaysia	100	100

* incorporated on November 08, 2013

** incorporated on April 19, 2013

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forming part of the consolidated financial statements

(b) Jointly Controlled Entities

Particulars	Country of Incorporation	% of ownership interest	
		As at March 31, 2015	As at March 31, 2014
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia (formerly known as Faiz Abdul Hakim Al-Sharif Group and KEC Company Ltd.)	Saudi Arabia	49	49
EJP KEC Joint Venture	South Africa	50	50
KEC – ASSB JV	Malaysia	67	67
KEC – ASIAKOM – UB JV	India	60	60
KEC – ASIAKOM JV	India	51	51
KEC – JEI JV	India	60	60
KEC – DELCO – VARAHA JV	India	80	80
KEC – VARAHA – KHAZANA JV	India	80	80
KEC – VALECHA – DELCO JV	India	51	51
KEC – SIDHARTH JV	India	80	80
KEC – TRIVENI – KPIPL JV	India	55	55
KEC – UNIVERSAL JV	India	80	80
KEC – DELCO – DUSTAN JV	India	51	51
KEC – ANPR – KPIPL JV	India	60	60
KEC – PLR – KPIPL JV	India	55	55
KEC – BJCL JV	India	51	51
KEC – KIEL JV	India	90	90
KEC - ABEPL JV	India	90	90
KEC - TNR Infra JV	India	51	51
KEC - SMC JV	India	51	51
KEC - WATERLEAU JV	India	51	51

(c) Associate

Particulars	Country of Incorporation	% of ownership interest
RP Goenka Group of Companies Employees Welfare Association	India	49

B) SIGNIFICANT ACCOUNTING POLICIES

1 Use of estimates:

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2 Revenue Recognition:

a) Sale of goods is recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sale of services is recognised, when services are rendered. Sales exclude sales tax/ value added tax and service tax charged to the customers

b) Revenue from turnkey contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred. Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Group.

KEC

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forming part of the consolidated financial statements

c) Revenue from turnkey contracts awarded to a Jointly Controlled Entity at Saudi Arabia but executed by the Company under the arrangement with the Joint Venture Partner [being in substance in the nature of Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], is recognised on the same basis as similar turnkey contracts independently executed by the Company.

d) Dividend income is accounted as and when the right to receive the same is established.

e) Interest income is accounted on time proportion basis.

3 Inventories:

a) Raw materials, work-in-progress, finished goods and stores and erection materials are valued at the lower of cost and net realisable value (NRV). Cost of purchased material is determined on the weighted average basis. Cost of Tools and Dies is amortised over its estimated useful life. Scrap is valued at net realisable value.

b) 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.

4 Fixed Assets:

Fixed assets are stated at cost of acquisition or construction net of impairment loss, if any, less accumulated depreciation/ amortisation. Cost comprises of purchase/ acquisition price, non-refundable taxes and any directly attributed cost of bringing the asset to its working condition for its intended use. Financing cost on borrowings for acquisition or construction of qualifying fixed assets, for the period upto the date of acquisition of fixed assets or when the assets are ready to be put in use/ the date of commencement of commercial production, is included in the cost of fixed assets.

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

5 Depreciation/ Amortisation:

a) Tangible Assets:

(i) Leasehold land is amortised over the remaining period of the lease.

(ii) Cost of buildings of semi-permanent nature is amortised over 3 years.

(iii) Depreciation on other tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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.

Plant and Equipment/ Office Equipment – 3 to 23 years, Buildings-15 to 40 years and Vehicles – 7 years

b) Intangible Assets:

(i) Brand of the Company is amortised over twenty years being the useful life certified by the independent valuer and goodwill (other than that arising on consolidation) is amortised over five years.

In terms of the Scheme of Arrangement sanctioned in the year 2007-08, out of the balance in 'Reserve for Amortisation of Brand Account' an amount equal to annual amortisation of brand is credited to the Consolidated Statement of Profit and Loss each year so that overall depreciation/amortisation gets reduced to that extent. Accordingly, ₹ 157 lacs being the amortization of brand during the year (*Previous Year ₹ 1,200 lacs*) has been credited to the Consolidated Statement of Profit and Loss by netting it with Depreciation and Amortisation expense.

Brand of a subsidiary company is amortised over ten years being its useful life as estimated by that subsidiary company.

(ii) Computer softwares are amortised on straight line basis over the estimated useful life ranging between 3-6 years.

NOTES

forming part of the consolidated financial statements

6. **Investments:**

   Long-term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments.

7. Trade receivables as at the year end under the contracts are disclosed net of advances received relating to the respective contracts for work to be done and outstanding at the year end.

8. **Foreign Currency Transactions:**

   a) Foreign branches (Integral):

   i. Fixed assets are translated at the rates on the date of purchase/acquisition of assets and inventories are translated at the rates that existed when costs were incurred.

   ii. All foreign currency monetary items outstanding at the year end are translated at the year end exchange rates. Income and expenses are translated at average rates of exchange and depreciation and amortisation is translated at the rates referred to in (a)(i) above for fixed assets.

   The resulting exchange gains and losses are recognised in the Consolidated Statement of Profit and Loss.

   b) Jointly Controlled Operations (Non Integral):

   Assets and liabilities, both monetary and non monetary are translated at the year end exchange rates, income and expense items are translated at the average rate of exchange and all resulting exchange differences are accumulated in a Foreign Currency Translation Reserve.

   c) Other foreign currency transactions:

   i) Foreign currency transactions during the year are recorded at the rates of exchange prevailing at the date of transaction. Exchange gains or losses realised and arising due to translation of the foreign currency monetary items outstanding at the year end are accounted in the Consolidated Statement of Profit and Loss. Non-monetary items are carried at historical cost.

   ii) Forward Exchange Contracts:

   In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium or discounts are amortised as expense or income over the life of the contract.

   Exchange differences on such contracts are recognised in the Consolidated Statement of Profit and Loss in the year in which the exchange rate changes.

   Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognised as income or as expense for the year.

   d) On consolidation, the assets (including goodwill on consolidation), liabilities and capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rate prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year. Exchange difference arising are recognised in the Foreign Currency Translation Reserve classified under Reserves and Surplus.

9. Excise duty payable is accounted on production of finished goods.

10. **Employee Benefits:**

    a) Defined Contribution Plans:

    The Group's contribution towards provident fund, superannuation fund and other retirement benefits for certain eligible employees are considered to be defined contribution plans as the Group does not carry any further obligations, apart from the periodical contributions made by the Group. Such contributions are charged as an expense to the Consolidated Statement of Profit and Loss when services are rendered by the employees.

    b) Defined Benefit Plan / Long Term employee benefits:

    The Group's liability towards defined benefit plan (viz. gratuity) and long term employee benefits (viz. long term compensated absences) is determined on the basis of year end actuarial valuation done by an independent actuary. The actuarial gains or losses determined by the actuary are recognised in the Statement of Profit and Loss as income or expense.

NOTES

forming part of the consolidated financial statements

c) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

11. Leases:

a) Assets acquired under lease where the Group has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

12. Taxation:

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of applicable tax laws of the respective jurisdictions where the entities are located.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Group will pay normal Income Tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

13. Receivables and loans and advances identified as doubtful of recovery are provided for.

14. Provisions and contingencies :

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the Consolidated Financial Statements.

15. Derivative Contracts and Hedge Accounting

a) Derivative Contracts:

Derivative instrument are used to hedge risk associated with foreign currency fluctuations, interest rates and commodity prices. The Group enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations. The Group does not enter into any derivative contracts for speculations or trading purposes.

Derivative contracts designated by the Company as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Consolidated Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

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b) **Hedge Accounting:**

With effect from current year, the Company has adopted Accounting Standard (AS) 30 – "Financial Instrument – Recognition and Measurement" issued by the Institute of Chartered Accountants of India for the limited purpose of hedge accounting. To designate contract as an effective hedge, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk.

The Company designates certain non-derivative financial instruments as hedging instrument for hedging foreign currency risk. Changes in the fair value of financial instrument that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recognized in the 'Hedging Reserve Account' under Reserve and Surplus, net of applicable deferred taxes.

The gain or losses on the contracts which do not qualify for hedge accounting or considered as ineffective hedge transactions are charged to Consolidated Statement of Profit and Loss. Amounts accumulated in the Hedging Reserve Account are reclassified to the Consolidated Statement of Profit and Loss in the same periods when the hedged item affects profit and loss.

16. Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or turnkey contracts) are classified as current if it is expected to realise 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 realization 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.

17. Cash and cash equivalents (for purposes of Consolidated Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

18. Consolidated Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

Particulars	Current Year		Previous Year	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
NOTE 2 - SHARE CAPITAL				
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	550,000,000	11,000.00	550,000,000	11,000.00
Preference Shares:				
Redeemable Preference Shares of ₹ 100 each	1,500,000	1,500.00	1,500,000	1,500.00
		12,500.00		**12,500.00**
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	5,141.77	257,088,370	5,141.77
	257,088,370	**5,141.77**	**257,088,370**	**5,141.77**

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2.1 Reconciliation of number of Equity Shares and amount outstanding at the beginning and at the end of the year

Particulars	Current Year		Previous Year	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares:				
Outstanding at the beginning of the year	257,088,370	5,141.77	257,088,370	5,141.77
Add: Shares issued during the year	-	-	-	-
Outstanding as at the end of the year	257,088,370	5,141.77	257,088,370	5,141.77

2.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder	Current Year		Previous Year	
		Nos. of Shares Held	Percentage of Shares held	Nos. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP *	69,546,616	27.05	69,546,616	27.05
2	Summit Securities Limited *	26,974,152	10.49	26,974,152	10.49
3	HDFC Trustee Company Limited A/c (AAATH1809A)	23,110,249	8.99	23,282,899	9.06
4	Instant Holdings Limited*	16,592,755	6.45	16,223,856	6.31
5	Reliance Capital Trustee Co. Ltd. (AAATR0090B)	12,605,080	4.90	15,213,235	5.92
6	Life Insurance Corporation of India (AAACL0582H)	8,145,899	3.17	13,553,280	5.27

*Shares held in Multiple Folios have been combined.

2.3 10,365,340 (Previous Year 10,365,340) Equity Shares of ₹ 2 each were allotted as fully paid up pursuant to contracts without payment being received in cash, during the period of five years immediately preceding the balance sheet date.

Particulars	Current Year	Previous Year
	Nos.	Nos.
Equity Shares of ₹ 2 each allotted in 2010-11 to the shareholders of the erstwhile RPG Cables Limited pursuant to the Scheme of Amalgamation.	10,365,340	10,365,340

2.4 3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

2.5 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.

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 3 - RESERVES AND SURPLUS		
(a) Capital Reserve		
Balance as per last Consolidated Balance Sheet	8,497.87	8,497.87
(b) Capital Redemption Reserve		
Balance as per last Consolidated Balance Sheet	1,427.95	1,427.95
(c) Securities Premium Account		
Balance as per last Consolidated Balance Sheet	8,674.89	8,674.89
(d) Statutory Reserve@		
Balance as per last Consolidated Balance Sheet	94.88	94.88
(e) Debenture Redemption Reserve		
Balance as per last Balance Sheet	-	-
Add : Transferred from Surplus in Consolidated Statement of Profit and Loss	357.88	-
	357.88	-
(f) Reserve for Amortisation of Brand Account [Note 1(B)(5)(b)(i)]		
Balance as per last Consolidated Balance Sheet	157.00	1,357.00
Less : Transferred to Consolidated Statement of Profit and Loss	157.00	1,200.00
	-	157.00
(g) Foreign Currency Translation Reserve [Note 1(B)(8)]		
Balance as per last Consolidated Balance Sheet	1,191.57	426.02
Credited/ (Debited) during the year :		
On consolidation of foreign subsidiaries and joint ventures	926.76	762.17
Other- on translation of non-integral operations in a joint venture	(8.82)	3.38
	2,109.51	1,191.57
(h) Capital reserve on consolidation		
Balance as per last Consolidated Balance Sheet	3.72	3.72
(i) General Reserve		
Balance as per last Consolidated Balance Sheet	9,791.81	8,935.96
Add: Transferred from surplus in Consolidated Statement of Profit and Loss	1,107.35	855.85
	10,899.16	9,791.81
(j) Hedging Reserve		
Balance as per last Balance Sheet	-	-
Less : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year [(Net of deferred tax of ₹ 60.20 lacs *(Previous Year - ₹ NIL)*]	116.92	-
	(116.92)	-
(k) Surplus in Consolidated Statement of Profit and Loss		
Opening Balance	84,176.82	80,162.30
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets of the Company with nil remaining useful life [Net of deferred tax) of ₹ 102.48 lacs *(Previous Year - ₹ NIL)*] (Refer Note 41)	199.01	-
Add : Profit for the year	16,099.15	6,675.05
Less : Transferred to Debenture Redemption Reserve	357.88	-
Less : Transferred to General Reserve	1,107.35	855.85
Less : Proposed Dividend on Equity Shares	2,313.80	1,542.53
Less : Tax on distributed profits [Net of write back of excess provision of ₹ 62.11 lacs pertaining to previous year *(Previous Year - ₹ NIL)*]	408.92	262.15
	95,889.01	**84,176.82**
	127,837.95	**114,016.51**

@ Pertains to the Joint Venture at Saudi Arabia. In accordance with the Saudi Arabian Companies law and the Joint Venture's Articles of Association, 10% of the annual net income is required to be transferred to the Statutory Reserve until this reserve reaches 50% of the capital of the Joint Venture.

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Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 4 - LONG-TERM BORROWINGS				
I Debentures				
Secured (Refer Note 4.1)		7,500.00		-
II Term loans				
(1) From Banks				
Secured (Refer Note 4.2)	60,372.48		68,208.96	
Less : Current maturities of long-term debt (Refer Note 9)	(7,559.17)		(23,102.33)	
		52,813.31		45,106.63
Unsecured (Refer Note 4.3)	12,627.70		10,694.53	
Less : Current maturities of long-term debt (Refer Note 9)	(3,971.13)		(5,514.85)	
		8,656.57		5,179.68
(2) From others parties				
Secured (Refer Note 4.4)	6,968.56		10,133.46	
Less : Current maturities of long-term debt (Refer Note 9)	(2,894.65)		(3,164.90)	
		4,073.91		6,968.56
III Long term maturities of finance lease obligations of				
(1) Subsidiaries				
Finance lease obligations (Refer Note 4.5 and 34B)	2,929.39		3,231.86	
Less : Current maturities of finance lease obligations (Refer Note 9)	(2,472.67)		(226.74)	
		456.72		3,005.12
(2) Share of Joint Ventures				
Finance lease obligations (Refer Note 4.5 and 34B)	323.87		-	
Less : Current maturities of finance lease obligations (Refer Note 9)	(120.29)		-	
		203.58		-
		73,704.09		**60,259.99**

4.1 750, 11.65% Privately Placed, Secured, Redeemable Non-Convertible Debentures of ₹ 10 lacs each aggregating ₹ 7,500 lacs *(Previous Year - NIL)* of the Company are secured by an equitable mortgage on land situated at Cable factory, Mysore and hypothecation of all movable fixed assets situated at Cable factory, Mysore. 300 Debentures of ₹ 10 lacs each aggregating ₹ 3,000 lacs are repayable on June 15, 2018 and 450 Debentures of ₹ 10 lacs each aggregating to ₹ 4,500 lacs are repayable on June 14, 2017.

4.2 Term loans from banks (Secured) :

(a) ₹ **2,798.50 lacs** *(Previous Year ₹ 5,597.00 lacs)* secured by first charge on movable assets of Telecom Division of the Company including Telecom Towers, (referred to in Note 42). The term loan is repayable in remaining 4 equal quarterly installments by January 25, 2016 and carries interest rate of 7.25% p.a.

(b) ₹ **NIL** *(Previous Year ₹ 2,499.56 lacs)* secured by way of first charge on fixed assets of the Company situated at Mysore.

(c) ₹ **564.31 lacs** *(Previous Year ₹ 1,707.76 lacs)* secured by first charge on movable fixed assets of the Company i.e. construction equipment pertaining to the Transmission, Distribution and Railway business situated at various project sites in India, both present and future. The term loan is repayable in remaining 2 equal quarterly installments by September 27, 2015 and the present interest rate is 10.50% p.a.

(d) ₹ **6,327.50 lacs** *(Previous Year ₹ 7,265.00 lacs)*secured by first charge on land, building and plant & machinery of the Company at Jabalpur and Nagpur factories, both present and future. The term loan is repayable in remaining 14 quarterly structured installments by September 28, 2018 and the present interest rate is 11.10% p.a.

(e) ₹ **4,750.00 lacs** *(Previous Year ₹ 5,000.00 lacs)*secured by first charge on land, building and plant & machinery of the Company situated at Jaipur factory, both present and future. The term loan is repayable in remaining 16 quarterly structured installments by March 31, 2019 and the present interest rate is 11.70% p.a.

(f) ₹ **1,068.30 lac**s *(Previous Year ₹ 627.31 lacs)*secured against equipment of subsidiaries at Brazil and Mexico. These loans have various repayment periods that range between two to seven years and various fixed interest rates that range between 3.50% p.a. and 13.20% p.a.

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(g) ₹ **44,863.87 Lacs** *(Previous year 45,512.33 lacs)*secured by exclusive charge on fixed deposit with a bank of ₹ 562.46 lacs of two subsidiaries in USA and exclusive charge on assets of and investments in certain subsidiary companies in USA, Brazil and Mexico. The term loan is repayable in remaining 30 quarterly structured instalments by September 2022 and the present interest rate is 4.76% p.a.

4.3 Term loans from banks for a subsidiary at Brazil (Unsecured) :

(a) ₹ **146.21 lacs** *(Previous Year ₹ 989.78 lacs)*repayable by June 15,2015 and carries fixed interest rate of 8% p.a.

(b) ₹ **12,481.49 lacs** *(Previous Year ₹ 9,704.75 lacs)* repayable in quarterly structured installments by March 2017 and the present rate of interest range between 8% p.a to 17.25% p.a.

4.4 Term loans from other parties includes :

(a) ₹ **807.69 lacs** *(Previous Year ₹ 1,884.62 lacs)* secured by first charge over the fixed assets of the Company pertaining to Tower Testing Station situated at Nagpur both present and future. The term loan is repayable in remaining 3 equal quarterly installments by December 09, 2015. The term loan of ₹ 461.54 lacs and ₹ 346.15 lacs carry interest of 11.91% p.a. and 12.25% p.a. resepectively.

(b) ₹ **NIL** *(Previous Year ₹ 1.02 lacs)* secured by hypothecation of vehicles of the Company.

(c) ₹ **6,160.87 lacs** *(Previous Year ₹ 8,247.82 lacs)* secured by exclusive first charge on the project assets of the Company including immovable properties at Cable factory, Vadodara both present and future. The term loan is repayable in remaining 12 equal quarterly installments by March 20, 2018 and the present interest rate is 11.36% p.a.

4.5 Finance Lease Obligations includes:

(a) ₹ **2,858.57 lacs** *(Previous Year ₹ 3,231.86 lacs)* secured against equipment of a subsidiary at Mexico. The lease obligations are repayable in monthly installments by August 2019 and the present interest rate are in range of six month LIBOR+2.80% p.a to 15.25% p.a.

(b) ₹ **70.82 lacs** *(Previous Year ₹ NIL)* secured against vehicle of a subsidiary at Brazil. The lease obligation is repayable in monthly installments by October 2016 and the present interest rate are in range of 12.84% to 13.20% p.a.

(c) ₹ **200.54 lacs** *(Previous Year ₹ NIL)* secured against equipment of a joint venture at Saudi Arabia. The lease obligation is repayable in monthly installments by November 2017 and the present interest rate is 13.99% p.a.

(d) ₹ **123.33 lacs** *(Previous Year ₹ NIL)* secured against vehicle of a joint venture at Saudi Arabia. The lease obligation is repayable in monthly installments by November 2017 and the present interest rate are in the range of 10.63% to 14% p.a.

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 5 - OTHER LONG-TERM LIABILITIES		
Liability towards claims	1,000.00	1,000.00
	1,000.00	**1,000.00**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 6 - LONG-TERM PROVISIONS		
Provision for employee benefits		
- Compensated Absences	1,087.02	990.37
Share of long-term provisions of Joint Ventures	25.98	17.00
	1,113.00	**1,007.37**

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Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 7 - SHORT-TERM BORROWINGS				
Secured				
(i) Loans repayable on demand				
- From banks (Refer Note 7.1)		73,666.15		91,888.56
(ii) Other short term borrowings				
- From banks [Refer Note 7.2 (a)]	15,234.04		20,811.06	
- From other parties [Refer Note 7.2 (b)]	41,141.18		5,000.00	
		56,375.22		25,811.06
		130,041.37		117,699.62
Share of short-term borrowings of Joint Ventures (Refer Note 7.3)				
- Loans repayable on demand		767.26		2,987.11
		130,808.63		**120,686.73**

7.1 Loans repayable on demand from banks :

(a) ₹ **52,086.63 lacs** *(Previous Year ₹ 70,407.86 lacs)* secured by first charge by hypothecation of all the present and future current assets of the Company excluding those covered under Note 4.2 (a) above and first charge on flat situated at Juhu, Mumbai of the Company and second charge created on the Company's fixed assets situated at Jaipur, Jabalpur & Nagpur factories. The present interest rates are in the range of 10.75% to 14.25% p.a.

(b) ₹ **12,735.79 lacs** *(Previous Year ₹ 10,056.86 lacs)* guaranteed by banks, which in turn is secured by security of the Company, stated against Note 7.1 (a) above. The present interest rates are in the range of 3.21% to 3.32% p.a.

(c) ₹ **4,046.69 lacs** *(Previous Year ₹ 3,850.98 lacs)* secured by assignment of certain overseas book debts of the Company. The present interest rates are in the range of 3.31% to 3.65% p.a.

(d) ₹ **4,797.04 lacs** *(Previous Year ₹ 7,572.86 lacs)* secured by customer contracts and their related receivables of the subsidiaries at Mexico, Brazil and USA and in some cases fixed assets of the respective subsidiaries. The present interest rates are in the range of 3.05% to 4.19% p.a.

7.2 Other short-term borrowings

(a) From Banks

(i) ₹ **12,109.29 lacs** *(Previous Year ₹ 13,026.66 lacs)* secured by security of the Company stated against Note 7.1 (a) above. The present interest rates are in the range of 1.44% to 2.71% p.a.

(ii) ₹ **3,124.75 lacs** *(Previous Year ₹ 7,784.40 lacs)* secured by security of the Company stated against Note 7.1 (b) above. The present interest rates are in the range of 3% to 3.50% p.a.

(b) From other parties

(i) ₹ **15,141.18 lacs** *(Previous Year ₹ 5,000 lacs)* secured by security of the Company stated against Note 7.1 (a) above. The loan of ₹ 5,047.65 lacs carries interest of 3.08% p.a, loan of ₹ 5,093.53 lacs carries interest of 3.32% p.a and loan of ₹ 5,000 lacs carries interest of 10.75% p.a.

(ii) ₹ **26,000.00 lacs** *(Previous Year ₹ NIL)* being commercial paper issued by the Company against standby facilities from certain banks which in turn is secured by security stated against Note 7.1 (a) above. The present interest rates are in the range of 8.88% to 9.60% p.a. Maximum balance outstanding anytime during the year is ₹ 31,000 lacs *(Previous Year ₹ 2,500 lacs)*

7.3 Share of short-term borrowings of Joint Ventures

₹ **767.26 lacs** *(Previous Year ₹ 2,987.11 lacs)* secured by the contract receivables of certain projects of a joint venture at Saudi Arabia. Also secured by counter bank guarantee of said overseas joint venture and corporate guarantee of the Company. The present interest rates are in the range of 2.70% to 5.00% p.a.

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 8 - TRADE PAYABLES		
Trade payables (including acceptances)	306,700.02	302,709.87
Share of trade payables (including acceptances) of Joint Ventures	25,783.22	18,596.37
	332,483.24	**321,306.24**

Particulars	Current Year ₹ in Lacs	₹ in Lacs	Previous Year ₹ in Lacs	₹ in Lacs
NOTE 9 - OTHER CURRENT LIABILITIES				
(a) Current maturities of long-term debt (Refer Note 4)		14,424.95		31,782.08
(b) Current maturities of finance lease obligations (Refer Note 4)		2,472.67		226.74
(c) Interest accrued but not due on borrowings		1,159.85		686.98
(d) Advances from Customers		14,255.53		21,640.88
(e) Unpaid / unclaimed dividends #		202.31		205.79
(f) Other payables				
- Statutory remittances (contribution to PF and ESIC, witholding tax, Excise Duty, VAT, Service Tax, etc.)	6,068.59		6,237.53	
- Gross amount due to customers for long term contracts	23,270.79		20,006.22	
- Interest on trade payables and customer advances	635.58		694.74	
- Payable on purchase of fixed assets	1,200.33		2,255.87	
- Mark to market loss on forward and commodity contracts	53.10		1,914.56	
- Directors' commission	76.38		191.30	
- Advance against fixed assets held for sale	940.94		940.94	
- Others	61.22		103.18	
		32,306.93		32,344.34
		64,822.24		86,886.81
Share of other current liabilities of Joint Ventures		19,462.83		12,016.80
		84,285.07		**98,903.61**

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.

Particulars	Current Year ₹ in Lacs	₹ in Lacs	Previous Year ₹ in Lacs	₹ in Lacs
NOTE 10 - SHORT-TERM PROVISIONS				
(a) Provision for employee benefits :				
- Compensated Absences		118.69		118.84
(b) Provision - Others :				
- Proposed equity dividend	2,313.80		1,542.53	
- Tax on distributed profits	471.03		262.15	
- Tax provisions less payments	1,214.54		1,938.35	
- Provision for expected loss on long term contracts	6,940.29		7,113.12	
		10,939.66		10,856.15
		11,058.35		10,974.99
Share of short-term provisions of Joint Ventures		13.89		531.42
		11,072.24		**11,506.41**

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NOTE 11- FIXED ASSETS

(₹ in Lacs)

Description	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION							NET CARRYING AMOUNT	
	As at March 31, 2014	Additions during the year	Deductions during the year	Reclassified as held for sale	Effect of foreign currency exchange differences	As at March 31, 2015	As at March 31, 2014	For the year	Deductions during the year	Eliminated on reclassification as held for sale	Effect of foreign currency exchange differences	Transition adjustment recorded against Surplus balance in Consolidated Statement of Profit and Loss	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets															
(a) Land															
- Freehold	8,214.21	-	-	-	(428.45)	7,785.76	-	-	-	-	-	-	-	7,785.76	8,214.21
Previous Year	14,557.36	-	-	6,313.00	(30.15)	8,214.21	-	-	-	-	-	-	-	8,214.21	14,557.36
- Leasehold*	4,975.37	24.06	-	-	-	4,999.43	651.75	77.47	-	-	-	-	729.22	4,270.21	4,323.62
Previous Year	4,975.37	-	-	-	-	4,975.37	574.54	77.21	-	-	-	-	651.75	4,323.62	4,400.83
Land (Total)	13,189.58	24.06	-	-	(428.45)	12,785.19	651.75	77.47	-	-	-	-	729.22	12,055.97	12,537.83
Previous year	19,532.73	-	-	6,313.00	(30.15)	13,189.58	574.54	77.21	-	-	-	-	651.75	12,537.83	18,958.19
(b) Buildings	16,630.10	905.15	114.94	-	(797.78)	16,622.53	3,460.70	702.28	68.17	-	(123.29)	14.48	3,986.00	12,636.53	13,169.40
Previous Year	14,712.90	2,142.50	63.04	157.30	(4.96)	16,630.10	2,910.20	599.64	60.40	27.34	38.60	-	3,460.70	13,169.40	11,802.70
(c) Plant and Equipment	70,314.88	4,446.00	754.64	10,952.62	(946.97)	62,106.65	20,856.56	5,310.87	389.83	3,390.66	(435.98)	59.36	22,010.32	40,096.33	49,458.32
Previous Year	63,615.96	7,629.84	1,753.94	40.48	863.50	70,314.88	16,440.88	4,899.42	793.11	21.07	330.44	-	20,856.56	49,458.32	47,175.08
(d) Furniture and Fixtures	1,555.84	58.24	19.08	2.77	(26.97)	1,565.26	497.09	157.32	10.73	1.00	(5.67)	1.43	638.44	926.82	1,058.75
Previous Year	1,289.89	271.17	9.95	3.62	8.35	1,555.84	395.97	106.47	2.88	3.50	1.03	-	497.09	1,058.75	893.92
(e) Vehicles	2,554.78	1,036.89	104.11	-	1.95	3,489.51	1,214.31	293.57	65.53	-	0.75	47.67	1,490.77	1,998.74	1,340.47
Previous Year	2,501.75	146.97	98.10	0.01	4.17	2,554.78	1,087.63	190.65	64.81	0.01	0.85	-	1,214.31	1,340.47	1,414.12
(f) Office Equipment	752.07	165.09	23.56	1.97	(2.23)	889.40	245.91	161.41	14.55	1.77	(2.28)	99.07	487.79	401.61	506.16
Previous Year	615.85	169.21	19.68	15.76	2.45	752.07	222.42	43.73	7.80	13.61	1.17	-	245.91	506.16	393.43
(g) Computers	2,454.80	238.19	20.83	1.95	(57.39)	2,612.82	1,593.68	376.31	19.15	1.87	(41.18)	79.48	1,987.27	625.55	861.12
Previous Year	2,125.94	347.47	25.46	5.83	12.68	2,454.80	1,296.89	305.03	23.63	4.07	19.46	-	1,593.68	861.12	829.05
Sub Total - A	**107,452.05**	**6,873.62**	**1,037.16**	**10,959.31**	**(2,257.84)**	**100,071.36**	**28,520.00**	**7,079.23**	**567.96**	**3,395.30**	**(607.65)**	**301.49**	**31,329.81**	**68,741.55**	**78,932.05**
Previous Year	104,395.02	10,707.16	1,970.17	6,536.00	856.04	107,452.05	22,928.53	6,222.15	952.63	69.60	391.55	-	28,520.00	78,932.05	81,466.49
Assets acquired under Finance Lease															
(a) Plant and Equipment	3,359.27	53.01	49.64	-	108.20	3,470.84	117.61	50.14	41.06	-	(1.07)	-	125.62	3,345.22	3,241.66
Previous Year	113.57	3,336.79	71.30	-	(19.79)	3,359.27	34.10	137.83	52.17	-	(2.15)	-	117.61	3,241.66	79.47
(b) Computers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total - B	**3,359.27**	**53.01**	**49.64**	**-**	**108.20**	**3,470.84**	**117.61**	**50.14**	**41.06**	**-**	**(1.07)**	**-**	**125.62**	**3,345.22**	**3,241.66**
Previous Year	113.57	3,336.79	71.30	-	(19.79)	3,359.27	34.10	137.83	52.17	-	(2.15)	-	117.61	3,241.66	79.47
Share of Fixed Assets of Joint Ventures	1,428.50	431.82	284.66	-	62.11	1,637.77	869.17	152.99	45.47	-	40.49	-	1,017.18	620.59	559.33
Previous Year	1,075.63	307.78	65.96	-	111.05	1,428.50	638.63	185.07	17.90	-	63.37	-	869.17	559.33	437.00
Share of Fixed Assets acquired under Finance Lease of Joint Venture															
(a) Plant and Equipment	-	30.70	-	-	-	30.70	-	1.60	-	-	0.03	-	1.63	29.07	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Vehicles	-	398.99	-	-	-	398.99	-	38.78	-	-	0.69	-	39.47	359.52	-
Previous Year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total - C	**1,428.50**	**861.51**	**284.66**	**-**	**62.11**	**2,067.46**	**869.17**	**193.37**	**45.47**	**-**	**41.21**	**-**	**1,058.28**	**1,009.18**	**559.33**
Previous Year	1,075.63	307.78	65.96	-	111.05	1,428.50	638.63	185.07	17.90	-	63.37	-	869.17	559.33	437.00
Total (A+B+C) (Tangible Assets)	**112,239.82**	**7,788.14**	**1,371.46**	**10,959.31**	**(2,087.53)**	**105,609.66**	**29,506.78**	**7,322.74**	**654.49**	**3,395.30**	**(567.51)**	**301.49**	**32,513.71**	**73,095.95**	**82,733.04**
Previous Year (Tangible Assets)	105,584.22	14,351.73	2,107.43	6,536.00	947.30	112,239.82	23,601.26	6,545.05	1,022.70	69.60	452.77	-	29,506.78	82,733.04	81,982.96
Intangible Assets (other than internally generated)															
(a) Brand	24,814.35	-	-	-	5.22	24,819.57	11,167.07	1,269.50	-	-	5.21	-	12,441.78	12,377.79	13,647.28
Previous Year	24,803.18	-	-	-	11.17	24,814.35	9,886.10	1,269.83	-	-	11.14	-	11,167.07	13,647.28	14,917.08
(b) Computer Software	3,201.11	368.94	-	-	(71.12)	3,498.93	2,159.88	375.76	-	-	(26.06)	-	2,509.58	989.35	1,041.23
Previous Year	2,570.45	551.20	-	-	79.46	3,201.11	1,654.54	437.22	-	-	68.12	-	2,159.88	1,041.23	915.91
Total (Intangible Assets)	**28,015.46**	**368.94**	**-**	**-**	**(65.90)**	**28,318.50**	**13,326.95**	**1,645.26**	**-**	**-**	**(20.85)**	**-**	**14,951.36**	**13,367.14**	**14,688.51**
Previous Year (Intangible Assets)	27,373.63	551.20	-	-	90.63	28,015.46	11,540.64	1,707.05	-	-	79.26	-	13,326.95	14,688.51	15,832.99
Total (Tangible and Intangible Assets)	**140,255.28**	**8,157.08**	**1,371.46**	**10,959.31**	**(2,153.43)**	**133,928.16**	**42,833.73**	**8,968.00**	**654.49**	**3,395.30**	**(588.36)**	**301.49**	**47,465.07**	**86,463.09**	**97,421.55**
Previous Year	132,957.85	14,902.93	2,107.43	6,536.00	1,037.93	140,255.28	35,141.90	8,252.10	1,022.70	69.60	532.03	-	42,833.73	97,421.55	97,815.95
Capital work-in-progress (at cost)														1,644.41	1,799.29
Grand Total														**88,107.50**	**99,220.84**

*A plot of leasehold land of the Company stated to measure 41 bighas and 1 biswas per deed dated January 17, 1968, was found short by 24 bighas and 18 biswas on actual measurements, for the possession of which the suit was filed on October 19, 1976 in the District Court against the vendors in occupation of the adjacent land. On dismissal of the suit, an appeal has been preferred in the Rajasthan High Court on December 7, 1998, against the order of the District Court.

NOTES

forming part of the consolidated financial statements

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 12 - NON-CURRENT INVESTMENTS		
Trade		
Investment in Equity Instruments (At cost) :		
Unquoted		
Associates		
4,900 Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association	0.49	0.49
Add: Share of profit / (loss)	0.59	(0.49)
	1.08	-
Aggregate book value of unquoted investments	1.08	-
Aggregate provision for diminution in value of investments	-	-

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 13 - LONG-TERM LOANS AND ADVANCES				
(a) Capital advances - Unsecured, considered good		125.29		144.46
(b) Security deposits - Unsecured				
(i) Considered good	799.90		1,038.33	
(ii) Doubtful	87.89		32.24	
	887.79		1,070.57	
Less: Allowance for bad and doubtful security deposits	87.89		32.24	
		799.90		1,038.33
(c) Other loans and advances -				
(i) Unsecured, considered good				
- Excise duty recoverable from Government authorities	2,339.68		2,339.68	
- VAT Credit /WCT receivable	14,265.44		8,461.59	
- Tax payments less provisions	9,888.62		4,633.34	
- Prepaid expenses	1,515.55		1,305.81	
- Service tax cenvat receivable	758.84		886.36	
	28,768.13		17,626.78	
(ii) Doubtful - Service tax receivable	130.08		130.08	
Less: Allowance for bad and doubtful receivable	130.08		130.08	
	-		-	
		28,768.13		17,626.78
		29,693.32		18,809.57
Share of long-term loans and advances of Joint Ventures		1,513.44		956.33
		31,206.76		**19,765.90**

NOTES

forming part of the consolidated financial statements

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 14 - OTHER NON-CURRENT ASSETS				
(a) Long-term trade receivables - Unsecured				
(i) Considered good	9,343.11		9,805.19	
(ii) Doubtful	1,400.10		600.25	
	10,743.21		10,405.44	
Less: Allowance for bad and doubtful debts	1,400.10		600.25	
		9,343.11		9,805.19
(b) Others				
(i) Export benefits receivable	3,427.26		2,611.00	
(ii) Balances with banks held as margin money or security against the borrowings, guarantees and other commitments which have a maturity period of more than 12 months from the Balance Sheet date	627.37		706.72	
(iii) Other receivables [Refer Note 28(i)(a)(8)]	5,888.90		-	
		9,943.53		3,317.72
		19,286.64		**13,122.91**

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 15 - INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)				
(a) Raw materials				
(i) in stock	16,620.43		17,508.79	
(ii) goods-in-transit	1,762.11		522.81	
		18,382.54		18,031.60
(b) Work-in-progress		8,297.20		12,906.30
(c) Finished goods		9,408.69		8,677.26
(d) Stores and spares		652.77		526.50
(e) Dies and tools		8,222.99		8,065.78
(f) Erection materials		978.97		849.72
(g) Scrap		1,295.87		1,324.12
		47,239.03		50,381.28
Share of inventories of Joint Ventures		400.22		141.77
		47,639.25		**50,523.05**

NOTES

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 16 - TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment - Unsecured, considered good	36,435.86	31,790.80
(b) Other trade receivables - Unsecured, considered good	296,508.23	318,296.56
	332,944.09	350,087.36
Share of Trade receivables of Joint Ventures	52,349.36	30,692.44
	385,293.45	**380,779.80**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 17 - CASH AND CASH EQUIVALENTS				
(a) Balances with banks				
(i) In current accounts		5,304.73		7,602.03
(ii) In deposit accounts (Refer Notes 17.1 and 17.2)		2,781.25		1,407.90
(iii) In earmarked accounts				
Unpaid dividend accounts	202.31		205.79	
Balances with banks held as margin money or security against the borrowings, guarantees and other commitments (Refer Note 17.1)	1,011.10		974.72	
		1,213.41		1,180.51
(b) Cheques on hand		698.03		1,007.91
(c) Cash on hand		222.48		304.11
(d) Others - Remittances in Transit		6,698.04		389.23
		16,917.94		11,891.69
Share of cash on hand of Joint Ventures		45.33		23.43
Share of balances with banks of Joint Ventures		3,668.46		2,485.63
		3,713.79		**2,509.06**
		20,631.73		**14,400.75**
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is		**19,418.32**		**13,220.24**

17.1 Balances with banks includes deposits amounting to ₹ **175.95 lacs** *(Previous Year ₹ 28.92 lacs)* and margin money or security against the borrowings, guarantees and other commitments ₹ **101.11 lacs** *(Previous Year ₹ 240.78 lacs)* which have an original maturity of more than 12 months.

17.2 Balances with banks includes deposits amounting to ₹ **5.92 lacs** *(Previous Year ₹ 5.16 lacs)* which have a maturity of more than 12 months from the Balance Sheet date.

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Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 18 - SHORT-TERM LOANS AND ADVANCES				
a) Loans and advances to related parties - Unsecured, considered good				
Joint Ventures :				
- EJP KEC Joint Venture, South Africa (Refer Note 39)		9,386.08		8,587.20
b) Others - Unsecured, considered good, unless otherwise stated				
- Advances to suppliers	13,568.56		10,632.69	
Less: Allowance for doubtful advances	1,250.00		-	
	12,318.56		10,632.69	
- Employee advances	526.01		774.61	
- Cenvat / service tax input credit receivable	5,426.92		3,004.05	
- Sales tax / excise duty / entry tax paid under protest	1,926.76		1,634.23	
- Excise duty recoverable from Government authorities	3,349.19		1,795.41	
- VAT Credit / WCT receivable	12,045.86		9,473.36	
- Tax payments less provisions	2,387.88		4,630.37	
- Prepaid expenses	11,461.22		6,245.26	
- Sundry deposits	2,021.56		2,199.97	
- Others	521.56		658.97	
		51,985.52		41,048.92
		61,371.60		49,636.12
Share of short-term loans and advances of Joint Ventures		2,492.21		1,661.93
		63,863.81		**51,298.05**

Particulars	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
NOTE 19 - OTHER CURRENT ASSETS		
Gross amount due from customers for long term contracts	15,909.33	16,102.76
Unbilled revenue	29,066.43	27,171.07
Interest receivable on income tax refund	302.33	-
Contractually reimbursable expenses	4,183.08	4,583.34
Export benefits	2,516.46	3,809.80
Insurance claims	12.39	16.32
Interest accrued on fixed deposits	24.06	98.63
Fixed assets held for sale (Refer Note 19.1)	7,809.01	6,711.40
Other receivables [Refer Note 28(i)(a)(8)]	-	3,402.00
	59,823.09	61,895.32
Share of other current assets of Joint Ventures	17,438.71	10,181.92
	77,261.80	**72,077.24**

NOTES
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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 19.1 - DETAILS OF FIXED ASSETS HELD FOR SALE		
Land		
- Freehold (Refer Note 40)	-	6,313.00
- Leasehold	245.00	245.00
Buildings	-	129.96
Plant and Equipment (Refer Note 42)	7,561.96	19.41
Furniture and Fixtures	1.77	0.12
Office Equipment	0.20	2.15
Computers	0.08	1.76
	7,809.01	**6,711.40**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 20 - REVENUE FROM OPERATIONS		
(a) Sale of products	186,943.22	193,765.39
(b) Turnkey contracts revenue	514,572.52	536,666.79
(c) Sale of services	7,781.27	7,803.46
(d) Other operating revenues	12,454.56	11,894.66
	721,751.57	750,130.30
Share of revenue from operations of Joint Ventures	143,979.19	59,135.11
	865,730.76	809,265.41
Less: Excise Duty	18,950.57	19,082.08
	846,780.19	**790,183.33**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 21 - OTHER INCOME		
(a) Interest Income	1,014.92	967.24
(b) Other non-operating income		
- Profit on fixed assets sold (net) (Refer Note 40)	13,505.74	295.69
- Miscellaneous income	101.85	112.16
	14,622.51	1,375.09
Share of other income of Joint Ventures	-	3.89
	14,622.51	**1,378.98**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 22 - COST OF MATERIALS CONSUMED				
Cost of materials consumed	398,537.09		393,385.57	
Share of cost of materials consumed of Joint Ventures	54,198.08		26,528.73	
		452,735.17		**419,914.30**

NOTES

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Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP				
Opening stock				
Finished goods	8,677.26		3,807.17	
Work-in-progress	12,906.30		8,561.80	
Scrap	1,324.12		525.20	
		22,907.68		12,894.17
Less: Closing stock				
Finished goods	9,408.69		8,677.26	
Work-in-progress	8,297.20		12,906.30	
Scrap	1,295.87		1,324.12	
		19,001.76		22,907.68
		3,905.92		**(10,013.51)**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 24- ERECTION & SUB-CONTRACTING EXPENSES		
Erection / construction material consumed	29,874.18	29,028.73
Stores consumed	7,346.28	5,260.77
Sub-contracting expenses	95,137.62	111,162.85
Power, fuel and water charges	4,114.57	3,083.71
Construction transport	13,828.54	8,764.47
Others	10,854.12	10,162.12
	161,155.31	167,462.65
Share of erection & sub-contracting expenses of Joint Ventures	27,471.48	18,575.96
	188,626.79	**186,038.61**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 25 - EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	48,363.45	46,010.92
Contribution to provident fund and other funds (Refer Note 31)	1,774.46	1,623.99
Staff welfare expenses	4,496.50	4,975.53
Workmen's compensation	37.48	109.10
	54,671.89	52,719.54
Share of employee benefits expense of Joint Ventures	3,976.20	3,890.57
	58,648.09	**56,610.11**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 26 - FINANCE COSTS		
Interest expense	29,421.83	25,548.56
Other borrowing costs	1,279.85	682.86
	30,701.68	26,231.42
Share of finance costs of Joint Ventures	184.20	96.02
	30,885.88	**26,327.44**

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Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
NOTE 27 - OTHER EXPENSES				
Tools, non-erection stores and maintenance spares		1,678.98		1,490.08
Power and fuel		5,365.83		5,269.01
Rent		4,752.50		4,476.38
Rates and taxes, excluding taxes on income (net)		11,252.79		13,085.18
Excise duty (Refer Note 27.1)		331.61		596.68
Insurance		3,238.21		3,209.99
Bank (guarantee, letter of credit and other) charges		6,709.63		6,935.98
Commission		2,971.93		7,308.02
Freight and forwarding (net)		14,257.24		13,033.01
Repairs to buildings		379.77		597.81
Repairs to plant and equipment		1,400.59		1,727.80
Repairs to other fixed assets		765.67		624.15
Travelling and conveyance		5,571.89		5,361.19
Payment to statutory auditors (net of service tax input credit, where applicable)				
- as auditors (for audit, limited reviews and audit of consolidated financial statements)	153.60		137.60	
- for taxation matters	22.00		16.00	
- for company law matters	-		0.35	
- for other services	18.10		16.05	
- for reimbursement of expenses	1.42		2.28	
		195.12		172.28
Professional fees (Refer Note 27.2)		6,863.14		5,820.79
Bad debts written off	5,295.52		3,215.04	
Less: Adjusted against allowance for bad and doubtful debts	96.34		599.31	
		5,199.18		2,615.73
Allowance for bad and doubtful debts, loans and advances (net)		2,201.84		76.54
Directors' fees		39.60		13.15
Net (gain)/loss on foreign currency transactions and translation		6,217.01		2,338.57
Miscellaneous expenses (Refer Note 27.3)		10,050.02		10,796.27
		89,442.55		85,548.61
Share of other expenses of Joint Ventures		2,241.64		2,758.40
		91,684.19		**88,307.01**

27.1 : Excise duty shown above includes ₹ **79.94 lacs** *(Previous Year ₹ 354.48 lacs)* being excise duty related to the difference between the closing stock and opening stock of the finished goods.

27.2 : Professional fees shown above include fees of ₹ **154.41 lacs** *(Previous Year ₹ 133.30 lacs)* paid to the branch auditors of the Company, fees of ₹ **9.00 lacs** *(Previous Year ₹ 9.00 lacs)* paid to the cost auditors of the Company, ₹ **516.74 lacs** *(Previous Year ₹ 363.45 lacs)* paid to the auditors of subsidiaries and ₹ **27.98 lacs** *(Previous Year ₹ 17.05 lacs)* paid to the auditors of joint ventures.

27.3 : Miscellaneous expenses shown above includes ₹ **39.50 lacs** *(Previous Year ₹ Nil)* being expenditure related to Corporate Social Responsibility, as per Section 135 of the Companies Act, 2013 (the Act) read with Schedule VII to the Act and ₹ **133.00 lacs** *(Previous Year ₹ Nil)* being contribution made for political party through an Electoral Trust.

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NOTE 28 – CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities

(a) Claims against the Group not acknowledged as debts:

Sr. No.	Nature of Claims	Relating to various years comprise in the period	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Sales Tax / Value Added Tax*	1993-2013	9,093.46	
	(Tax/Penalty/Interest)	1993-2012		6,599.87
2	Excise Duty *	1994-2014	3,992.58	
	(Tax/Penalty/Interest)	1994-2014		3,408.22
3	Service Tax *	1998-2013	16,822.00	
	(Tax/Penalty/ Interest)	1998-2013		16,983.40
4	Entry Tax * (Tax/Penalty/Interest)	2001-2015	2,158.28	
		2001-2014		1,974.94
5(i)	Income Tax matters mainly in respect of allowance of depreciation etc. relating to Power Transmission Business acquired by the Company where Department is in appeal in the Supreme Court.	A.Y.2006-07	2,416.10	
		A.Y.2006-07		2,416.10
(ii)	Income Tax matters at overseas unit/s	2000-2013	6,152.89	
	and of joint venture	2002-2008		3,382.00
6	Customs Duty	1995-1996	60.14	
		1995-1996		60.14
7	Civil Suits	1993-2004	67.02	
		1993-2004		72.02
8	Claims including amounts withheld by the Customers of the Company and an overseas subsidiary		26,357.90	14,336.83
9	Demands of employees /subcontractors	Amount not determinable		

*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.

b) Guarantees:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Guarantees given to banks for credit facilities extended/loans given to a joint venture ₹ **19,946.65 lacs** *(Previous Year ₹ 35,169.87 lacs)* in respect of facilities/loans outstanding at the year end	3,359.26	3,109.03

c) Other money for which Group is contingently liable:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Export Bills discounted/Purchased/ Financing, by the banks {excluding ₹ **3,155.50 lacs** *(Previous Year ₹ NIL)* included in b(1) above}	10,966.56	6,221.62
2	Contingent liability of Income Tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company	596.25	731.25

Footnote for Note 28 (i) - (a), (b) and (c) above:

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

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(ii) COMMITMENTS

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	1,842.46	986.50
2	Other Commitments:		
	i) Amount of future minimum lease payment under non-cancellable operating leases [Refer Note 34A (3) below]	9,204.95	11,435.67
	ii) Derivative related commitments	Refer Note 29 (a) and (b) below	

NOTE 29 - THE DERIVATIVE INSTRUMENTS, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATIVE PURPOSE, OUTSTANDING AS AT MARCH 31, 2015 ARE AS FOLLOWS:

(a) Forward Exchange Contracts:

Currency	Buy/ Sell	Cross Currency	Foreign Currency (in lacs)	
			As at March 31, 2015	As at March 31, 2014
USD	Buy	INR	136.76	572.53
EUR	Buy	INR	-	42.44
EUR	Buy	USD	123.85	-
USD	Buy	BRL	219.15	118.49

(b) Hedging Commodity related risks:

Commodity	Buy/ Sell	Quantity in MT	
		As at March 31, 2015	As at March 31, 2014
Copper	Buy	2,825	1,125.00
Aluminium	Buy	2,725	700.00

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(c) The year end net foreign currency (FC) exposures* that have not been hedged by a derivative instrument are given below:

Receivables:

Currency	As at March 31, 2015		As at March 31, 2014	
	FC in lacs	₹ in Lacs	FC in Lacs	₹ in lacs
AED	-	-	180.18	2,937.39
AFA	3.08	3.35	4,454.64	4,651.09
AUD	3.32	157.71	0.23	12.71
BDT	772.47	620.53	680.18	525.51
BTN	-	-	707.09	707.09
CAD	118.92	5,818.59	107.11	5,821.67
CAF	-	-	1,662.23	208.44
CDF	24,115.03	1,663.94	39,533.58	2,613.17
DZD	993.02	637.02	156.84	120.56
EGP	146.52	1,208.27	154.17	1,324.83
ETB	293.04	907.00	335.57	1,045.63
EUR	129.76	8,712.93	134.37	11,049.27
GBP	-	-	0.01	1.00
GEL	4.20	118.03	6.04	207.70
GHC	27.21	446.40	28.67	640.61
IDR	1,59,207.30	764.20	1,03,248.12	547.22
JPY	1,214.14	632.69	1,197.86	700.87
KES	4,109.87	2,784.44	35.68	24.72
KWD	6.23	1,294.80	39.97	8,500.22
KZT	588.10	197.84	-	-
LAK	16,091.47	123.90	-	-
LKR	367.67	172.84	-	-
MYR	29.22	493.28	135.38	2,478.65
MZM	28.12	48.13	14.30	27.62
NGN	17,295.90	5,430.91	21,365.44	7,762.06
NPR	482.38	304.19	170.05	106.71
PHP	367.87	514.90	388.31	518.05
SR	357.79	5,961.24	199.58	3,186.80
SYP	0.24	0.07	0.24	0.10
TJS	-	-	0.01	0.16
UGX	2,452.44	51.50	8,274.00	195.27
USD	-	-	56.46	3,380.95
ZAR	394.77	2,021.07	426.83	2,414.22

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Payables @:

Currency	As at March 31, 2015 FC in lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 FC in Lacs	As at March 31, 2014 ₹ in lacs
AED	90.47	1,539.51	-	-
BTN	105.67	105.67	-	-
CAF	9,756.37	998.08	-	-
CHF	6.18	396.96	3.01	203.26
KZT	-	-	47,445.72	15,604.90
LAK	-	-	23,641.13	177.31
LBP	7,467.47	308.41	6,486.85	258.18
LYD	6.04	273.63	6.47	311.70
NAD	2.63	13.46	2.36	13.37
OMR	3.23	523.67	51.67	8,036.28
SLR	-	-	142.33	65.27
TND	114.94	3,671.28	115.66	4,379.82
TZS	94,977.15	3,314.70	1,07,584.51	3,948.35
USD*	686.74	42,917.96	-	-
ZMK	299.09	2,462.85	26,968.78	261.60

* excluding non-derivative items designated by the Company as hedging instruments **USD 163.76 lacs (equivalent ₹ 10,234.44 lacs)** *[Previous Year NIL].*

@ excludes term loan taken in foreign currency ₹ **2,798.50 lacs** *(Previous Year ₹ 5,597.00 lacs)* which has been swapped with Rupee Currency fixed interest rate loan.

NOTE 30 - DISCLOSURE UNDER ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS":

Sr. No.		Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a)	(i)	Contract Revenue (net of excise) recognised during the year	6,47,615.45	5,83,177.14
	(ii)	Method used to determine the contract revenue recognised and the stage of completion of contracts in progress	Refer Note 1(B)(2)(b)	
(b)		Disclosure in respect of contracts in progress as at the year end		
	(i)	Aggregate amount of costs incurred and recognised profits (less recognised losses)	18,04,482.24	14,21,882.74
	*(ii)	Advances received	7,275.32	18,716.95
	*(iii)	Retentions receivable	1,09,367.22	1,07,900.13
	(iv)	Gross amount due from customers(including unbilled revenue)	62,414.48	53,454.38
	(v)	Gross amount due to customers	38,014.33	25,334.55

*Net of adjustment referred to in Note 1(B) (7).

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NOTE 31 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY ACCOUNTING STANDARD-15 “EMPLOYEE BENEFITS” ARE AS FOLLOWS :-

Sr. No.	Particulars
1	**Defined Contribution Plans** The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. The Group recognised ₹ **808.86 lacs** *(Previous Year ₹ 781.23 lacs)* for provident fund contributions and ₹ **268.18 lacs** *(Previous Year 340.54 lacs)* for superannuation contribution and other retirement benefit contributions in the Consolidated Statement of Profit and Loss.
2	**Defined Benefit Plan (Funded)**

a. A general description of the Employee Benefit Plan:

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of gratuity scheme of the Company or as per the Payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

b. Details of defined benefit plan - As per Actuarial Valuation are as follows:

			Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I	**Components of employer expense**			
	1	Current Service cost	284.82	427.55
	2	Interest Cost	205.32	216.04
	3	Expected return on Plan Assets	(242.11)	(233.86)
	4	Actuarial Losses / (Gains)	107.72	(402.67)
	5	Total expense recognised in the Consolidated Statement of Profit and Loss (included in 'Contribution to provident and other funds' under ' Employee benefits expense' in Note 25)	355.75	7.06
II	**Actual Contribution and Benefits Payments for the year**			
	1	Actual Benefits Payments	(410.26)	(540.11)
	2	Actual Contributions	283.71	395.00
III	**Net asset/(liability) recognised in the Balance Sheet**			
	1	Present Value of Defined Benefit Obligation	2,659.11	2,476.35
	2	Fair Value of Plan Assets	2,737.92	2,627.20
	3	Funded Status [Surplus/(Deficit)]	78.81	150.85
	4	Net asset/(liability) recognised in the Consolidated Balance Sheet	78.81	150.85
IV	**Change in Defined Benefit Obligation during the year**			
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	2,476.35	2,797.55
	2	Current Service Cost	284.82	427.55
	3	Interest Cost	205.32	216.04
	4	Actuarial Losses/ (Gains)	102.88	(424.68)
	5	Benefits paid	(410.26)	(540.11)
	6	Present Value of Defined Benefit Obligations as at the end of the year	2,659.11	2,476.35

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			Current Year ₹ in Lacs	Previous Year ₹ in Lacs
V	**Change in Fair Value of Plan Assets during the year**			
	1	Plan Assets as at the beginning of the year	2,627.20	2,560.46
	2	Expected return on Plan Assets	242.11	233.86
	3	Actuarial Gains/ (Losses)	(4.84)	(22.01)
	4	Actual Company Contributions	283.71	395.00
	5	Benefits paid	(410.26)	(540.11)
	6	Plan Assets as at the end of the year	2,737.92	2,627.20
VI	**Actuarial Assumptions**			
	1	Discount Rate	7.80%	9.10%
	2	Expected Return on plan assets	9.40%	9.40%
	3	Salary escalation Rate	6.00%	6.00%
VII	The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is ₹ **237.27 lacs** *(Previous Year ₹211.85 lacs)*			
VIII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.			
IX	**The major categories of Plan Assets as a percentage of the total plan assets**			
	Insurer Managed Funds		100%	100%

Note: The details of investment made by the Insurer are not readily available with the Company

X	**Experience Adjustments**		**2014-15**	**2013-14**	**2012-13**	**2011-12**	**2010-11**
	1	Present Value of Defined Benefit Obligation as at the end of the year	2,659.11	2,476.35	2,797.55	2,566.78	2,198.69
	2	Fair Value of Plan Assets as at the end of the year	2,737.92	2,627.20	2,560.46	2,319.34	2,265.69
	3	Funded Status [Surplus/(Deficit)]	78.81	150.85	(237.09)	(247.44)	67.30
	4	Experience adjustment on Plan Liabilities	139.47	285.95	(21.06)	(443.30)	96.90
	5	Experience adjustment on Plan Assets	4.84	22.01	(15.20)	-	(10.04)
XI	**Contribution expected to be paid to the Plan during the year ending March 31, 2016 – ₹ 430 lacs**						

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NOTE 32 - The Group is primarily engaged in Engineering, Procurement and Construction business (EPC). Further, the Company's business is managed across multiple geographies on a worldwide basis and the same is monitored on individual project basis. However, for the purpose of geographical segments, the consolidated revenue from operations are broadly divided into two segments- India and Outside India.

Geographical (Secondary) segment:- (₹ in lacs)

Particulars	India	Outside India	Total
External Revenue	400,562.72	446,217.47	846,780.19
	(358,896.77)	(431,286.56)	(790,183.33)
Carrying amount of segment assets	418,286.93	356,195.21	774,482.14
	(403,918.00)	(337,218.95)	(741,136.95)
Capital Expenditure incurred during the year	3,354.42	4,647.78	8,002.20
	(8,068.23)	(5,622.14)	(13,690.37)

Figures in bracket are for the previous year.

Note : The accounting policies of the segments are the same as those described in significant policies in Note 1 (B) to the Consolidated Financial Statements.

NOTE 33 - RELATED PARTY DISCLOSURES

a) Parties with whom transactions have taken place:

Joint Ventures:

(i) Al-Sharif Group and KEC Ltd. Company, Saudi Arabia
(formerly known as Faiz Abdul Hakim Al-Sharif Group and KEC Company Ltd., Saudi Arabia)
(ii) EJP KEC Joint Venture, South Africa
(iii) KEC – ASSB JV, Malaysia
(iv) KEC – ASIAKOM – UB JV
(v) KEC – ASIAKOM JV
(vi) KEC – JEI JV
(vii) KEC – DELCO – VARAHA JV
(viiI) KEC – VARAHA – KHAZANA JV
(ix) KEC – VALECHA – DELCO JV
(x) KEC – SIDHARTH JV
(xi) KEC – TRIVENI – KPIPL JV
(xii) KEC – UNIVERSAL JV
(xiii) KEC – DELCO – DUSTAN JV
(xiv) KEC – ANPR – KPIPL JV
(xv) KEC – PLR – KPIPL JV
(xvi) KEC – BJCL JV
(xvii) KEC – KIEL JV
(xviii) KEC-ABEPL JV
(xix) KEC-TNR INFRA JV
(xx) KEC-SMC JV
(xxi) KEC-WATERLEAU JV

Associate:

RP Goenka Group of Companies Employees Welfare Association

Key Management Personnel:

(i) Mr. R.D.Chandak – Managing Director
(ii) Mr. Vimal Kejriwal – Managing Director & CEO (Designate from 01.01.15)

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(b) Transactions with the Related Parties

(₹ in lacs)

Transactions	Current Year				Previous Year			
	Joint Ventures	Associate	Key Management Personnel	Total	Joint Ventures	Associate	Key Management Personnel	Total
Sale of Products	7,043.25	-	-	7,043.25	1,155.15	-	-	1,155.15
Sale under Turnkey Contracts	1,647.70	-	-	1,647.70	1,845.95	-	-	1,845.95
Freight and Service tax recovered on sales	387.02	-	-	387.02	-	-	-	-
Services rendered	600.25	-	-	600.25	-	-	-	-
Guarantee charges recovered	35.69	-	-	35.69	32.70	-	-	32.70
Remuneration	-	-	395.63	395.63	-	-	288.79	288.79
Sale of Fixed Assets	339.62	-	-	339.62	323.31	-	-	323.31
Purchase of Fixed Assets	460.54	-	-	460.54	100.89	-	-	100.89
Payments made/expenses incurred on behalf of related party	1,344.60	-	-	1,344.60	1,336.26	-	-	1,336.26
Amount recovered /recoverable towards non-fund based credit facilities of the Company utilised by the related party	26,910.74	-	-	26,910.74	-	-	-	-
Expenses incurred by related party	48.41	-	-	48.41	-	-	-	-
Advance / Loan given	3,796.04	-	-	3,796.04	8,636.46	-	-	8,636.46
Investment made	-	-	-	-	-	0.49	-	0.49
Advance received towards project execution	1,625.90	-	-	1,625.90	-	-	-	-
Guarantee given	71,858.90	-	-	71,858.90	-	-	-	-
Donation given	-	-	-	-	-	2.50	-	2.50
Dividend paid	-	7.05	-	7.05	-	-	-	-

(c) Balances outstanding as at the year end

(₹ in lacs)

	Current Year				Previous Year			
	Joint Ventures	Associate	Key Management Personnel	Total	Joint Ventures	Associate	Key Management Personnel	Total
Receivables	15,319.06	-	-	15,319.06	11,071.29	-	-	11,071.29
Payables	13.56	-	-	13.56	-	-	-	-
Investment	-	1.08	-	1.08	-	-	-	-
Guarantees given on behalf of the related parties	52,012.82	-	-	52,012.82	35,169.87	-	-	35,169.87

No amount has been written off/provided for or written back in respect of amounts receivable from or payable to the related parties.

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(d) Details of transactions in excess of 10% of the total related party transactions.

(₹ in lacs)

Transactions	Current Year			Previous Year		
	Joint Ventures	Associate	Key Management Personnel	Joint Ventures	Associate	Key Management Personnel
Sale of Products						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	7,043.25	-	-	843.48	-	-
EJP KEC Joint Venture, South Africa	-	-	-	311.67	-	-
Sale under Turnkey Contracts						
KEC - PLR- KPIPL JV	531.37	-	-	465.56	-	-
KEC - TRIVENI-KPIPL JV	126.56	-	-	314.55	-	-
KEC - KIEL JV	629.03	-	-	597.50	-	-
Freight and Service tax recovered on sales						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	387.02	-	-	-	-	-
Services rendered						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	600.25	-	-	-	-	-
Guarantee charges recovered						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	35.69	-	-	32.70	-	-
Remuneration						
Mr.R.D. Chandak	-	-	340.50	-	-	288.79
Mr.Vimal Kejriwal	-	-	55.13	-	-	-
Sale of Fixed Assets						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	339.62	-	-	323.31	-	-
Purchase of Fixed Assets						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	460.54	-	-	100.89	-	-
Payments made/expenses incurred on behalf of related party						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	913.49	-	-	469.09	-	-
EJP KEC Joint Venture, South Africa	431.11	-	-	867.17	-	-
Amount recovered /recoverable towards non-fund based credit limit of the company utilised by the related party						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	26,910.74	-	-	-	-	-
Expenses incurred by related party						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	48.41	-	-	-	-	-
Advance / Loan given						
EJP KEC Joint Venture, South Africa	3,483.35	-	-	8,636.46	-	-
Investment made						
R.P. Goenka Group of Companies Welfare Association	-	-	-	-	0.49	-
Advance received towards project execution						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	532.08	-	-	-	-	-
KEC - ABEPL JV	1,093.82	-	-	-	-	-
Guarantee given						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	71,858.90	-	-	-	-	-
Donation given						
R.P. Goenka Group of Companies Welfare Association	-	-	-	-	2.50	-
Dividend paid						
R.P. Goenka Group of Companies Welfare Association	-	7.05	-	-	-	-

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NOTE 34 - DISCLOSURE FOR LEASES UNDER ACCOUNTING STANDARD 19 – "LEASES"

A. Operating Leases

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Disclosure in respect of the agreements entered into for taking on leave and license / under operating leases the residential/office premise, warehouses, including furniture and fittings therein, machinery, etc. is given below:		
1 Lease payments recognised in the Consolidated Statement of Profit and Loss for the year [includes minimum lease payments ₹ **1,760.49 lacs** *(Previous Year ₹ 1,455.69 lacs)*.	5,104.79	4,231.17
2 (i) Under some of the agreements, refundable interest free deposits have been given.		
(ii) Some of the agreements provide for increase in rent.		
(iii) Some of the agreements provide for early termination by either party with a notice period which varies from 7 days to 6 months.		
(iv) Some of the agreements contain a provision for its renewal.		
3 Future minimum lease payments under the agreements, which are non-cancellable are as follows:		
(i) Not later than one year	1,544.99	1,760.49
(ii) Later than one year and not later than five years.	4,710.24	3,955.26
(iii) Later than five years	2,949.72	5,719.92

B. Finance lease:

(i) The net carrying amount as at March 31, 2015 for assets acquired under finance lease } **Refer Note 11- Fixed Assets**

(ii) The maturity profiles of finance lease obligations are as follows:

Particulars	Total minimum lease payments outstanding as at March 31, 2015	Present value of minimum lease payments
Not later than one year	2,760.82 (226.74)	2,592.96 (226.74)
Later than one year and not later than five years.	872.05 (2,295.01)	642.71 (2,295.01)
Later than five years	17.59 (710.11)	17.59 (710.11)
Total	**3,650.46** (3,231.86)	**3,253.26** (3,231.86)

Figures in bracket are for the previous year.

iii) Some of these agreements contain renewal clause, except a subsidiary which is required to maintain Current ratio, Liability to Equity ratio and Operating Profit to Interest expense ratio as prescribed in the lease agreement, there are no other restrictions such as those concerning dividends, additional debt and further leasing imposed by the lease agreement entered by the Group.

NOTE 35 - Basic / diluted earnings per share has been calculated by dividing the profit for the year after tax of ₹ **16,099.15 lacs** *(Previous Year ₹ 6,675.05 lacs)*, by **25,70,88,370** *(Previous Year 25,70,88,370)* being the weighted average number of equity shares (having face value of ₹ 2/- each) outstanding during the year.

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NOTE 36 - THE COMPONENTS OF DEFERRED TAX LIABILITIES / ASSETS (NET) ARE AS UNDER:

(i) The components of Deferred tax liability (net) of the Company are as under:

Particulars		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Liability			
Depreciation	(A)	10,619.11	10,726.08
Deferred Tax Assets			
Provision for doubtful debts, loans and advances		2,204.95	1,488.99
Amalgamation expenses		66.57	66.57
VRS Expenditure u/s 35 DDA		378.96	567.77
Expenses debited to the Statement of Profit and Loss allowable in subsequent year/s u/s 43B / 40(a)		872.28	644.58
Hedging reserve & Others		60.20	649.85
	(B)	3,582.96	3,417.76
Deferred Tax Liability (net)	(A-B)	**7,036.15**	**7,308.32**

(ii) The components of Deferred Tax Assets (net) of overseas subsidiaries are as under:

Particulars		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Assets			
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent year/s		814.93	1,377.24
Provision for non recovery of Value Added Tax		-	1,100.59
Tax loss carry forward*		1,166.52	-
Others		-	75.58
Deferred Tax Liability	(A)	1,981.45	2,553.41
Depreciation	(B)	218.11	382.03
Deferred Tax Assets (net)	(A-B)	**1,763.34**	**2,171.38**

* Recognised in view of confirmed profitable orders secured by an overseas subsidiary.

NOTE 37 - RESEARCH AND DEVELOPMENT EXPENSES:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue expenses charged to the Statement of Profit and Loss (including depreciation on fixed assets)	1,582.97	1,658.10
Expenditure capitalised during the year	487.04	5.80

NOTE 38 - The execution of the construction works under contracts of the Company with General Electric Company Libya (a Government of Libya undertaking) is disrupted since February, 2011 due to civil/political unrest in that country. The net assets [including fixed assets, trade receivables etc.] as at March 31, 2015 of the Company relating to these contracts aggregate ₹ **5,125.96 lacs** *(Previous Year ₹ 6,378.26 lacs)*. The Company is confident of completing these projects.

NOTE 39 - In terms of the agreement entered into, in an earlier year, by the Company with the joint venture partner, the Company has funded EJP KEC Joint Venture, South Africa (JV) (including for the other venturer's share) for smooth execution of the transmission line project at South Africa referred to in the said agreement, which was ultimately completed by the JV in April, 2014.

The JV has suffered the loss in execution of the aforesaid project, interalia, on account of unexpected weather and terrain conditions, breach of contract by the client (e.g. changes in the specification, withholding payment due to JV).

During the year, the JV lodged various claims (viz. compensation and damages claims) on the client to recover additional

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forming part of the consolidated financial statements

costs incurred/ damages suffered by the JV during the execution of the project. Based on the claim expert/ legal advice received, the Company is confident that the JV will ultimately succeed in getting these claims from the client and thereby the Company will realise its dues from the JV. Accordingly, amount recoverable from the JV aggregating ₹ **9,386.08 lacs** as appearing under 'Short-term loans and advances' - Note 18, has been considered good and recoverable by the management.

NOTE 40 - The production of Cables at Thane factory of the Company has been discontinued from February 11, 2013 and the Company has given voluntary retirement scheme to all the workers at a cost of ₹ 1,816 lacs. The Company has executed a Sale Deed dated December 12, 2014 for sale of land at Thane and has completed all sale formalities. Profit on sale of aforesaid land at Thane (net of related expenses) of ₹ 13,464.62 lacs is included under 'Other Income'- Note 21.

Note 41 - During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 (the Act) with effect from April 1, 2014, the Company revised the estimated useful life of its assets as mentioned in Note 1 (B)(5)(a).

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ **199.01 lacs (net of deferred tax of ₹ 102.48 lacs)** against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ **395.51 lacs** consequent to the change in the useful life of the assets.

NOTE 42 - The Company has entered into an 'Asset Purchase Agreement' (the Agreement) on April 15, 2015 for sale of its telecom tower assets at 381 sites in the states of Chhattisgarh, Meghalaya and Mizoram to ATC Telecom Tower Corporation Private Limited. The consideration for the sale of aforesaid assets is envisaged at about ₹ 81 crores. Consummation of transaction is subject to obtaining necessary regulatory approvals and also complying with the conditions mentioned in the Agreement.

NOTE 43 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies, jointly controlled entities and an associate (together 'KEC Group')		Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount (₹ in lacs)	As % of Consolidated Profit or Loss	Amount (₹ in lacs)
1		2	3	4	5
Parent					
	KEC International Limited (Net of consolidation adjustment)	66.76	88,772.82	38.34	6,171.38
Subsidiaries					
Indian					
1	Jay Railway Projects Private limited	1.03	1,371.82	(0.15)	(23.71)
2	KEC Power India Private Limited	0.02	31.84	0.01	1.07
Foreign					
1	RPG Transmission Nigeria Limited, Nigeria	0.00	1.80	0.00	(0.18)
2	KEC Global FZ – LLC, Ras UL Khaimah, UAE	0.91	1,209.21	(1.04)	(167.00)
3	KEC Investment Holdings, Mauritius	0.25	331.15	(0.08)	(12.73)
4	KEC International Holdings LLC, USA	0.00	(0.12)	0.00	-
5	KEC Brazil LLC, USA	0.00	(0.14)	0.00	-
6	KEC Mexico LLC, USA	0.00	(0.14)	0.00	-
7	KEC Transmission LLC, USA	(2.05)	(2,723.02)	(10.92)	(1,758.54)
8	KEC US LLC, USA	(1.37)	(1,816.40)	(7.29)	(1,173.62)
9	SAE Towers Holdings LLC, USA (Refer Footnote)	9.71	12,916.16	(36.08)	(5,808.30)
10	KEC Global Mauritius, Mauritius	0.00	5.16	(0.07)	(10.77)
11	KEC International (Malaysia) SDN BHD	0.00	4.55	(0.01)	(1.24)

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forming part of the consolidated financial statements

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies, jointly controlled entities and an associate (together 'KEC Group')	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in lacs)	As % of Consolidated Profit or Loss	Amount (₹ in lacs)
1	2	3	4	5
Associates (Investments as per equity Method)				
Indian				
1 RP Goenka Group of Companies Employees Welfare Association	0.00	1.08	0.01	1.08
Joint Ventures (As per proportionate consolidation/ investment as per equity Method)				
Indian				
1 KEC - ASIACOM- UB JV	0.18	235.72	0.00	(0.18)
2 KEC - ASIACOM JV	0.07	90.35	0.00	(0.02)
3 KEC - JEI JV	0.10	136.34	0.00	0.02
4 KEC - DELCO-VARAHA JV	2.24	2,982.75	0.00	0.30
5 KEC - VARAHA-KHAZANA JV	0.33	435.43	0.00	0.27
6 KEC - VALECHA - DELCO JV	0.29	384.27	0.00	0.00
7 KEC - SIDHARTH JV	0.47	620.64	0.00	0.04
8 KEC - TRIVENI - KPIPL JV	0.34	454.02	0.00	0.06
9 KEC - UNIVERSAL JV	0.11	150.40	0.00	(0.07)
10 KEC - DELCO - DUSTAN JV	0.08	112.45	0.00	0.03
11 KEC - ANPR-KPIPL JV	0.63	844.21	0.00	(0.04)
12 KEC - PLR - KPIPL JV	0.27	355.45	0.00	0.41
13 KEC - KEIL JV	2.33	3,094.43	0.12	19.59
14 KEC - ABEPL JV	(0.14)	(185.67)	(0.20)	(32.47)
15 KEC-BJCL JV	0.22	290.65	0.00	-
16 KEC-TNR INFRA JV	1.02	1,356.83	0.00	-
17 KEC-SMC JV	0.06	76.36	0.00	-
18 KEC-WATERLEAU JV	(0.83)	(1,109.58)	0.00	-
Foreign				
1 Al Sharif Group and KEC Ltd. Company, Saudi Arabia	17.50	23,265.10	124.19	19,993.98
2 EJP KEC Joint Venture	(1.14)	(1,514.64)	(6.83)	(1,100.21)
3 KEC ASSB JV	0.60	798.44	0.00	-

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC, USA and its subsidiaries (SAE Group). The requisite additional information for SAE Towers Holding LLC and its subsidiaries based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

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	Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss	
		As % of Consolidated Net Assets of KEC Group	Amount (₹ in lacs)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in lacs)
1	SAE Towers Holdings LLC, USA	13.35	17,749.77	31.23	5,028.11
2	SAE Towers Brazil Subsidiary Company LLC, USA	0.00	0.00	0.00	-
3	SAE Towers Mexico Subsidiary Holding Company LLC, USA	0.00	1.33	0.00	-
4	SAE Towers Mexico S de RL de CV, Mexico	3.64	4,836.79	(45.37)	(7,303.93)
5	SAE Towers Brazil Torres de Transmission Ltda, Brazil	2.64	3,510.45	8.95	1,440.39
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.92	1,225.74	0.34	54.68
7	SAE Towers Ltd, USA	0.33	437.19	1.16	186.83
8	SAE Towers Panama Holdings LLC, USA	0.00	(0.96)	0.00	-
9	SAE Towers Panama S de RL, Panama	(0.72)	(954.92)	0.00	-
10	SAE Engenharia E Construcao Ltda, Brazil	0.00	-	0.00	-
11	SAE Engineering & Construction Services S de RL de CV, Mexico	(0.18)	(241.04)	(0.93)	(149.92)
	Less: Intra group elimination	(10.27)	(13,648.19)	(31.46)	(5,064.46)
	Total	**9.71**	**12,916.16**	**(36.08)**	**(5,808.30)**

NOTE 44 - Previous year's figures have been regrouped/ reclassified wherever necessary to correspond with the current year's classification/ disclosure.

Signatures to Notes 1 to 44 which form an integral part of the Consolidated Financial Statements

For and on behalf of the Board Directors

H.V.GOENKA
Chairman
DIN - 00026726

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

Annexure pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(₹ in Lacs)

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	16,517.96	1,231.80	17,787.06	37.30	-	-	5,028.11	-	5,028.11	-	100%
		USD(000)	26,430.85	1,971.05	28,461.57	59.67	-	-	8,168.60	-	8,168.60	-	
2	SAE Towers Brazil Subsidiary Company LLC, USA*	INR	-	@	@	-	-	-	-	-	-	-	100%
		USD(000)	-	#	#	-	-	-	-	-	-	-	
3	SAE Towers Mexico Subsidiary Holding Company LLC, USA*	INR	-	1.33	1.33	-	-	-	-	-	-	-	100%
		USD(000)	-	2.13	2.13	-	-	-	-	-	-	-	
4	SAE Towers Mexico S de RL de CV, Mexico*	INR	10,673.53	(5,836.74)	28,602.72	23,765.93	-	33,338.35	(7,781.72)	(477.79)	(7,303.93)	-	100%
		USD(000)	17,079.02	(9,339.53)	45,768.02	38,028.53	-	53,345.62	(12,642.07)	(776.21)	(11,865.86)	-	
5	SAE Towers Brazil Torres de Transmission Ltda, Brazil*	INR	2,983.28	527.17	32,324.47	28,814.02	-	48,605.61	2,099.63	659.24	1,440.39	-	100%
		USD(000)	4,773.63	843.55	51,723.30	46,106.12	-	77,775.19	3,411.03	1,070.99	2,340.03	-	
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	INR	-	1,225.74	2,288.18	1,062.44	-	6,102.88	128.14	73.47	54.68	-	100%
		USD(000)	-	1,961.34	3,661.37	1,700.03	-	9,765.40	208.18	119.35	88.83	-	
7	SAE Towers Ltd, USA*	INR	0.62	436.56	3,185.44	2,748.26	-	18,745.41	287.42	100.60	186.83	-	100%
		USD(000)	1.00	698.55	5,097.11	4,397.56	-	29,995.06	466.95	163.43	303.52	-	
8	SAE Towers Panama Holdings LLC, USA*	INR	-	(0.96)	(0.96)	-	-	-	-	-	-	-	100%
		USD(000)	-	(1.53)	(1.53)	-	-	-	-	-	-	-	
9	SAE Towers Panama S de RL, Panama*	INR	-	(954.92)	(954.92)	-	-	-	-	-	-	-	100%
		USD(000)	-	(1,528.00)	(1,528.00)	-	-	-	-	-	-	-	
10	SAE Engenharia E Construcao Ltda, Brazil*	INR	-	-	-	-	-	-	-	-	-	-	100%
		USD(000)	-	-	-	-	-	-	-	-	-	-	
11	SAE Engineering & Construction Services S de RL de CV, Mexico*	INR	-	(241.04)	(255.12)	(14.08)	-	103.99	(167.09)	(17.18)	(149.92)	-	100%
		USD(000)	-	(385.69)	(408.23)	(22.54)	-	166.4	(271.46)	(27.9)	(243.55)	-	

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)
12	KEC Investment Holdings, Mauritius	INR	374.97	(43.82)	4,410.45	4,079.30	-	-	(12.73)	-	(12.73)	-	100%
		USD(000)	600.00	(70.12)	7,057.29	6,527.41	-	-	(20.68)	-	(20.68)	-	
13	KEC International Holdings LLC, USA	INR	0.03	(0.16)	0.03	0.16	-	-	-	-	-	-	100%
		USD(000)	0.05	(0.25)	0.05	0.25	-	-	-	-	-	-	
14	KEC Brazil LLC, USA	INR	0.02	(0.16)	0.02	0.16	-	-	-	-	-	-	100%
		USD(000)	0.03	(0.25)	0.03	0.25	-	-	-	-	-	-	
15	KEC Mexico LLC, USA	INR	0.02	(0.16)	0.02	0.16	-	-	-	-	-	-	100%
		USD(000)	0.03	(0.25)	0.03	0.25	-	-	-	-	-	-	
16	KEC Transmission LLC, USA	INR	0.02	10,497.16	38,021.61	27,524.43	-	-	1,284.91	-	1,284.91	-	100%
		USD(000)	0.03	16,796.80	60,839.45	44,042.62	-	-	2,087.45	-	2,087.45	-	
17	KEC US LLC, USA	INR	0.02	6,996.87	25,346.43	18,349.54	-	-	856.51	-	856.51	-	100%
		USD(000)	0.03	11,195.89	40,557.54	29,361.62	-	-	1,391.48	-	1,391.48	-	
18	KEC Global Mauritius, Mauritius	INR	50.00	(38.59)	15.30	3.89	-	-	(10.77)	-	(10.77)	-	100%
		USD(000)	80.00	(61.74)	24.48	6.22	-	-	(17.53)	-	(17.53)	-	
19	KEC International (Malaysia) SDN.BHD**	INR	6.25	(1.70)	5.21	0.66	-	-	(1.24)	-	(1.24)		100%
		USD(000)	10.00	(2.72)	8.33	1.05	-	-	(2.02)	-	(2.02)		
20	Jay Railway Projects Private Limited, India	INR	100.00	(114.34)	1,413.74	1,428.08	-	473.96	(23.71)	-	(23.71)	-	100%
21	RPG Transmission Nigeria Limited, Nigeria	INR	31.40	0.60	32.00	-	-	-	(0.18)	-	(0.18)	-	100%
		Naira(000)	10,000.00	189.61	10,189.61	-	-	-	(50.00)	-	(50.00)	-	
22	KEC Global FZ – LLC, Ras UL Khaimah, UAE	INR	170.16	1,256.61	1,486.53	59.76	-	1.21	(167)	-	(167)	-	100%
		AED(000)	1,000.00	7,384.84	8,736.02	351.18	-	7.09	(999.81)	-	(999.81)	-	
23	KEC Power India Private Limited, India	INR	22.10	9.74	31.89	0.05	-	-	1.55	0.48	1.07	-	100%

Exchange rates as at year end considered for conversion:
1USD = ₹ 62.4950
1AED = ₹ 17.0161
1NAIRA= ₹ 0.314
* Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC
@ ₹ 249.98
# USD 4
** Average exchange rates for the year considered for conversion

Footnotes:
1 There are no subsidiaries which are yet to commence operations
2 There are no subsidiaries which have been liquidated or sold during the year.

Part "B" : Associates and Joint Ventures

(₹ in lacs)

Name of Associates / Joint Ventures	Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	EJP KEC Joint Venture	KEC – ASSB JV	KEC – ASIAKOM – UB JV	KEC – ASIAKOM JV	KEC – JEI JV	KEC – DELCO – VARAHA JV	KEC – VARAHA – KHAZANA JV	KEC – VALECHA – DELCO JV	KEC – SIDHARTH JV	KEC – TRIVENI – KPIPL JV	KEC – UNIVERSAL JV	KEC – DELCO – DUSTAN JV	KEC – ANPR – KPIPL JV	KEC – PLR – KPIPL JV	KEC – BJCL JV	KEC – KIEL JV	KEC - ABEPL JV	KEC - TNR Infra JV	KEC - SMC JV	KEC - WATERLEAU JV	RP Goenka Group of Companies Employees Welfare Association
1. Latest audited balance sheet date	31-12-14	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15	31-03-15
2. Shares of Associate/ Joint Ventures held by the company on the year end		-	-	-																		
No.	147,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount of Investment in Associates/ Joint Venture	#	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Extend of Holding %	49	50	67	60	51	60	80	80	51	80	55	80	51	60	55	51	90	90	51	51	51	49
3. Description of how there is significant influence	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control	Joint Control
4. Reason why the associate/ joint venture is not consolidated	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	13,045.35	(12,860.68)	(154.02)	4.13	0.19	0.73	6.08	3.33	0.81	1.75	0.76	0.25	0.32	1.14	1.54	-	42.82	(32.52)	-	-	-	1.08
6. Profit / Loss for the year	17,334.50	(1,100.21)	-	(0.18)	(0.02)	0.02	0.30	0.27	0.00	0.04	0.06	(0.07)	0.03	(0.04)	0.41	-	19.59	(32.47)	-	-	-	1.08
i. Considered in Consolidation	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ii. Not considered in Consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

'NIL' realisable value was considered by the Company for this investment when it was acquired as a part of the Power Transmission Business under the Composite Scheme of Arrangement, in an earlier year.

Footnotes:

1. There are no associates or joint ventures which are yet to commence operations.

2. There are no associates or joint ventures which have been 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

CH.V.JAGANNADHA RAO
Company Secretary

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KEC INTERNATIONAL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of KEC INTERNATIONAL LIMITED ("the Company"), which comprise the Balance Sheet as at March 31 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Afghanistan, Algeria, Bangladesh, Congo, Egypt, Ethiopia, Georgia, Ghana, Indonesia, Ivory Coast, Kazakhstan, Kenya, Laos, Lebanon, Libya, Malaysia, Nepal, Nigeria, Oman, Philippines, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, United Arab Emirates and Zambia.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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, 2015, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of 27 branches included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 106,578.41 lacs as at March 31, 2015 and total revenues of ₹ 101,084.30 lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.

2 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 not visited by us.

(c) The reports on the accounts of the branch offices of the Company at Afghanistan, Algeria, Bangladesh, Congo, Egypt, Ethiopia, Georgia, Ghana, Indonesia, Ivory Coast, Kazakhstan, Kenya, Laos, Lebanon, Libya, Malaysia, Nepal, Nigeria, Oman, Philippines, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, United Arab Emirates and Zambia, audited under Section 143 (8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.

(d) The Balance Sheet, the Statement of Profit and Loss, 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 not visited by us.

(e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

(f) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 28 to the standalone financial statements;

(ii) The Company has made provision, as required under the applicable accounting standards, for material foreseeable losses on long-term contracts - Refer Note 10 to the standalone financial statements. Further, the Company did not have any material losses on derivative contracts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Saira Nainar
Partner
Membership No.040081

Place: MUMBAI,
Date: May 6,2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the financial statements for the year ended March 31, 2015 of KEC International Limited)

(i) In respect of its fixed assets:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(ii) In respect of its inventories:

(a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 ("the Act").

(iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services and during the course of our audit we have not observed any continuing failure to correct major weaknesses in such internal control system.

(v) According to the information and explanations given to us, the Company has not accepted any deposits in terms of the provisions of Section 73 and 76 of the Act or any other relevant provisions of the Act.

(vi) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value added Tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value added Taxand Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Relating to various years comprise in the period	Amount involved (₹ in lacs)
Sales Tax/Value Added Tax Acts	Tax/Penalty/Interest	Assistant Commissioner / Deputy Commissioner / Additional Commissioner (Appeal)	1994-1995 to 2012-2013	7,248.36
	Tax/Penalty/Interest	Rajasthan Tax Board, Ajmer	1994-1995 to 1997-1998	46.66
	Tax/Interest	Appellate Tribunal	1989-1990 to 2007-2008	28.03
	Tax/Interest	High Court	2002-03 to 2004-05	8.59
The Central Excise Act,1944	Duty/Penalty/Interest	Assistant Commissioner / Deputy Commissioner / Additional Commissioner (Appeal)	1994-1995 to 2013-2014	887.22
	Duty/Penalty/Interest	Custom Excise and Service Tax Appellate Tribunal	1995-1996 to 2013-2014	1,143.63
	Interest on differential duty of excise	High Court	2001-2002 to 2005-2006	61.76
	Duty	Supreme Court	2008-2009 and	13.44
			2009-2010	
The Finance Act, 1994	Service Tax/Penalty/ Interest	Commissioner (Appeal)	2008-2009 to 2012-2013	68.44
	Service Tax/Penalty/ Interest	Custom Excise and Service Tax Appellate Tribunal	2007-2008 to 2012-2013	16,744.30
The Customs Act,1962	Custom Duty	Commissioner of Customs (Appeal)	1995 to 1996	60.14
The Income tax Act,1961	Income Tax/ Interest	Commissioner of Income Tax (Appeal)	2009 - 2010	168.99

For the above purpose, only statutory dues payable in India have been considered.

(d) The Company has been regular in transferring amounts to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act,1956 (1 of 1956) and Rules made thereunder within time.

(viii) The Company does not have accumulated losses at the end of the financial year andthe Company has not incurred cash losses during the financial year covered by ouraudit and in the immediately preceding financial year.

(ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

(x) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not, prima facie, prejudicial to the interests of the Company.

(xi) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the yearfor the purposes for which they were obtained, other than temporary deployment pending application.

(xii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraudon the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Firm's Registration No.117365W)

Saira Nainar
Partner
Membership No.040081

Place: MUMBAI,
Date: May 6,2015

BALANCE SHEET
as at March 31, 2015

Particulars	Note No.	Current Year ₹ in lacs	Current Year ₹ in lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	5,141.77		5,141.77	
(b) Reserves and surplus	3	105,947.04		98,078.01	
			111,088.81		103,219.78
(2) Non-current liabilities					
(a) Long-term borrowings	4	20,838.91		21,409.47	
(b) Deferred tax liabilities (Net)	38	7,036.15		7,308.32	
(c) Other Long-term liabilities	5	1,000.00		1,000.00	
(d) Long-term provisions	6	1,087.02		990.37	
			29,962.08		30,708.16
(3) Current liabilities					
(a) Short-term borrowings	7	125,244.33		110,126.76	
(b) Trade payables	8	286,153.18		286,015.07	
(c) Other current liabilities	9	51,041.57		62,058.83	
(d) Short-term provisions	10	11,052.53		10,969.40	
			473,491.61		469,170.06
TOTAL			**614,542.50**		**603,098.00**
II. ASSETS					
(1) Non current assets					
(a) Fixed assets					
(i) Tangible assets	11	59,603.74		67,754.81	
(ii) Intangible assets	11	12,835.01		13,935.41	
(iii) Capital work-in-progress	11	1,241.69		901.55	
		73,680.44		82,591.77	
(b) Non-current investments	12	656.51		637.96	
(c) Long-term loans and advances	13	29,222.91		19,340.39	
(d) Other non-current assets	14	16,882.83		10,667.14	
			120,442.69		113,237.26
(2) Current assets					
(a) Inventories	15	37,198.71		33,334.41	
(b) Trade receivables	16	322,656.82		333,572.02	
(c) Cash and cash equivalents	17	12,613.33		9,023.97	
(d) Short-term loans and advances	18	53,838.94		44,977.43	
(e) Other current assets	19	67,792.01		68,952.91	
			494,099.81		489,860.74
TOTAL			**614,542.50**		**603,098.00**

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

Place : Mumbai
Date : May 06, 2015

KEC

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2015

Particulars		Note No.	Current Year ₹ in lacs	Current Year ₹ in lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
I.	Revenue from operations (Gross)		678,159.58		674,958.77	
	Less: Excise duty		18,950.57		19,082.08	
	Revenue from operations (Net)	20		659,209.01		655,876.69
II.	Other income	21		17,741.00		8,297.39
III.	Total Revenue (I+II)			**676,950.01**		**664,174.08**
IV.	Expenses					
	Cost of materials consumed	22		354,516.78		346,622.56
	Changes in inventories of finished goods, work-in-progress and scrap	23		(279.12)		(5,308.84)
	Erection & sub-contracting expenses	24		161,111.50		166,545.91
	Employee benefits expense	25		35,722.57		32,151.48
	Finance costs	26		25,213.26		23,142.01
	Depreciation and amortisation expense (net)	11 & 1(F)(ii)(a)		7,040.34		5,541.75
	Other expenses	27		75,390.60		78,577.24
	Total Expenses			**658,715.93**		**647,272.11**
V.	Profit before exceptional items and tax (III - IV)			18,234.08		16,901.97
VI.	Exceptional items - VRS Expenditure	44		-		1,816.42
VII.	Profit before tax (V-VI)			**18,234.08**		**15,085.55**
VIII.	Tax expenses :					
	Current Tax* {including foreign taxes of ₹ 2,097.18 lacs *(previous year ₹ 5,674.97 lacs)* which include ₹ 857.64 lacs (net) [*previous year ₹ 1,334.77 lacs* (net)] pertaining to earlier years} * net of write back of provision pertaining to earlier years ₹ Nil (*Previous Year ₹ 371.96 lacs*)			7,270.07		7,260.90
	Deferred Tax			(109.49)		(733.88)
				7,160.58		6,527.02
IX.	Profit for the year (VII-VIII)			**11,073.50**		**8,558.53**
X.	Earnings per equity share (of ₹ 2 each)	37		₹		₹
	(1) Basic			4.31		3.33
	(2) Diluted			4.31		3.33

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Place : Mumbai
Date : May 06, 2015

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

CASH FLOW STATEMENT

for the year ended March 31, 2015

Particulars	Current Year ₹ in lacs	Current Year ₹ in lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:				
PROFIT BEFORE TAX		18,234.08		15,085.55
Adjustments for:				
Depreciation and amortisation expense (net)	7,040.34		5,541.75	
Profit on fixed assets sold (net)	(13,495.18)		(279.03)	
Finance costs	25,213.26		23,142.01	
Interest income	(549.72)		(717.86)	
Dividend income from long term investment in subsidiaries and a Jointly Controlled Entity	(3,510.95)		(7,023.32)	
Bad debts written off (net)	5,199.18		2,615.73	
Allowance for bad and doubtful debts, loans and advances (net)	3,429.66		8,275.66	
Mark to market loss on forward and commodity contracts	53.10		1,914.56	
Net unrealised exchange (gain) / loss	819.93		(2,329.67)	
		24,199.62		31,139.83
Operating profit before Working Capital Changes		42,433.70		46,225.38
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	(3,864.30)		(4,784.26)	
Trade receivables	7,720.25		(71,401.98)	
Loans and advances	(15,300.42)		(8,733.62)	
Other current assets & non current assets	(4,156.96)		(3,097.06)	
		(15,601.43)		(88,016.92)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables and other current liabilities	(8,497.57)		44,443.45	
Provisions	(76.33)		2,354.29	
		(8,573.90)		46,797.74
Cash generated from/ (used in) operations		**18,258.37**		**5,006.20**
Direct Taxes Paid (net of refund of taxes)		(11,986.46)		(7,689.80)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)		**6,271.91**		**(2,683.60)**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure)	(7,664.07)		(11,603.52)	
Proceeds from sale of fixed assets	20,418.57		1,366.64	
Advance against sale of fixed assets	-		190.94	
Payment for investments in subsidiaries	(18.55)		-	
Payment for investments in an associate	-		(0.49)	
Loans given to a subsidiary	(4,015.18)		(56.67)	
Loans repaid by a subsidiary	267.29		276.36	
Interest received	228.39		712.50	
Dividend received from subsidiaries and a Jointly Controlled Entity	3,510.95		7,023.32	
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	(34.07)		(76.48)	
		12,693.33		(2,167.40)
NET CASH FLOW FROM/ (USED IN) INVESTING ACTIVITIES (B)		**12,693.33**		**(2,167.40)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	7,500.00		7,800.00	
Repayment of other than short-term borrowings	(10,794.09)		(15,638.97)	

CASH FLOW STATEMENT

for the year ended March 31, 2015

Particulars	Current Year ₹ in lacs	Current Year ₹ in lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
Net increase / (decrease) in short term borrowings	14,268.53		40,059.17	
Finance cost	(24,633.75)		(23,245.37)	
Dividends paid (including tax on distributed profit)	(1,746.06)		(1,495.70)	
		(15,405.37)		7,479.13
NET CASH FLOW FROM/ (USED IN) FINANCING ACTIVITIES (C)		**(15,405.37)**		**7,479.13**
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		**3,559.87**		**2,628.13**
Cash and cash equivalents at the beginning of the year		7,883.14		5,254.13
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		(0.05)		0.88
Cash and Cash Equivalents at the end of the year		**11,442.96**		**7,883.14**
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		12,613.33		9,023.97
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements - Balances with banks in earmarked accounts		1,170.37		1,140.83
Cash and Cash Equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 17 [Refer Footnote (ii)]		**11,442.96**		**7,883.14**
Footnotes:				
(i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements.				
(ii) Cash and cash equivalents* at the end of the year comprises:				
(a) Balances with banks				
(i) In current accounts		3,465.08		6,059.89
(ii) In deposit accounts		360.63		123.16
(b) Cheques on hand		698.03		1,007.91
(c) Cash on hand		221.18		302.95
(d) Remittance in transit		6,698.04		389.23
		11,442.96		**7,883.14**
*includes cash and cash equivalents of jointly controlled operations referred to in Note 40 (c) to the standalone financial statements.				
(iii) Previous year's figures have been regrouped to conform with those of the current year.				

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Place : Mumbai
Date : May 06, 2015

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

NOTES
forming part of the financial statements

Note 1: SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting and preparation of the financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Uses of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C. Revenue Recognition:

i. Sale of goods is recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sale of services is recognised when services are rendered. Sales exclude sales tax/ value added tax and service tax charged to the customers.

ii. Revenue from turnkey contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred.

Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Company.

iii. Revenue from turnkey contracts awarded to a Jointly Controlled Entity at Saudi Arabia but executed by the Company under the arrangement with the Joint Venture Partner [being in substance in the nature of Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], is recognised on the same basis as similar turnkey contracts independently executed by the Company.

iv. Share in profit/loss of the projects undertaken by the jointly controlled entities, is accounted on its appropriation to the venturers as per the terms of the respective joint venture contracts.

v. Dividend income is accounted as and when the right to receive the same is established.

vi. Interest income is accounted on time proportion basis.

D. Inventories:

i. Raw materials, work-in-progress, finished goods and stores and erection materials are valued at the lower of cost and net realisable value (NRV). Cost of purchased material is determined on the weighted average basis. Cost of Tools and Dies is amortised over its estimated useful life. Scrap is valued at net realisable value.

ii. 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.

E. Fixed Assets:

Fixed assets are stated at cost of acquisition or construction net of impairment loss, if any less accumulated depreciation/ amortisation. Cost comprises of purchase/ acquisition price, non-refundable taxes and any directly attributed cost of bringing the asset to its working condition for its intended use. Financing cost on borrowings for acquisition or construction of qualifying fixed assets, for the period upto the date of acquisition of fixed assets or when the assets are ready to be put in use/ the date of commencement of commercial production, is included in the cost of fixed assets.

NOTES

forming part of the financial statements

Fixed assets retired from active use and held for sale are stated at the lower of their net book value and net realisable value and are disclosed separately.

Assessment of indication of impairment of an asset is made at the year end and impairment loss, if any, is recognised.

F. Depreciation/ Amortisation:

i. Tangible Assets:

a) Leasehold land is amortised over the remaining period of the lease.

b) Cost of buildings of semi-permanent nature is amortised over 3 years.

c) Depreciation on other tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under 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.

Plant and Equipment/ Office Equipment – 7 to 23 years, Buildings-40 years, and Vehicles – 7 years.

ii. Intangible Assets:

a) Brand is amortised over twenty years being the useful life certified by the independent valuer.

In terms of the Scheme of Arrangement sanctioned in the year 2007-08, out of the balance in 'Reserve for Amortisation of Brand Account' an amount equal to annual amortisation of brand is credited to the Statement of Profit and Loss each year so that overall depreciation and amortisation gets reduced to that extent. Accordingly, ₹ 157 lacs being the amortisation of brand during the year (*Previous Year ₹ 1,200 lacs*) have been credited to the Statement of Profit and Loss by netting it with Depreciation and amortisation expense.

b) Computer softwares are amortised on straight line method over the estimated useful life ranging between 4-6 years.

G. Investments:

Long-term investments are stated at cost. Provision is made for diminution, other than temporary, in the value of investments.

H. Trade receivables as at the year end under the contracts are disclosed net of advances received relating to the respective contracts for work to be done and outstanding at the year end.

I. Foreign Currency Transactions:

i. **Foreign branches (Integral):**

a) Fixed assets are translated at the rates on the date of purchase/acquisition of assets and inventories are translated at the rates that existed when costs were incurred.

b) All foreign currency monetary items outstanding at the year end are translated at the year end exchange rates. Income and expenses are translated at average rates of exchange and depreciation and amortisation is translated at the rates referred to in (i) (a) above for fixed assets.

c) The resulting exchange gains and losses are recognised in the Statement of Profit and Loss.

ii. **Jointly Controlled Operations (Non Integral):**

Assets and liabilities, both monetary and non monetary are translated at the year end exchange rates, income and expense items are translated at the average rate of exchange and all resulting exchange differences are accumulated in a Foreign Currency Translation Reserve.

iii. **Other foreign currency transactions:**

a) Foreign currency transactions during the year are recorded at the rates of exchange prevailing at the date of transaction. Exchange gains or losses realised and arising due to translation of the foreign currency monetary items outstanding at the year end are accounted in the Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost.

NOTES
forming part of the financial statements

b) Forward Exchange Contracts:

In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium or discounts are amortised as expense or income over the life of the contract.

Exchange differences on such contracts are recognised in the Statement of Profit and Loss in the year in which the exchange rate changes.

Profit or loss arising on cancellation or renewal of such forward exchange contracts are recognised as income or as expense for the year.

J. Excise duty payable is accounted on production of finished goods.

K. Employee Benefits:

a) Defined Contribution Plans:

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined Benefit Plan / Long Term employee benefits:

The Company's liability towards defined benefit plan (viz. gratuity) and long term employee benefits (viz. long term compensated absences) is determined on the basis of year end actuarial valuation done by an independent actuary. The actuarial gains or losses determined by the actuary are recognised in the Statement of Profit and Loss as income or expense.

c) Short term employee benefits:

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service.

L. Leases

a) Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

M. Taxation:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

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Minimum Alternative Tax (MAT) credit asset is recognised only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. The carrying amount of MAT credit asset is reviewed at each Balance Sheet date.

N. Receivables and loans and advances identified as doubtful of recovery are provided for.

O. Provisions and contingencies :

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

P. Derivative Contracts and Hedge Accounting

a) Derivative Contracts:

Derivative instrument are used to hedge risk associated with foreign currency fluctuations, interest rates and commodity prices. The Company enters into derivative contracts in the nature of foreign currency swaps, currency options, forward contracts with an intention to hedge its existing assets and liabilities, firm commitments and highly probable transactions in foreign currency. Derivative contracts which are closely linked to the existing assets and liabilities are accounted as per the policy stated for Foreign currency transactions and translations. The Company does not enter into any derivative contracts for speculations or trading purposes.

Derivative contracts designated as a hedging instrument for highly probable forecast transactions are accounted as per the policy stated for Hedge Accounting.

All other derivative contracts are marked-to-market and losses are recognised in the Statement of Profit and Loss. Gains arising on the same are not recognised, until realised, on grounds of prudence.

b) Hedge Accounting:

With effect from current year, the Company has adopted Accounting Standard (AS) 30 – "Financial Instrument – Recognition and Measurement" issued by the Institute of Chartered Accountants of India for the limited purpose of hedge accounting. To designate contract as an effective hedge, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk.

The Company designates certain non-derivative financial instruments as hedging instrument for hedging foreign currency risk. Changes in the fair value of financial instrument that are designated and qualify as cash flow hedges and are determined to be an effective hedge are recognized in the 'Hedging Reserve Account' under Reserve and Surplus, net of applicable deferred taxes.

The gain or losses on the contracts which do not qualify for hedge accounting or considered as ineffective hedge transactions are charged to Statement of Profit and Loss. Amounts accumulated in the Hedging Reserve Account are reclassified to the Statement of Profit and Loss in the same periods when the hedged item affects profit and loss.

Q. Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or turnkey contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle.

R. Cash and cash equivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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S. Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

T. Basis of Incorporation of integral foreign operations:

Figures in respect of the Company's overseas branches in Afghanistan, Algeria, Bangladesh, Congo, Egypt, Ethiopia, Georgia, Ghana, Indonesia, Ivory Coast, Kazakhstan, Kenya, Laos, Lebanon, Libya, Malaysia, Nepal, Nigeria, Oman, Philippines, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, United Arab Emirates and Zambia have been incorporated on the basis of Financial Statements (the Branch Returns) audited by the auditors of the respective branches. Further, in respect of overseas branches in Bhutan, Cameroon, Kuwait and Namibia, the financial statements have been prepared and audited in India.

Particulars	Current Year		Previous Year	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
NOTE 2 - SHARE CAPITAL				
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	550,000,000	11,000.00	550,000,000	11,000.00
Preference Shares:				
Redeemable Preference Shares of ₹ 100 each	1,500,000	1,500.00	1,500,000	1,500.00
		12,500.00		**12,500.00**
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	5,141.77	257,088,370	5,141.77
	257,088,370	**5,141.77**	257,088,370	**5,141.77**

2.1 Reconciliation of number of Equity Shares and amount outstanding at the beginning and at the end of the year

Particulars	Current Year		Previous Year	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Equity Shares:				
Outstanding at the beginning of the year	257,088,370	5,141.77	257,088,370	5,141.77
Add : Shares issued during the year	-	-	-	-
Outstanding as at the end of the year	257,088,370	**5,141.77**	257,088,370	**5,141.77**

2.2 Shareholders holding more than 5% Equity Shares in the Company as at the end of the year

Sr. No.	Name of the shareholder	Current Year		Previous Year	
		Nos. of Shares Held	% of Shares held	Nos. of Shares Held	% of Shares held
1	Swallow Associates LLP *	69,546,616	27.05	69,546,616	27.05
2	Summit Securities Limited *	26,974,152	10.49	26,974,152	10.49
3	HDFC Trustee Company Limited A/c (AAATH1809A)	23,110,249	8.99	23,282,899	9.06
4	Instant Holdings Limited*	16,592,755	6.45	16,223,856	6.31
5	Reliance Capital Trustee Co. Ltd. (AAATR0090B)	12,605,080	4.90	13,553,280	5.27
6	Life Insurance Corporation of India (AAACL0582H)	8,145,899	3.17	15,213,235	5.92

*Shares held in Multiple Folios have been combined.

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2.3. 10,365,340 (Previous Year 10,365,340) Equity Shares of ₹ 2 each were allotted as fully paid up pursuant to contracts without payment being received in cash, during the period of five years immediately preceding the balance sheet date.

Particulars	Current Year Nos.	Previous Year Nos.
Equity Shares of ₹ 2 each allotted in 2010-11 to the shareholders of the erstwhile RPG Cables Limited pursuant to the Scheme of Amalgamation.	**10,365,340**	10,365,340

2.4 3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

2.5 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.

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 3 - RESERVES AND SURPLUS		
(a) Capital Reserve		
Balance as per last Balance Sheet	8,497.87	8,497.87
(b) Capital Redemption Reserve		
Balance as per last Balance Sheet	1,427.95	1,427.95
(c) Securities Premium Account		
Balance as per last Balance Sheet	8,674.89	8,674.89
(d) Debenture Redemption Reserve		
Balance as per last Balance Sheet	-	-
Add :Transferred from Surplus in Statement of Profit and Loss	357.88	-
	357.88	-
(e) Reserve for Amortisation of Brand Account [Note 1(F)(ii)(a)]		
Balance as per last Balance Sheet	157.00	1,357.00
Less : Transferred to Statement of Profit and Loss	157.00	1,200.00
	-	157.00
(f) Foreign Currency Translation Reserve [Note 1(I)(ii)]		
Balance as per last Balance Sheet	15.24	11.86
Add: Credited/(Debited) during the year on translation of financial statements of Non Integral jointly controlled operation	(8.82)	3.38
	6.42	15.24
(g) General Reserve		
Balance as per last Balance Sheet	9,791.81	8,935.96
Add : Transferred from surplus in Statement of Profit and Loss	1,107.35	855.85
	10,899.16	9,791.81
(h) Hedging Reserve		
Balance as per last Balance Sheet	-	-
Less : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year [(Net of deferred tax of ₹ 60.20 lacs *(Previous Year - ₹ NIL)]*	116.92	-
	(116.92)	-
(i) Surplus in Statement of Profit and Loss		
Opening Balance	69,513.25	63,615.25
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life [Net of deferred tax of ₹ 102.48 lacs *(Previous Year - ₹ NIL)]* (Refer Note 45)	199.01	-
Add : Profit for the year	11,073.50	8,558.53
Less : Transferred to Debenture Redemption Reserve	357.88	-
Less : Transferred to General Reserve	1,107.35	855.85
Less : Proposed Dividend on Equity Shares	2,313.80	1,542.53
Less : Tax on distributed profits [Net of write back of excess provision of ₹ 62.11 lacs pertaining to previous year *(Previous Year - ₹ NIL)]*	408.92	262.15
	76,199.79	**69,513.25**
	105,947.04	**98,078.01**

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 4 - LONG-TERM BORROWINGS		
I - Debentures		
Secured (Refer Note 4.1)	7,500.00	-
II - Term loans		
(a) From banks		
Secured (Refer Note 4.2)	14,440.13	22,069.32
Less : **Current maturities of long-term debt (Refer Note 9)**	(5,175.13)	(7,628.41)
	9,265.00	14,440.91
(b) From others parties		
Secured (Refer Note 4.3)	6,968.56	10,133.46
Less : **Current maturities of long-term debt (Refer Note 9)**	(2,894.65)	(3,164.90)
	4,073.91	6,968.56
	20,838.91	**21,409.47**

4.1 750, 11.65% Privately Placed, Secured, Redeemable Non-Convertible Debentures of ₹ 10 lacs each aggregating ₹ 7,500 lacs *(Previous Year - NIL)* are secured by an equitable mortgage on land situated at Cable factory, Mysore and hypothecation of all movable fixed assets situated at Cable factory, Mysore. 300 Debentures of ₹ 10 lacs each aggregating ₹ 3,000 lacs are repayable on June 15, 2018 and 450 Debentures of ₹ 10 lacs each aggregating to ₹ 4,500 lacs are repayable on June 14, 2017.

4.2 Term loans from banks :

(a) ₹ **2,798.50 lacs** *(Previous Year ₹ 5,597.00 lacs)* secured by first charge on movable assets of Telecom Division including Telecom Towers (referred to in Note 46), both present and future. The term loan is repayable in remaining 4 equal quarterly installments by January 25, 2016 and carries interest rate of 7.25% p.a.

(b) ₹ **NIL** *(Previous Year ₹ 2,499.56 lacs)* secured by way of first charge on fixed assets situated at Mysore.

(c) ₹ **564.13 lacs** *(Previous Year ₹ 1,707.76 lacs)* secured by first charge on movable fixed assets i.e. construction equipment pertaining to the Transmission, Distribution and Railway business situated at various project sites in India, both present and future. The term loan is repayable in remaining 2 equal quarterly installments by September 27, 2015 and the present interest rate is 10.50% p.a.

(d) ₹ **6,327.50 lacs** *(Previous Year ₹ 7,265.00 lacs)* secured by first charge on land, building and plant & machinery situated at Jabalpur and Nagpur factories, both present and future. The term loan is repayable in remaining 14 quarterly structured installments by September 28, 2018 and the present interest rate is 11.10% p.a.

(e) ₹ **4,750.00 lac**s *(Previous Year ₹ 5,000.00 lacs)* secured by first charge on land, building and plant & machinery situated at Jaipur factory, both present and future. The term loan is repayable in remaining 16 quarterly structured installments by March 31, 2019 and the present interest rate is 11.70% p.a.

4.3 Term loans from other parties includes :

(a) ₹ **807.69 lacs** *(Previous Year ₹ 1,884.62 lacs)* secured by first charge over the fixed assets pertaining to Tower Testing Station situated at Nagpur both present and future. The term loan is repayable in remaining 3 equal quarterly installments by December 09, 2015. The term loan of ₹ 461.54 lacs and ₹ 346.15 lacs carry interest of 11.91% p.a. and 12.25% p.a. resepectively.

(b) ₹ **NIL** *(Previous Year ₹ 1.02 lacs)* secured by hypothecation of vehicles.

(c) ₹ **6,160.87 lacs** *(Previous Year ₹ 8,247.82 lacs)* secured by exclusive first charge on the project assets including immovable properties at Cable factory, Vadodara both present and future. The term loan is repayable in remaining 12 equal quarterly installments by March 20, 2018 and the present interest rate is 11.36% p.a.

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 5 - OTHER LONG-TERM LIABILITIES		
Liability towards claims	1,000.00	1,000.00
	1,000.00	**1,000.00**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 6 - LONG-TERM PROVISIONS		
Provision for employee benefits		
- Compensated absences	1,087.02	990.37
	1,087.02	**990.37**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 7 - SHORT-TERM BORROWINGS				
Secured				
(i) Loans repayable on demand				
- From banks (Refer Note 7.1)		68,869.11		84,315.70
(ii) Other short term borrowings				
- From banks [Refer Note 7.2 (a)]	15,234.04		20,811.06	
- From other parties [Refer Note 7.2 (b)]	41,141.18		5,000.00	
		56,375.22		25,811.06
		125,244.33		**110,126.76**

7.1 Loans repayable on demand from banks :

(a) ₹ **52,086.63 lacs** *(Previous Year ₹ 70,407.86 lacs)* secured by first charge by hypothecation of all the present and future current assets excluding those covered under Note 4.2 (a) above and first charge on flat situated at Juhu, Mumbai of the Company and second charge created on the Company's fixed assets situated at Jaipur, Jabalpur & Nagpur factories. The present interest rates are in the range of 10.75% to 14.25% p.a.

(b) ₹ **12,735.79 lacs** *(Previous Year ₹ 10,056.86 lacs)* guaranteed by banks, which in turn is secured by security, stated against Note 7.1 (a) above. The present interest rates are in the range of 3.21% to 3.32% p.a.

(c) ₹ **4,046.69 lacs** *(Previous Year ₹ 3,850.98 lacs)* secured by assignment of certain overseas book debts. The present interest rates are in the range of 3.31% to 3.65% p.a.

7.2 Other short-term borrowings

(a) From Banks

(i) ₹ **12,109.29 lacs** *(Previous Year ₹ 13,026.66 lacs)* secured by security stated against Note 7.1 (a) above. The present interest rates are in the range of 1.44% to 2.71% p.a.

(ii) ₹ **3,124.75 lacs** *(Previous Year ₹ 7,784.40 lacs)* secured by security stated against Note 7.1 (b) above. The present interest rates are in the range of 3% to 3.50% p.a.

(b) From other parties

(i) ₹ **15,141.18 lacs** *(Previous Year ₹ 5,000 lacs)* secured by security stated against Note 7.1 (a) above. The loan of ₹ 5,047.65 lacs carries interest of 3.08% p.a, loan of ₹ 5,093.53 lacs carries interest of 3.32% p.a and loan of ₹ 5,000 lacs carries interest of 10.75% p.a.

(ii) ₹ **26,000.00 Lacs** *(Previous Year ₹ NIL)* being commercial paper issued against standby facilities from certain banks which in turn is secured by security stated against Note 7.1 (a) above. The present interest rates are in the range of 8.88% to 9.60% p.a. Maximum balance outstanding any time during the year is ₹ 31,000 lacs *(Previous Year ₹ 2,500 lacs)*

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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 8 - TRADE PAYABLES		
Trade payables (including acceptances) {Refer Note 41}	286,153.18	286,015.07
	286,153.18	**286,015.07**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 9 - OTHER CURRENT LIABILITIES				
(a) Current maturities of long-term debt (Refer Note 4)		8,069.78		10,793.31
(b) Interest accrued but not due on borrowings		1,044.49		405.82
(c) Advances from customers		11,542.73		19,973.05
(d) Unpaid / unclaimed dividends #		202.31		205.79
(e) Other payables				
- Statutory remittances (contribution to PF and ESIC, witholding tax, Excise Duty, VAT, Service Tax, etc.)	4,520.12		4,575.20	
- Gross amount due to customers for long term contracts	22,694.59		20,005.07	
- Interest accrued on trade payables and customer advances	635.58		694.74	
- Payable on purchase of fixed assets {Refer Note 41}	1,200.33		2,255.87	
- Mark to market loss on forward and commodity contracts	53.10		1,914.56	
- Directors' commission	76.38		191.30	
- Advances against fixed assets held for sale	940.94		940.94	
- Others	61.22		103.18	
		30,182.26		30,680.86
		51,041.57		**62,058.83**

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.

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 10 - SHORT-TERM PROVISIONS				
(a) Provision for employee benefits				
- Compensated absences		118.69		118.84
(b) Provision - others				
- Proposed equity dividend	2,313.80		1,542.53	
- Tax on distributed profits	471.03		262.15	
- Tax provisions less payments	1,208.72		1,932.76	
- Provision for expected loss on long term contracts	6,940.29		7,113.12	
		10,933.84		10,850.56
		11,052.53		**10,969.40**

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NOTE 11- FIXED ASSETS

(₹ in Lacs)

Description	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT	
	As at March 31, 2014	Additions during the year	Deductions during the year	Reclassified as held for sale	As at March 31, 2015	As at March 31, 2014	For the year	Deductions during the year	Eliminated on reclassification as held for sale	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
Tangible Assets													
(a) Land													
- Freehold	6,589.87	-	-	-	6,589.87	-	-	-	-	-	-	6,589.87	6,589.87
Previous Year	12,902.87	-	-	6,313.00	6,589.87	-	-	-	-	-	-	6,589.87	12,902.87
- Leasehold*	4,975.37	24.06	-	-	4,999.43	651.75	77.47	-	-	-	729.22	4,270.21	4,323.62
Previous Year	4,975.37	-	-	-	4,975.37	574.54	77.21	-	-	-	651.75	4,323.62	4,400.83
Land (Total)	11,565.24	24.06	-	-	11,589.30	651.75	77.47	-	-	-	729.22	10,860.08	10,913.49
Previous year	17,878.24	-	-	6,313.00	11,565.24	574.54	77.21	-	-	-	651.75	10,913.49	17,303.70
(b) Buildings	12,995.58	905.15	114.94	-	13,785.79	2,501.65	592.84	68.17	-	14.48	3,040.80	10,744.99	10,493.93
Previous Year	11,199.54	2,016.38	63.04	157.30	12,995.58	2,133.51	455.88	60.40	27.34	-	2,501.65	10,493.93	9,066.03
(c) Plant and Equipment	58,505.07	3,602.82	741.92	10,952.62	50,413.35	15,601.92	4,203.59	389.32	3,390.66	59.36	16,084.89	34,328.46	42,903.15
Previous Year	53,489.78	6,752.24	1,696.47	40.48	58,505.07	12,148.67	4,211.47	737.15	21.07	-	15,601.92	42,903.15	41,341.11
(d) Furniture and Fixtures	1,405.45	32.42	19.08	2.77	1,416.02	457.66	148.49	10.73	1.00	1.43	595.85	820.17	947.79
Previous Year	1,176.72	242.28	9.93	3.62	1,405.45	369.23	94.79	2.86	3.50	-	457.66	947.79	807.49
(e) Vehicles	2,510.18	1,036.89	104.11	-	3,442.96	1,200.34	289.28	65.52	-	47.67	1,471.77	1,971.19	1,309.84
Previous Year	2,461.32	146.97	98.10	0.01	2,510.18	1,078.81	186.35	64.81	0.01	-	1,200.34	1,309.84	1,382.51
(f) Office Equipment	709.77	165.09	23.56	1.97	849.33	220.17	160.91	14.55	1.77	99.07	463.83	385.50	489.60
Previous Year	575.69	169.21	19.37	15.76	709.77	198.23	43.03	7.48	13.61	-	220.17	489.60	377.46
(g) Computers	1,713.44	165.54	20.83	1.95	1,856.20	1,016.43	287.97	19.16	1.87	79.48	1,362.85	493.35	697.01
Previous Year	1,479.15	249.87	9.75	5.83	1,713.44	845.33	183.09	7.92	4.07	-	1,016.43	697.01	633.82
Sub Total - A	**89,404.73**	**5,931.97**	**1,024.44**	**10,959.31**	**83,352.95**	**21,649.92**	**5,760.55**	**567.45**	**3,395.30**	**301.49**	**23,749.21**	**59,603.74**	**67,754.81**
Previous Year (Tangible Assets)	88,260.44	9,576.95	1,896.66	6,536.00	89,404.73	17,348.32	5,251.82	880.62	69.60	-	21,649.92	67,754.81	70,912.12
Intangible Assets													
(a) Brand	24,000.00	-	-	-	24,000.00	10,800.00	1,200.00	-	-	-	12,000.00	12,000.00	13,200.00
Previous Year	24,000.00	-	-	-	24,000.00	9,600.00	1,200.00	-	-	-	10,800.00	13,200.00	14,400.00
(b) Computers	1,781.42	336.39	-	-	2,117.81	1,046.01	236.79	-	-	-	1,282.80	835.01	735.41
Previous Year	1,510.90	270.52	-	-	1,781.42	756.08	289.93	-	-	-	1,046.01	735.41	754.82
Sub Total - B	**25,781.42**	**336.39**	**-**	**-**	**26,117.81**	**11,846.01**	**1,436.79**	**-**	**-**	**-**	**13,282.80**	**12,835.01**	**13,935.41**
Previous Year (Intangible Assets)	25,510.90	270.52	-	-	25,781.42	10,356.08	1,489.93	-	-	-	11,846.01	13,935.41	15,154.82
Total	**115,186.15**	**6,268.36**	**1,024.44**	**10,959.31**	**109,470.76**	**33,495.93**	**7,197.34**	**567.45**	**3,395.30**	**301.49**	**37,032.01**	**72,438.75**	**81,690.22**
Previous Year (Total)	113,771.34	9,847.47	1,896.66	6,536.00	115,186.15	27,704.40	6,741.75	880.62	69.60	-	33,495.93	81,690.22	86,066.94
Capital work-in-progress (at cost)												1,241.69	901.55
Grand Total												**73,680.44**	**82,591.77**

*A plot of leasehold land stated to measure 41 bighas and 1 biswas per deed dated January 17, 1968, was found short by 24 bighas and 18 biswas on actual measurements, for the possession of which the suit was filed on October 19, 1976 in the District Court against the vendors in occupation of the adjacent land. On dismissal of the suit, an appeal has been preferred in the Rajasthan High Court on December 7, 1998, against the order of the District Court.

KEC

NOTES
forming part of the financial statements

Particulars			Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 12 - NON-CURRENT INVESTMENTS				
Trade				
Investment in Equity Instruments (At cost)				
Unquoted				
(a)	**Subsidiaries - wholly owned**			
	10,000,000	Fully paid Ordinary Shares of Naira 1 each of RPG Transmission Nigeria Limited	34.52	34.52
	1,000	Fully paid Equity Shares of AED 1,000 each of KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates	118.65	118.65
	600,000	Fully paid Ordinary Shares of US $ 1 each of KEC Investment Holdings, Mauritius	272.27	272.27
	1,000,000	Fully paid Equity Shares of ₹ 10 each of Jay Railway Projects Private Limited	100.00	100.00
	80,000	*(Previous Year 50,000)* Fully paid Ordinary Shares of US $ 1.00 each of KEC Global, Mauritius	44.29	25.74
	221,022	Fully paid Equity Shares of ₹ 10 each of KEC Power India Private Limited	86.29	86.29
			656.02	**637.47**
(b)	**Associates**			
	4,900	Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association	0.49	0.49
(c)	**Joint Ventures**			
	147,000	Fully paid Shares of Saudi Riyal 10 each of Al-Sharif Group and KEC Ltd Company, Saudi Arabia (formerly known as Faiz Abdul Hakim Al-Sharif Group and KEC Company Ltd) @	-	-
			656.51	**637.96**
Aggregate book value of quoted investments and market value thereof			-	-
Aggregate book value of unquoted investments			656.51	637.96
Aggregate provision for diminution in value of investments			-	-

@ 'NIL' realisable value was considered by the Company for this investment when it was acquired as a part of the Power Transmission Business under the Composite Scheme of Arrangement, in an earlier year.

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Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 13 - LONG-TERM LOANS AND ADVANCES				
(a) Capital advances - Unsecured, considered good		125.29		125.26
(b) Security deposits - Unsecured				
(i) Considered good	770.39		1,001.78	
(ii) Doubtful	87.89		32.24	
	858.28		1,034.02	
Less: Allowance for bad and doubtful security deposits	87.89		32.24	
		770.39		1,001.78
(c) Loans and advances to related party - Unsecured, considered good				
- Jay Railway Projects Private Limited - subsidiary company (Refer Note 13.1 and 47)		863.01		1,130.30
(d) Other loans and advances -				
(i) Unsecured, considered good				
- Excise duty recoverable from Government authorities	2,339.68		2,339.68	
- VAT Credit / WCT receivable	14,118.21		8,347.91	
- Tax payments less provisions	9,869.66		4,601.72	
- Prepaid expenses	377.83		907.38	
- Service tax cenvat receivable	758.84		886.36	
	27,464.22		17,083.05	
(ii) Doubtful - Service tax receivable	130.08		130.08	
Less: Allowance for bad and doubtful receivable	130.08		130.08	
	-		-	
		27,464.22		17,083.05
		29,222.91		**19,340.39**

13.1 Disclosure required by clause 32 of the Listing Agreement :

(i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

Name of Subsidiary	Loans (interest free) outstanding as on March 31, 2015 ₹ in Lacs	Maximum amount outstanding during the year ₹ in Lacs
Jay Railway Projects Private Limited	**863.01**	**1,130.30**
Previous Year	*1,130.30*	*1,349.99*

(ii) Jay Railway Projects Private Limited does not have investment in any Company.

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Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 14 - OTHER NON-CURRENT ASSETS				
(a) Long-term trade receivables - Unsecured				
(i) Considered good	7,501.75		7,995.75	
(ii) Doubtful	5,082.82		4,218.37	
	12,584.57		12,214.12	
Less: Allowance for bad and doubtful debts	5,082.82		4,218.37	
		7,501.75		7,995.75
(b) Others				
(i) Export benefits receivable	3,427.26		2,611.00	
(ii) Balances with banks held as margin money or security against the borrowings, guarantees and other commitments which have a maturity period of more than 12 months from the Balance Sheet date	64.92		60.39	
(iii) Other receivables [Refer Note 28(i)(a)(8)]	5,888.90		-	
		9,381.08		2,671.39
		16,882.83		**10,667.14**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 15 - INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)				
(a) Raw materials				
(i) in stock	12,101.70		10,168.55	
(ii) goods-in-transit	1,762.11		522.81	
		13,863.81		10,691.36
(b) Work-in-progress (Refer Note 15.1)		5,079.73		5,879.21
(c) Finished goods		7,104.57		5,997.72
(d) Stores and spares		652.77		526.50
(e) Dies and tools		8,222.99		8,065.78
(f) Erection materials		978.97		849.72
(g) Scrap		1,295.87		1,324.12
		37,198.71		**33,334.41**

15.1 Details of inventory of work-in-progress :

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Towers and structurals	1,969.88	2,233.73
Cables	3,109.85	3,645.48
	5,079.73	**5,879.21**

NOTES
forming part of the financial statements

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 16 - TRADE RECEIVABLES		
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment - Unsecured, considered good	35,256.23	31,454.66
(b) Other trade receivables - Unsecured, considered good	287,400.59	302,117.36
	322,656.82	**333,572.02**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 17 - CASH AND CASH EQUIVALENTS				
(a) Balances with banks				
(i) In current accounts		3,465.08		6,059.89
(ii) In deposit accounts (Refer Notes 17.1 and 17.2)		360.63		123.16
(iii) In earmarked accounts				
Unpaid dividend accounts	202.31		205.79	
Balances with banks held as margin money or security against the borrowings, guarantees and other commitments (Refer Note 17.1)	968.06		935.04	
		1,170.37		1,140.83
(b) Cheques on hand		698.03		1,007.91
(c) Cash on hand		221.18		302.95
(d) Others - Remittances in Transit		6,698.04		389.23
		12,613.33		**9,023.97**
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		**11,442.96**		**7,883.14**

17.1 Balances with banks includes deposits amounting to ₹ **153.86 lacs** *(Previous Year ₹ 8.92 lacs)* and margin money or security against the borrowings, guarantees and other commitments ₹ **101.01 lacs** *(Previous Year ₹ 240.78 lacs)* which have an original maturity of more than 12 months.

17.2 Balances with banks includes deposits amounting to ₹ **5.92 lacs** *(Previous Year ₹ 5.16 lacs)* which have a maturity of more than 12 months from the Balance Sheet date.

NOTES

forming part of the financial statements

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 18 - SHORT-TERM LOANS AND ADVANCES				
a) Loans and advances to related parties - Unsecured, considered good				
Subsidiary :				
- KEC Investment Holdings Mauritius (Refer Note 18.1)	4,077.95		-	
Joint Ventures :				
- EJP KEC Joint Venture, South Africa (Refer Note 43)	18,767.19		17,174.40	
- Less: Allowance for doubtful loans and advances	5,744.22		4,581.00	
	13,022.97		12,593.40	
		17,100.92		12,593.40
b) Others - Unsecured, considered good, unless otherwise stated				
- Advances to suppliers	13,268.83		10,487.00	
Less: Allowance for doubtful advances	1,250.00		-	
	12,018.83		10,487.00	
- Employee advances	526.01		774.35	
- Cenvat / service tax input credit receivable	5,423.61		3,000.73	
- Sales tax / excise duty / entry tax paid under protest	1,926.76		1,634.23	
- Excise duty recoverable from Government authorities	3,349.19		1,795.41	
- VAT Credit / WCT receivable	4,206.36		5,369.65	
- Tax payments less provisions	1,232.76		2,508.36	
- Prepaid expenses	5,977.92		4,454.16	
- Sundry deposits	1,922.53		2,000.00	
- Others	154.05		360.14	
		36,738.02		32,384.03
		53,838.94		**44,977.43**

18.1 Disclosure required by clause 32 of the Listing Agreement :

(i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

Name of Subsidiary	Loans (interest bearing) outstanding as on March 31, 2015 ₹ in Lacs	Maximum amount outstanding during the year ₹ in Lacs
KEC Investment Holdings Mauritius LLC	**4,077.95**	4,077.95
Previous Year	-	-

(ii) KEC Investment Holdings Mauritius LLC has no investment in the Company. It has investment of 1 Ordinary Share of USD 50 in KEC International Holdings LLC, USA, its wholly owned subsidiary.

NOTES
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Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 19 - OTHER CURRENT ASSETS		
Gross amount due from customers for long term contracts	13,381.90	15,638.15
Unbilled revenue	39,444.86	34,868.97
Interest receivable on income tax refund	302.33	-
Contractually reimbursable expenses	4,306.52	4,475.08
Export benefits	2,516.46	3,809.80
Insurance claims	12.39	16.32
Interest accrued on fixed deposits	18.54	31.19
Fixed assets held for sale (Refer Note 19.1)	7,809.01	6,711.40
Other receivables [Refer Note 28(i)(a)(8)]	-	3,402.00
	67,792.01	**68,952.91**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 19.1 - DETAILS OF FIXED ASSETS HELD FOR SALE		
Land		
- Freehold (Refer Note 44)	-	6,313.00
- Leasehold	245.00	245.00
Buildings	-	129.96
Plant and Equipment (Refer Note 46)	7,561.96	19.41
Furniture and Fixtures	1.77	0.12
Office Equipment	0.20	2.15
Computers	0.08	1.76
	7,809.01	**6,711.40**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 20 - REVENUE FROM OPERATIONS				
(a) Sale of products				
-Towers and structurals	34,036.13		45,599.13	
- Cables	93,805.91		65,960.18	
		127,842.04		**111,559.31**
(b) Turnkey contracts revenue				
-Transmission and distribution	487,730.43		509,017.03	
-Others	39,726.10		35,932.86	
		527,456.53		**544,949.89**
(c) Sale of services				
-Telecom - erection and management service	2,211.15		3,013.76	
-Tower testing and design revenue	5,518.65		3,382.59	
-Others	135.42		194.19	
		7,865.22		**6,590.54**
(d) Other operating revenues				
-Scrap sales	8,124.78		7,443.79	
-Export incentives	4,155.80		3,429.72	
-Others	2,715.21		985.52	
		14,995.79		**11,859.03**
		678,159.58		674,958.77
Less: Excise Duty		18,950.57		19,082.08
		659,209.01		**655,876.69**

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forming part of the financial statements

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 21 - OTHER INCOME				
(a) Interest Income		549.72		717.86
(b) Dividend income from long term investments				
- in Subsidiaries	365.45		1,167.61	
- in Jointly Controlled Entity	3,145.50		5,855.71	
		3,510.95		7,023.32
(c) Other non-operating income				
- Guarantee charges	118.98		109.01	
- Profit on fixed assets sold (net) (Refer Note 44)	13,495.18		279.03	
- Miscellaneous income	66.17		168.17	
		13,680.33		556.21
		17,741.00		**8,297.39**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 22 - COST OF MATERIALS CONSUMED		
Cost of materials consumed (Refer Note 22.1)	354,516.78	346,622.56
	354,516.78	**346,622.56**

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
22.1 - MATERIAL CONSUMED COMPRISE				
Tower and structurals		21,805.62		28,771.91
Steel		87,923.20		91,669.72
Zinc		13,758.56		12,418.06
Bolts and nuts		8,341.96		10,722.72
Copper		21,385.26		24,552.81
Conductors		53,982.72		49,077.19
Others		147,319.46		129,410.15
		354,516.78		**346,622.56**
	%		%	
Indigenous	78	275,364.26	65	224,538.51
Imported @	22	79,152.52	35	122,084.05
	100	**354,516.78**	**100**	**346,622.56**

@ Include items procured outside India for overseas projects/orders.

NOTES
forming part of the financial statements

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP		
Opening stock		
Finished goods	5,997.72	3,761.81
Work-in-progress	5,879.21	3,605.20
Scrap	1,324.12	525.20
	13,201.05	**7,892.21**
Less: Closing stock		
Finished goods	7,104.57	5,997.72
Work-in-progress	5,079.73	5,879.21
Scrap	1,295.87	1,324.12
	13,480.17	**13,201.05**
	(279.12)	**(5,308.84)**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 24- ERECTION & SUB-CONTRACTING EXPENSES		
Erection / construction material consumed	29,874.18	29,028.36
Stores consumed	7,346.28	5,260.77
Sub-contracting expenses	95,093.81	110,252.87
Power, fuel and water charges	4,114.57	3,083.71
Construction transport	13,828.54	8,760.66
Others	10,854.12	10,159.54
	161,111.50	**166,545.91**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 25 - EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	32,519.22	29,148.85
Contribution to provident fund and other funds (Refer Note 33)	1,650.92	1,448.64
Staff welfare expenses	1,514.95	1,444.89
Workmen's compensation	37.48	109.10
	35,722.57	**32,151.48**

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 26 - FINANCE COSTS		
Interest expense	24,793.83	22,733.93
Other borrowing costs	419.43	408.08
	25,213.26	**23,142.01**

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Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs	Previous Year ₹ in Lacs	Previous Year ₹ in Lacs
NOTE 27 - OTHER EXPENSES				
Tools, non-erection stores and maintenance spares		1,509.48		1,320.05
Power and fuel		3,944.26		3,610.43
Rent		3,512.96		3,340.04
Rates and taxes, excluding taxes on income (net)		11,161.84		12,927.70
Excise duty (Refer Note 27.1)		331.61		596.68
Insurance		2,921.67		2,914.96
Bank (guarantee, letter of credit and other) charges		6,104.41		6,612.83
Commission		2,792.82		7,258.12
Freight and forwarding (net)		7,434.36		6,561.59
Repairs to buildings		234.68		211.94
Repairs to plant and equipment		818.54		822.55
Repairs to other fixed assets		765.67		624.15
Travelling and conveyance		4,980.01		4,641.69
Payment to statutory auditors (net of service tax input credit, where applicable)				
- as auditors (for audit, limited reviews and audit of consolidated financial statements)	153.60		137.60	
- for taxation matters	22.00		16.00	
- for company law matters	-		0.35	
- for other services	18.10		16.05	
- for reimbursement of expenses	1.42		2.28	
		195.12		172.28
Professional fees (Refer Note 27.2)		5,376.28		4,390.83
Bad debts written off	5,295.52		3,215.04	
Less: Adjusted against allowance for bad and doubtful debts	96.34		599.31	
		5,199.18		2,615.73
Allowance for bad and doubtful debts, loans and advances (net)		3,429.66		8,275.66
Directors' fees		39.60		13.15
Net (gain)/loss on foreign currency transactions and translation		5,755.47		2,275.69
Miscellaneous expenses (Refer Note 27.3)		8,882.98		9,391.17
		75,390.60		**78,577.24**

27.1 : Excise duty shown above includes ₹ **79.94 lacs** *(Previous Year ₹ 354.48 lacs)* being excise duty related to the difference between the closing stock and opening stock of finished goods.

27.2 : Professional fees shown above include fees of ₹ **154.41 lacs** *(Previous Year ₹ 133.30 lacs)* paid to branch auditors and fees of ₹ **9.00 Lacs** *(Previous Year ₹ 9.00 Lacs)* paid to the cost auditors.

27.3 : Miscellaneous expenses shown above includes ₹ **39.50 lacs** *(Previous Year ₹ Nil)* being expenditure related to Corporate Social Responsibility, as per Section 135 of the Companies Act, 2013 (the Act) read with Schedule VII to the Act and ₹ **133.00 lacs** *(Previous Year ₹ Nil)* being contribution made for political party through an Electoral Trust.

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NOTE 28 – CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(i) Contingent Liabilities

(a) Claims against the Company not acknowledged as debts:

Sr. No.	Nature of Claims	Relating to various years comprise in the period	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Sales Tax /Value Added Tax*	1993-2013	9,093.46	
	(Tax/Penalty/Interest)	1993-2012		6,599.87
2	Excise Duty *	1994-2014	3,992.58	
	(Tax/Penalty/Interest)	1994-2014		3,408.22
3	Service Tax *	1998-2013	16,822.00	
	(Tax/Penalty/ Interest)	1998-2013		16,983.40
4	Entry Tax * (Tax/Penalty/Interest)	2001-2015	2,158.28	
		2001-2014		1,974.94
5(i)	Income Tax matters mainly in respect of allowance of depreciation etc. relating to Power Transmission Business acquired by the Company where Department is in appeal in the Supreme Court.	A.Y.2006-07	2,416.10	
		A.Y.2006-07		2,416.10
(ii)	Income Tax matters at overseas unit/s	2000-2013	5,903.96	
	and of joint venture	2002-2008		3,143.53
6	Customs Duty	1995-1996	60.14	
		1995-1996		60.14
7	Civil Suits	1993-2004	67.02	
		1993-2004		72.02
8	Claims including amounts withheld by the Customers of the Company		20,827.09	7,270.99
9	Demands of employees /subcontractors	Amount not determinable		

*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

b) Guarantees:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Guarantees given to banks for credit facilities extended / loans given to the wholly owned subsidiary companies / a joint venture ₹ **89,294.57 lacs** *(Previous Year ₹ 119,024.09 lacs)* in respect of facilities/loans outstanding at the year end	51,450.82	51,608.47
2	Bank guarantees provided by the Company to customers of the wholly owned subsidiary companies in connection with the respective contracts awarded/bids made	-	824.90
3	Performance guarantee provided by the banks to the customer of the wholly owned subsidiary company by utilising the Company's credit facilities with the banks	229.30	323.72

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c) **Other money for which Company is contingently liable:**

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Export Bills discounted/Purchased/ Financing by the banks	10,966.56	6,221.62
2	Contingent liability of Income Tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company	596.25	731.25

Footnote for Note 28 (i) - (a), (b) and (c) above:

Future ultimate outflow of resources embodying economic benefits in respect of the above matters are uncertain as it depends on the final outcome of the matters involved.

(ii) COMMITMENTS

Sr. No.	Particulars		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)		1,246.42	865.34
2	Other Commitments:			
	i)	Amount of future minimum lease payments under non-cancellable operating leases [Refer Note 36 (3) below]	259.65	734.21
	ii)	Derivative related commitments	Refer Note 29 (a) and (b) below	

NOTE 29 - THE DERIVATIVE INSTRUMENTS, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATIVE PURPOSE, OUTSTANDING AS AT MARCH 31, 2015 ARE AS FOLLOWS:

(a) Forward Exchange Contracts:

Currency	Buy/ Sell	Cross Currency	Foreign Currency (in lacs)	
			As at March 31, 2015	As at March 31, 2014
USD	Buy	INR	136.76	572.53
EUR	Buy	INR	-	42.44
EUR	Buy	USD	123.85	-

(b) Hedging Commodity related risks:

Commodity	Buy/ Sell	Quantity in MT	
		As at March 31, 2015	As at March 31, 2014
Copper	Buy	2,825	1,125.00
Aluminum	Buy	2,725	700.00

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(c) **The year end net foreign currency (FC) exposures* that have not been hedged by a derivative instrument are given below:**

Receivables:

Currency	As at March 31, 2015		As at March 31, 2014	
	FC in lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
AED	-	-	131.47	2,143.35
AFA	3.08	3.35	4,454.64	4,651.09
AUD	3.32	157.71	0.23	12.71
BDT	772.47	620.53	680.18	525.51
BTN	-	-	707.09	707.09
CAF	-	-	1,662.23	208.44
CAD	118.92	5,818.59	107.11	5,821.67
CDF	24,115.03	1,663.94	39,533.58	2,613.17
DZD	993.02	637.02	156.84	120.56
EGP	146.52	1,208.27	154.17	1,324.83
ETB	293.04	907.00	335.57	1,045.63
EUR	129.78	8,714.26	135.17	11,115.43
GBP	-	-	0.01	1.00
GEL	4.20	118.03	6.04	207.70
GHC	27.21	446.40	28.67	640.61
IDR	1,59,207.30	764.20	1,03,248.12	547.22
JPY	1,214.14	632.69	1,197.86	700.87
KES	4,109.87	2,784.44	35.68	24.72
KWD	6.23	1,294.80	39.97	8,500.22
KZT	588.10	197.84	-	-
LAK	16,091.47	123.90	-	-
MYR	67.02	1,131.43	173.18	3,170.77
NGN	17,199.74	5,400.72	21,268.78	7,726.95
NPR	482.38	304.19	170.05	106.71
PHP	367.87	514.90	388.31	518.05
SR	283.41	4,722.00	156.94	2,505.95
SLR	367.67	172.84	-	-
SYP	0.24	0.07	0.24	0.10
TJS	0.00	0.00	0.01	0.16
UGX	2,452.44	51.50	8,274.00	195.27
USD	-	-	58.34	3,493.47
ZAR	2,587.32	13,246.02	2,264.98	12,810.97

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Payables @:

Currency	As at March 31, 2015 FC in lacs	As at March 31, 2015 ₹ in Lacs	As at March 31, 2014 FC in Lacs	As at March 31, 2014 ₹ in Lacs
AED	103.26	1,757.08	-	-
BTN	105.67	105.67	-	-
CAF	9,756.37	998.08	-	-
CHF	6.18	396.96	3.01	203.26
KZT	-	-	47,445.72	15,604.90
LAK	-	-	23,641.13	177.31
LBP	7,467.47	308.41	6,486.85	258.18
LYD	6.04	273.63	6.47	311.70
MZM	-	-	142.38	275.02
NAD	2.63	13.46	2.36	13.37
OMR	3.17	513.82	55.46	8,626.64
SLR	-	-	142.33	65.27
TND	114.94	3,671.28	115.66	4,379.82
TZS	94,977.15	3,314.70	1,07,584.51	3,948.35
USD*	570.43	35,649.13	-	-
ZMK	299.09	2,462.85	26,968.78	261.60

* excluding non-derivative items designated as hedging instruments **USD 163.76 lacs (equivalent ₹ 10,234.44 lacs)** *[Previous Year NIL]*

@ excludes term loan taken in foreign currency ₹ **2,798.50 lacs** *(Previous Year ₹ 5,597.00 lacs)* which has been swapped with Rupee Currency fixed interest rate loan.

NOTE 30 - VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials and components	29,912.08	30,205.39
Spares parts / Dies and tools	155.82	495.08
Purchase of capital goods	431.09	3,185.41

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NOTE 31 - EARNINGS IN FOREIGN EXCHANGE AND EXPENDITURE IN FOREIGN CURRENCY:

Sr. No	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A.	**Earnings :**		
	Export of goods calculated on F.O.B. basis	1,16,082.44	88,096.19
	Freight recovered on sales	1,628.45	3,278.82
	Tower testing charges and design charges	4,572.19	1,703.42
	Sales & Services : overseas projects	1,26,877.37	198,716.03
	Interest income	40.40	13.73
	Dividend income from wholly owned subsidiaries/ jointly controlled entity	3,510.95	7,023.32
	Share of Profit from Joint Venture	2,618.18	-
	Guarantee Charges received from a wholly owned subsidiary/joint venture	118.98	109.01
	Others (Insurance claims, etc.)	116.27	248.75
B.	**Expenditure :**		
	Expenses of overseas projects (including foreign taxes)	1,37,069.56	191,240.23
	Freight	285.59	780.19
	Commission	1,020.89	1,117.33
	Interest paid to Indian Financial Institution's/Banks	1,115.03	1,076.26
	Professional fees	269.11	28.74
	Bank guarantee charges and other charges paid to Indian banks	383.94	708.83
	Charges in respect of letter of credit issued by banks to foreign customers	105.42	305.94
	Bank guarantee charges and other charges paid to foreign banks	60.78	89.51
	Others (travelling, taxes etc.)	392.85	565.89
	Loss on Foreign Exchange (net)	5,755.47	2,275.69

NOTE 32 - DISCLOSURE UNDER ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS":

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) (i)	Contract Revenue (net of excise) recognised during the year	5,16,723.40	5,32,455.36
(ii)	Method used to determine the contract revenue recognised and the stage of completion of contracts in progress	Refer Note 1(C)(ii) above	
(b)	Disclosure in respect of contracts in progress as at the year end		
(i)	Aggregate amount of costs incurred and recognised profits (less recognised losses)	15,64,834.92	12,85,980.19
*(ii)	Advances received	7,275.32	14,969.91
*(iii)	Retentions receivable	97,894.73	95,161.03
(iv)	Gross amount due from customers(including unbilled revenue)	52,826.75	50,507.12
(v)	Gross amount due to customers	22,694.58	20,005.07

*Net of adjustment referred to in Note 1(H).

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NOTE 33 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY ACCOUNTING STANDARD-15 "EMPLOYEE BENEFITS" ARE AS FOLLOWS:-

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	**Defined Contribution Plans**		
	The Company has recognised the following amounts in the Statement of Profit and Loss:		
	- Contribution to Provident Fund and Family Pension Fund	808.86	781.23
	- Contribution to Superannuation Fund	144.63	169.19

The above amount is included in 'Contribution to provident and other funds' under 'Employee benefits expense' in Note 25.

2 Defined Benefit Plan (Funded)

a. A general description of the Employee Benefit Plan:

The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of gratuity scheme of the Company or as per the Payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.

b. Details of defined benefit plan - As per Actuarial Valuation are as follows:

		Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I		**Components of employer expense**		
	1	Current service cost	284.82	427.55
	2	Interest cost	205.32	216.04
	3	Expected return on Plan Assets	(242.11)	(233.86)
	4	Actuarial Losses / (Gains)	107.72	(402.67)
	5	Total expense recognised in the Statement of Profit and Loss (included in 'Contribution to provident and other funds' under ' Employee benefits expense' in Note 25)	355.75	7.06
II		**Actual Contribution and Benefits Payments for the year**		
	1	Actual Benefits Payments	(410.26)	(540.11)
	2	Actual Contributions	283.71	395.00
III		**Net asset/(liability) recognised in the Balance Sheet**		
	1	Present Value of Defined Benefit Obligation	2,659.11	2,476.35
	2	Fair Value of Plan Assets	2,737.92	2,627.20
	3	Funded Status [Surplus/(Deficit)]	78.81	150.85
	4	Net asset/(liability) recognised in the Balance Sheet	78.81	150.85
IV		**Change in Defined Benefit Obligation during the year**		
	1	Present Value of Defined Benefit Obligation as at the beginning of the year	2,476.35	2,797.55
	2	Current Service Cost	284.82	427.55
	3	Interest Cost	205.32	216.04
	4	Actuarial Losses/ (Gains)	102.88	(424.68)
	5	Benefits paid	(410.26)	(540.11)
	6	Present Value of Defined Benefit Obligations as at the end of the year	2,659.11	2,476.35

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			Current Year ₹ in Lacs	Previous Year ₹ in Lacs
V	**Change in Fair Value of Plan Assets during the year**			
	1	Plan Assets as at the beginning of the year	2,627.20	2,560.46
	2	Expected return on Plan Assets	242.11	233.86
	3	Actuarial Gains/ (Losses)	(4.84)	(22.01)
	4	Actual Company Contributions	283.71	395.00
	5	Benefits paid	(410.26)	(540.11)
	6	Plan Assets as at the end of the year	2,737.92	2,627.20
VI	**Actuarial Assumptions**			
	1	Discount Rate	7.80%	9.10%
	2	Expected Return on plan assets	9.40%	9.40%
	3	Salary escalation Rate	6.00%	6.00%
VII	The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is ₹ **237.27 lacs** *(Previous Year ₹211.85 lacs)*			
VIII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.			
IX	**The major categories of Plan Assets as a percentage of the total plan assets**			
	Insurer Managed Funds		100%	100%

Note: The details of investment made by the Insurer are not readily available with the Company

X	**Experience Adjustments**		**2014-15**	**2013-14**	**2012-13**	**2011-12**	**2010-11**
	1	Present Value of Defined Benefit Obligation as at the end of the year	2,659.11	2,476.35	2,797.55	2,566.78	2,198.69
	2	Fair Value of Plan Assets as at the end of the year	2,737.92	2,627.20	2,560.46	2,319.34	2,265.69
	3	Funded Status [Surplus/(Deficit)]	78.81	150.85	(237.09)	(247.44)	67.30
	4	Experience adjustment on Plan Liabilities	139.47	285.95	(21.06)	(443.30)	96.90
	5	Experience adjustment on Plan Assets	4.84	22.01	(15.20)	-	(10.04)

XI **Contribution expected to be paid to the Plan during the year ending March 31, 2016 – ₹ 430 lacs.**

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NOTE 34 - The Company is primarily engaged in Engineering, Procurement and Construction business (EPC). Further, the Company's business is managed across multiple geographies on a worldwide basis and the same is monitored on individual project basis. Accordingly, there is no other separate reportable segment as defined by Accounting Standard (AS) 17 "Segment Reporting". However, in the Consolidated Financial Statements, for the purpose of geographical segments, the consolidated revenue from operations are broadly divided into two segments - India and Outside India and disclosed accordingly.

NOTE 35 - RELATED PARTY DISCLOSURES

a) Name and nature of relationship of the party where control exists:

Subsidiaries- wholly owned

(i)	RPG Transmission Nigeria Limited, Nigeria
(ii)	KEC Global FZ – LLC, Ras UL Khaimah
(iii)	Jay Railway Projects Private Limited
(iv)	KEC Investment Holdings, Mauritius
(v)	KEC Global Mauritius, Mauritius
(vi)	KEC Power India Private Limited
(vii)	KEC International Holdings LLC, USA
(viii)	KEC Brazil LLC, USA
(ix)	KEC Mexico LLC, USA
(x)	KEC Transmission LLC, USA
(xi)	KEC US LLC, USA
(xii)	SAE Towers Holdings LLC, USA
(xiii)	SAE Towers Brazil Subsidiary Company LLC, USA
(xiv)	SAE Towers Mexico Subsidiary Holding Company LLC, USA
(xv)	SAE Towers Mexico S de RL de CV, Mexico
(xvi)	SAE Towers Brazil Torres de Transmission Ltda, Brazil
(xvii)	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico
(xviii)	SAE Towers Ltd, USA
(xix)	SAE Towers Panama Holdings LLC, USA
(xx)	SAE Towers Panama S de RL, Panama
(xxi)	SAE Engenharia E Construcao Ltda, Brazil
(xxii)	SAE Engineering & Construction Services, S de RL de CV, Mexico (Incorporated on November 8, 2013)
(xxiii)	KEC International (Malaysia) SDN BHD, Malaysia (Incorporated on April 19, 2013)

Associate:

RP Goenka Group of Companies Employees Welfare Association

Key Management Personnel:

(i) Mr. R.D.Chandak – Managing Director
(ii) Mr. Vimal Kejriwal – Managing Director & CEO (Designate from 01.01.15)

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b) Parties with whom transactions have taken place :

Subsidiaries:

(i)	RPG Transmission Nigeria Limited, Nigeria
(ii)	KEC Global FZ – LLC, Ras UL Khaimah
(iii)	Jay Railway Projects Private Limited
(iv)	KEC Investment Holdings, Mauritius
(v)	KEC Power India Private Limited
(vi)	KEC Transmission LLC,USA
(vii)	KEC US LLC,USA
(vii)	SAE Towers Mexico S de RL de CV, Mexico
(vii)	KEC Global Mauritius, Mauritius

Joint Ventures:

(i)	Al-Sharif Group and KEC Ltd. Company, Saudi Arabia (formerly known as Faiz Abdul Hakim Al-Sharif Group and KEC Company Ltd., Saudi Arabia)
(ii)	EJP KEC Joint Venture, South Africa
(iii)	KEC – ASSB JV, Malaysia
(iv)	KEC – ASIAKOM – UB JV
(v)	KEC – ASIAKOM JV
(vi)	KEC – JEI JV
(vii)	KEC – DELCO – VARAHA JV
(viii)	KEC – VARAHA – KHAZANA JV
(ix)	KEC – VALECHA – DELCO JV
(x)	KEC – SIDHARTH JV
(xi)	KEC – TRIVENI – KPIPL JV
(xii)	KEC – UNIVERSAL JV
(xiii)	KEC – DELCO – DUSTAN JV
(xiv)	KEC – ANPR – KPIPL JV
(xv)	KEC – PLR – KPIPL JV
(xvi)	KEC – BJCL JV
(xvii)	KEC – KIEL JV
(xviii)	KEC – ABEPL JV
(xix)	KEC – TNR INFRA JV
(xx)	KEC – SMC JV
(xxi)	KEC – WATERLEAU JV

Associate:

RP Goenka Group of Companies Employees Welfare Association

Key Management Personnel:

(i)	Mr. R.D.Chandak – Managing Director
(ii)	Mr. Vimal Kejriwal – Managing Director & CEO (Designate from 01.01.15)

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(c) Transactions with the Related Parties

(₹ in Lacs)

Transactions	Current Year					Previous Year				
	Subsidiaries	Joint Ventures	Associate	Key Management Personnel	Total	Subsidiaries	Joint Ventures	Associate	Key Management Personnel	Total
Sale of Products	-	23,477.49	-	-	23,477.49	-	3,434.95	-	-	3,434.95
Sale under Turnkey Contracts	349.86	18,036.40	-	-	18,386.26	1,261.20	10,894.54	-	-	12,155.74
Freight and Service tax recovered on sales	-	1,290.07	-	-	1,290.07	-	-	-	-	-
Services rendered	55.47	2,000.82	-	-	2,056.29	-	-	-	-	-
Dividend Income	365.45	3,145.50	-	-	3,510.95	1,167.61	5,855.71	-	-	7,023.32
Guarantees charges recovered	-	118.98	-	-	118.98	-	109.01	-	-	109.01
Purchase of goods	1,485.40	-	-	-	1,485.40	1,889.21	-	-	-	1,889.21
Interest on loan received	31.65	-	-	-	31.65	-	-	-	-	-
Remuneration	-	-	-	395.63	395.63	-	-	-	288.79	288.79
Sale of Fixed Assets	-	339.62	-	-	339.62	-	323.31	-	-	323.31
Purchase of Fixed Assets	-	460.54	-	-	460.54	-	100.89	-	-	100.89
Payments made/expenses incurred on behalf of related party	123.57	1,344.60	-	-	1,468.17	74.20	1,336.27	-	-	1,410.47
Allowances for Bad and Doubtful Debts, Loans and Advances	-	1,226.93	-	-	1,226.93	-	8,200.00	-	-	8,200.00
Amount recovered /recoverable towards non-fund based credit facilities of the Company utilised by the related party	-	26,910.74	-	-	26,910.74	-	-	-	-	-
Expenses incurred by related party	-	48.41	-	-	48.41	-	-	-	-	-
Expenses recovered	10.00	-	-	-	10.00	10.00	-	-	-	10.00
Advance / Loan given	4,623.20	3,796.04	-	-	8,419.24	18.82	8,636.46	-	-	8,655.28
Advance / Loan recovered	960.45	-	-	-	960.45	276.36	-	-	-	276.36
Guarantees given/renewed on behalf of related party	50,183.48	71,858.90	-	-	122,042.38	-	-	-	-	-
Advance received towards project execution	-	2,709.04	-	-	2,709.04	-	-	-	-	-
Investment made	18.55	-	-	-	18.55	-	-	0.49	-	0.49
Donation given	-	-	-	-	-	-	-	2.50	-	2.50
Dividend paid		-	7.05		7.05	-	-	-	-	-

(d) Balances outstanding as at the year end

(₹ in Lacs)

	Current Year					Previous Year				
	Subsidiaries	Joint Ventures	Associate	Key Management Personnel	Total	Subsidiaries	Joint Ventures	Associate	Key Management Personnel	Total
Receivables	5,494.10	*39,621.62	-	-	45,115.72	2,297.19	*29,317.72	-	-	31,614.91
Payables	247.76	1,279.75	-	-	1,527.51	1,202.40	1,070.78	-	-	2,273.18
Investment made	656.02	-	0.49	-	656.51	637.47	-	0.49	-	637.96
Guarantees given on behalf of the related parties	50,445.92	101,985.93	-	-	152,431.85	51,212.19	68,960.52	-	-	120,172.71

*Net of provision for doubtful debts, loans and advances of ₹ **9,426.93 lacs** *(Previous year ₹ 8,200 lacs)*

Except as disclosed above, no other amount has been written off/provided for or written back in respect of amounts receivable from or payable to the related parties.

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(e) Details of transactions in excess of 10% of the total related party transactions :

(₹ in Lacs)

Transactions	Current Year				Previous Year			
	Subsidiaries	Joint Ventures	Associate	Key Management Personnel	Subsidiaries	Joint Ventures	Associate	Key Management Personnel
Sale of Products								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	23,477.49	-	-	-	2,811.60	-	-
EJP KEC Joint Venture, South Africa	-	-	-	-	-	623.35	-	-
Sale under Turnkey Contracts								
KEC - KIEL JV	-	6,290.35	-	-	-	5,975.01	-	-
KEC-TNR INFRA JV	-	5,843.23	-	-	-	1,134.18	-	-
Jay Railway Projects Private Limited	349.86	-	-	-	1,261.20	-	-	-
Freight and Service tax recovered on sales								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	1,290.07	-	-	-	-	-	-
Services rendered								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	2,000.82	-	-	-	-	-	-
Dividend Income								
KEC Global FZ-LLC, Ras UL Khaimah	365.45		-	-	1,167.61		-	-
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia		3,145.50				5,855.71		
Guarantees charges recovered								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	118.98	-	-	-	109.01	-	-
Purchase of goods								
KEC Global FZ-LLC, Ras UL Khaimah	-	-	-	-	1,045.06	-	-	-
SAE Towers Mexico S de RL de CV, Mexico	1,485.40	-	-	-	844.15	-	-	-
Interest on loan received								
KEC Investment Holding LLC	31.65	-	-	-	-	-	-	-
Remuneration								
Mr.R.D. Chandak	-	-	-	340.50	-	-	-	288.79
Mr.Vimal Kejriwal	-	-	-	55.13	-	-	-	-
Sale of Fixed Assets								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	339.62	-	-	-	323.31	-	-
Purchase of Fixed Assets								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	460.54	-	-	-	100.89	-	-
Allowances for Bad and Doubtful Debts, Loans and Advances								
EJP KEC Joint Venture, South Africa	-	1,226.93	-	-	-	8,200.00	-	-
Payments made/expenses incurred on behalf of related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	913.49	-	-	-	469.09	-	-
EJP KEC Joint Venture, South Africa	-	431.11	-	-	-	867.18	-	-
Amount recovered /recoverable towards non-fund based credit limit of the company utilised by the related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	26,910.74	-	-	-	-	-	-
Expenses incurred by related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	48.41	-	-	-	-	-	-
Expenses recovered								
Jay Railway Projects Private Limited	10.00	-	-	-	10.00	-	-	-
Advance / Loan Given								
KEC Investment Holding LLC	4,623.20	-	-	-	-	-	-	-
EJP KEC Joint Venture, South Africa	-	3,483.35	-	-	-	8,636.46	-	-
Advance / Loan Recovered								
KEC Investment Holding LLC	614.65	-	-	-	-	-	-	-
Jay Railway Projects Private Limited	345.80	-	-	-	276.36	-	-	-
Guarantees given/renewed on behalf of related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	71,858.90	-	-	-	-	-	-
KEC Transmission LLC	30,110.09	-	-	-	-	-	-	-
KEC US LLSC	20,073.39	-	-	-	-	-	-	-
Advance received towards project execution								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	532.08	-	-	-	-	-	-
KEC - ABEPL JV	-	1,093.82	-	-	-	-	-	-
KEC - WATERLEAU JV	-	1,083.14	-	-	-	-	-	-
Investment made								
R.P. Goenka Group of Companies Welfare Association	-	-	-	-	-	-	0.49	-
KEC Global Mauritius	18.55	-	-	-	-	-	-	-
Donation Given								
R.P. Goenka Group of Companies Welfare Association	-	-	-	-	-	-	2.50	-
Dividend Paid								
R.P. Goenka Group of Companies Welfare Association	-	-	7.05	-	-	-	-	-

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NOTE 36 - DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD 19 – "LEASES

A. Operating Leases

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Disclosure in respect of the agreements entered into for taking on leave and license / under operating leases the residential/office premises and warehouses, including furniture and fittings therein and machinery, as applicable, is given below:		
1 Lease payments recognised in the Statement of Profit and Loss for the year [includes minimum lease payment ₹ **494.33 lacs** *(Previous Year ₹ 420.85 lacs)*]	3,444.39	2,791.24
2 (i) Under some of the agreements, refundable interest free deposits have been given.		
(ii) Some of the agreements provide for increase in rent.		
(iii) Some of the agreements provide for early termination by either party with a notice period which varies from 7 days to 6 months.		
(iv) Some of the agreements contain a provision for its renewal.		
3 Future minimum lease payments under the agreements, which are non-cancellable are as follows:		
(i) Not later than one year	259.65	494.33
(ii) Later than one year and not later than five years.	-	239.88
(iii) Later than five years	-	-

NOTE 37 - Basic / diluted earnings per share has been calculated by dividing the profit for the year after tax of ₹ **11,073.50 lacs** *(Previous Year ₹ 8,558.53 lacs)*, by **25,70,88,370** *(Previous Year 25,70,88,370)* being the weighted average number of equity shares (having face value of ₹ 2/- each) outstanding during the year.

NOTE 38 - THE COMPONENTS OF DEFERRED TAX LIABILITY (NET) ARE AS UNDER:

Particulars		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Liability			
Depreciation	**(A)**	10,619.11	10,726.08
Deferred Tax Assets			
Provision for doubtful debts, loans and advances		2,204.95	1,488.99
Amalgamation expenses		66.57	66.57
VRS Expenditure u/s 35 DDA		378.96	567.77
Expenses debited to the Statement of Profit and Loss allowable in subsequent year/s u/s 43B / 40(a)		872.28	644.58
Hedging reserve & Others		60.20	649.85
	(B)	3,582.96	3,417.76
Deferred Tax Liability (net)	**(A-B)**	**7,036.15**	**7,308.32**

NOTE 39 - RESEARCH AND DEVELOPMENT EXPENSES:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue expenses charged to the Statement of Profit and Loss (including depreciation on fixed assets)	1,582.97	1,658.10
Expenditure capitalised during the year	487.04	5.80

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NOTE 40 - DISCLOSURE IN RESPECT OF JOINT VENTURES UNDER ACCOUNTING STANDARD 27 – "FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURES":

Sr. No.	Particulars	Ownership Interest	
		Current Year ₹ in Lacs	Previous Year ₹ in Lacs
a)	Jointly Controlled Entities		
i.	Al-Sharif Group and KEC Ltd Company, Saudi Arabia (formerly known as Faiz Abdul Hakim Al-Sharif Group and KEC Company Ltd., Saudi Arabia)	49%	49%
ii.	EJP KEC Joint Venture, South Africa	50%	50%
iii.	KEC – ASSB JV, Malaysia	67%	67%
iv.	KEC – ASIAKOM – UB JV	60%	60%
v.	KEC – ASIAKOM JV	51%	51%
vi.	KEC – JEI JV	60%	60%
vii.	KEC – DELCO – VARAHA JV	80%	80%
viii.	KEC – VARAHA – KHAZANA JV	80%	80%
ix.	KEC – VALECHA – DELCO JV	51%	51%
x.	KEC – SIDHARTH JV	80%	80%
xi.	KEC – TRIVENI – KPIPL JV	55%	55%
xii.	KEC – UNIVERSAL JV	80%	80%
xiii.	KEC – DELCO – DUSTAN JV	51%	51%
xiv.	KEC – ANPR – KPIPL JV	60%	60%
xv.	KEC – PLR – KPIPL JV	55%	55%
xvi.	KEC – BJCL JV	51%	51%
xvii.	KEC – KIEL JV	90%	90%
xviii.	KEC - ABEPL JV	90%	90%
xix.	KEC - TNR Infra JV	51%	51%
xx.	KEC - SMC JV	51%	51%
xxi.	KEC - WATERLEAU JV	51%	51%

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b) Aggregate amount of assets, liabilities, income and expenditure related to the Company's interests in jointly controlled entities in terms of the substance and economic reality of the arrangement entered into with the other venturer/s:	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I Liabilities*		
(a) Non-current Liabilities		
- Tax provisions less payments	25.98	17.00
- Long term maturities of finance lease obligation	203.58	-
(b) Current Liabilities		
- Short-term borrowings	10,150.85	11,574.31
- Trade payables	44,668.52	31,860.23
- Other current liabilities	19,556.24	12,088.59
- Tax provisions less payments	13.89	531.42
Total Liabilities	**74,619.06**	**56,071.55**
II Assets*		
(a) Non-current Assets		
-Fixed assets		
Tangible assets	1,009.18	559.33
-Long-term loans and advances	1,513.44	956.33
(b) Current Assets		
-Inventories	400.22	141.77
-Trade receivables	52,349.36	30,692.44
-Cash and cash equivalents	3,713.79	2,509.06
-Short-term loans and advances	5,439.88	3,196.41
-Other current assets	17,438.71	10,181.92
Total Assets	**81,864.58**	**48,237.26**
III Income*	**1,43,979.19**	**59,139.00**
IV Expenditure*		
Cost of materials consumed	70,733.63	28,520.91
Erection & sub-contracting expenses	43,895.51	27,906.20
Employee benefits expense	3,976.20	3,890.57
Other expenditure	3,624.19	2,834.65
Depreciation	193.37	185.07
Finance costs	184.20	96.02
Tax expense	2,490.39	463.40
V Company's share of Contingent Liability	248.93	238.47

* Excludes Assets, Liabilities, Income and Expenditure disclosed in Note 40 (c) below

c) In respect of contracts as referred to in Note 1(C) (iii), the Company has recognised revenue from operations ₹ **(63.19) lacs** *(Previous Year ₹ 2,326.25 lacs)*, total expenditure ₹ **713.35 lacs** *(Previous Year 2,258.61 lacs)*, total assets aggregating ₹ 5,642.40 lacs *(Previous Year ₹ 9,333.78 lacs)* and total liabilities aggregating ₹ **6,427.76 lacs** *(Previous Year ₹ 9,262.76 lacs).*

NOTE 41 - Based on the details regarding the status of the supplier obtained by the Company, there is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act).This has been relied upon by the auditors.

NOTE 42 - The execution of the construction works under contracts of the Company with General Electric Company Libya (a Government of Libya undertaking) is disrupted since February, 2011 due to civil/political unrest in that country. The net assets [including fixed assets, trade receivables etc] as at March 31, 2015 of the Company relating to these contracts aggregate ₹ **5,125.96 lacs** *(Previous Year ₹ 6,378.26 lacs)*. The Company is confident of completing these projects.

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NOTE 43 - In terms of the agreement entered into, in an earlier year, by the Company with the joint venture partner, the Company has funded EJP KEC Joint Venture, South Africa (JV) (including for the other venturer's share) for smooth execution of the transmission line project at South Africa referred to in the said agreement, which was ultimately completed by the JV in April, 2014.

The JV has suffered the loss in execution of the aforesaid project, interalia, on account of unexpected weather and terrain conditions, breach of contract by the client (e.g. changes in the specification, withholding payment due to JV).

During the year, the JV lodged various claims (viz. compensation and damages claims) on the client to recover additional costs incurred/ damages suffered by the JV during the execution of the project. Based on the claim expert/ legal advice received, the Company is confident that the JV will ultimately succeed in getting these claims from the client and thereby the Company will realise its dues from the JV. Accordingly, amount recoverable (net of provision) from the JV aggregating ₹ **13,022.97 lacs** as appearing under 'Short-term loans and advances' - Note 18, has been considered good and recoverable by the management.

Note 44 - The production of Cables at Thane factory has been discontinued from February 11, 2013 and the Company has given voluntary retirement scheme to all the workers at a cost of ₹ 1,816 lacs. The Company has executed a Sale Deed dated December 12, 2014 for sale of land at Thane and has completed all sale formalities. Profit on sale of aforesaid land at Thane (net of related expenses) of ₹ **13,464.62 lacs** is included under 'Other Income' - Note 21.

NOTE 45 - During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 (the Act) with effect from April 1, 2014, the Company revised the estimated useful life of its assets as mentioned in Note 1(F)(i).

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and has adjusted an amount of ₹ **199.01 lacs** (net of deferred tax of ₹ **102.48 lacs)** against the opening Surplus balance in the Statement of Profit and Loss under Reserves and Surplus.

The depreciation expense in the Statement of Profit and Loss for the year is higher by ₹ **395.51 lacs** consequent to the change in the useful life of the assets.

NOTE 46 - The Company has entered into an 'Asset Purchase Agreement' (the Agreement) on April 15, 2015 for sale of its telecom tower assets at 381 sites in the states of Chhattisgarh, Meghalaya and Mizoram to ATC Telecom Tower Corporation Private Limited. The consideration for the sale of aforesaid assets is envisaged at about ₹ 81 crores. Consummation of transaction is subject to obtaining necessary regulatory approvals and also complying with the conditions mentioned in the Agreement.

NOTE 47 - The Board of Directors in its meeting held on February 04, 2015 has approved the Scheme of Amalgamation (the Scheme) of Jay Railway Projects Private Limited (the Transferor) with the Company (the Transferee) subject to the requisite approvals of the Hon'ble High Court of Judicature at Bombay and/or such other authorities as may be required by law.

Upon coming into effect of the Scheme from the Appointed Date i.e. April 01, 2014, all assets and liabilities, rights, title, interest and obligations of the Transferor Company as on the Appointed Date shall stand transferred to and vested in the Transferee Company.

Pending approval of the Scheme which would be effective from April 01, 2014, the Company has prepared the financial statements for the year ended March 31, 2015 without considering effect of the Scheme.

NOTE 48 - Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 48 which form an integral part of the Financial Statements

For and on behalf of the Board Directors

H.V.GOENKA
Chairman
DIN - 00026726

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2015

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FORM A

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	KEC International Limited
2.	Annual consolidated financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by- **Vimal Kejriwal** Managing Director & CEO **Rajeev Aggarwal** Chief Financial Officer **A. T. Vaswani** Audit Committee Chairman Auditor of the Company Refer our Audit Report dated May 06, 2015 on the consolidated financial statements of the Company **For DELOITTE HASKINS & SELLS** **Chartered Accountants** **(Firm Registration No. 117365W)** Signature **Saira Nainar** (Partner) (Membership No. 040081) Mumbai , June 26, 2015	

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