KALPA-TARU®
POWER TRANSMISSION LIMITED

Focusing Growth. Accelerating Transformation.

Annual Report
2018-19

Contents

This Report may contain certain forwardlooking statements relating to the future business, development and economic performance. Such Statements may be subject to a number of risks, uncertainties and other important factors, such as but not limited to (1) competitive pressure; (2) legislative and regulatory developments; (3) global, macro-economic and political trends; (4) fluctuations in currency exchange rates and general market conditions; (5) delay or inability in obtaining approval from authorities; (6) technical developments; (7) litigations; (8) adverse publicity and news coverage, which could cause actual developments and results to differ materially from the statements made in this presentation.

Kalpataru Power Transmission Limited assumes no obligation to update or alter forward-looking statements whether as a result of new information, future events or otherwise.

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

Focusing Growth. Accelerating Transformation.

Over the time we have refined and leveraged our strengths – unmatched experience and expertise. This has aided consistent performance across numerous facets of growth – Revenue, Profitability and Geographic Presence. We have successfully scaled up our Railways and Oil & Gas businesses, as well as developed an admirable T&D Long-term Assets Portfolio. The key driving factor in our success has been a disciplined approach towards managing risk, capital allocation and return on capital.

We believe no matter how far you go as a Company, there is always an immense potential of growth waiting to be unlocked. In line with our aspiration to be amongst the top three EPC companies in the Infrastructure segment, both nationally and globally, we are leaving no stone unturned in scaling up our learning curve and experience in T&D besides sharpening our skills in other infrastructure businesses to get ready to take quantum leaps. As part of the growth process, we intend to hone our focus on our existing businesses while also pursuing diversification, through establishing presence in new geographies and acquiring new customers through organic investments, strategic acquisitions and partnerships.

We will continue to improve and leverage our core competencies to not just scale up our existing businesses but also develop new ones that bode well with our guiding principle – Be in a business you know well, is scalable and above all, provides an opportunity to build unique set of competencies.

At the heart of our core strategy is to be in the league of top three players and focus on recalibrating and transforming our initiatives in three distinct areas – Digital, Operational Excellence and People. Each area, we believe, has a tremendous potential to deliver significant benefits to the Company making it more competitive, efficient and capable of delivering sustainable growth.

We will devote ourselves for a quantum leap in growth and we shall accommodate every change that propels us towards newer opportunities of tomorrow, We are accelerating our transformation for a better tomorrow!

KPTL at a glance

Kalpataru Power Transmission Limited (KPTL) is one of the world's leading power transmission and infrastructure EPC Company. Headquartered in India, we have footprints globally in 55 countries. In 2018-19, we generated consolidated revenues of over ₹ 10,841 Crore and have a consolidated order book of ₹ 24,030 Crore as on 31st March 2019.

Power Transmission & Distribution

We provide end-to-end solution ranging from in-house designs, testing, procurement, fabrication, erection, installing and commissioning of power transmission lines & Sub-stations.

Designing & Engineering: In-house designing team of over 100 engineers with capabilities in engineering and designing towers for different specifications pertaining to geo-climatic conditions, voltage etc. The team is equipped with latest software like 3D Drafting, PLS Tower, PLS CADD, AUTOCAD, MICROSTATION, BOCAD and Google Earth.

Manufacturing: One of the largest tower fabrication facilities in world with capacity of 1,80,000 MT/ annum integrated with galvanizing, quality control system and material testing.

Turnkey Solutions: Our team has a successful track record of executing projects across difficult terrains and climatic conditions. The construction team is capable of completing civil and stringing works in any weather conditions (+ 45oC to – 40oC) and diverse terrain (hilly, rocky, waterlogged, desert etc.). We have a large fleet of Tension Stringing Equipment (TSEs) and construction equipment including drones that can handle all possible conductor configurations for any given voltage of transmission line up to 1,200 kV.

Substation: In-house engineering and construction team to execute high voltage substations in India and abroad. We are an empanelled substation EPC contractor for Power Grid Corporation of India Limited (PGCIL) and reputed State Electricity Board (SEBs) for projects up to 400 kV AIS and 400 kV GIS. In the International markets, we are currently executing projects up to 225 kV.

Design Validation and R&D Center: Fully automatic tower testing facility and R&D station for tower design validation (up to 1,200 kV tower) with helicopter erection simulation of tower through tower crane. We have validated designs of over 400 towers for domestic and international clients till date.

Operations & Maintenance: We have three operational and one under construction Build Own Operate and Maintain (BOOM) / Public Private Partnership (PPP) projects in India having a total length of approx 922 ckms. The operational projects are operating at more than 98% availability. All the projects meet the highest level of Environment, Health and Safety (EHS) norms.

2 Million Metric Tonnes (MMT)
Towers delivered in last 10 Years

5,300+
Foundations casted in 2018-19

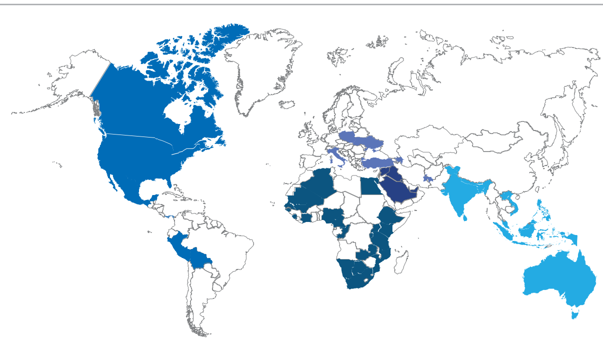
5,200+
Towers erected in 2018-19

2,800+ Ckms
Stringing done in 2018-19

Our Global Footprint

With presence in 55 countries with live projects in over 20 countries, we have an unrivalled global footprint.

We are well placed to build our technical capabilities, expand our product offerings and seize future business opportunities.



Americas
- Bolivia • Canada
- Columbia • Mexico
- Panama • Peru
- USA

Europe & CIS
- Armenia • Norway
- Poland • Sweden
- Tajikistan • Turkey
- Ukraine

Middle East
- Afghanistan • Iraq
- Kuwait • Qatar
- Saudi Arabia • UAE

Australasia
- Australia • Bangladesh • Bhutan
- Cambodia • India • Indonesia • Laos
- Malaysia • Nepal • Philippines
- Srilanka • Thailand • Vietnam

Africa
- Algeria • Botswana
- Burundi • Cameroon
- Congo • Djibouti
- Egypt • Ethiopia
- Ivory Coast • Kenya
- Malawi • Mali
- Mauritania
- Mozambique
- Namibia • Nigeria
- Rwanda • S. Africa
- Senegal
- Sierra-Leone
- Tanzania • Uganda
- Zambia

Oil & Gas Infrastructure

We are one of the leading player in EPC contractors for Oil & Gas pipeline laying and associated facilities. We have end-to-end capabilities in designing, engineering, procurement, construction, testing and commissioning of cross-country Oil & Gas pipelines and associated facilities. We have completed laying of 4600 kms of pipelines and setting up of 275 intermediate and terminal stations. We have also completed an EPC contract for setting up a Central Gas Gathering Station and a Field Gathering Station for processing 10 MMSCMD of natural gas. In addition to setting up of pipelines & associated facilities in normal, marshy, hilly & desert terrain, we have capabilities of EPC contract execution for Oil & Gas processing facilities in shallow water pipelines, refineries & fertilizer Plants.

Commissioned
600+ kms
of Oil & Gas pipelines in 2018-19

Railway Infrastructure

We are among the leading players in overhead electrification, new track laying, signaling & communication (S&T), power systems and civil works associated with railways in India. Our team possesses design and engineering capabilities to cater to Metro Rail and Dedicated Freight Corridor (DFC).

Executed Railway Electrification works of around
1,500 track kms
till 31st March 2019

Biomass Plants

We have two biomass power plants in Rajasthan, generating 15.8 MW of power with gold standard certification. Our logistics infrastructure helps collect over 1,75,000 MT of agri waste.

99 Million units
generated in 2018-19 with average PLF of 94%

JMC Projects (India) Ltd.

JMC is a leading civil construction and infrastructure EPC player in India with presence in all the high-growth verticals such as Buildings (Residential, Commercial & Institutional), Roads & Flyovers, Water, Urban Infrastructure, Metro Rail and Industrial. Over the past few years, JMC has gained expertise in design-built, HVAC, MEP and firefighting to deliver end-to-end services in the civil construction space.

Executing over 70 projects with an order book of over
₹ 9,962 Crore
as on 31st March 2019

Shree Shubham Logistics Ltd. (SSL)

SSL offers agri-storage infrastructure and offers a wide range of value-added services like weigh bridge, testing & certification, collateral management, funding and procurement. The Company manages and operates warehouses (Owned, Hired, third parties and Public Private Partnership (PPP) model) across the states of Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Bihar, Haryana, Delhi, Uttar Pradesh & Karnataka.

Managed around
250
warehouses with a total storage capacity of around 9.5 million sq. ft. in 2018-19

Linjemontage i Grastorp AB

KPTL through its wholly owned subsidiary Kalpataru Power Transmission Sweden AB acquired 85% stake in Linjemontage i Grastorp AB in April 2019. Founded in 1993, Linjemontage, specializes in EPC and O&M in power supply solutions and services for electricity networks in voltage range up to 400 kV. The Company has projects in Sweden and Norway.

Order Book of
USD 77 Mn
as on 31st March 2019 spread across Sweden and Norway


KALPA-TARU

Financial Highlights

A year of good progress and strong financial performance with improving margins and a strong balance sheet position. Performance driven by operational efficiencies and effective working capital management.

Crossed USD 1 Billion Standalone Revenue in 2018-19

	2014-15	2015-16	2016-17	2017-18	(₹ in Crore) 2018-19	$ in Millions 2018-19
Standalone						
Production in MTs*	1,51,480	1,44,887	1,57,830	1,96,768	1,68,634	1,68,634
Gross Revenue	**4,493.8**	**4,408.8**	**5,010.7**	**5,778.5**	**7,115.1**	**1,028.6**
Sales Growth (%)	7.6	-1.9	13.7	15.3	23.1	23.1
International Revenue	2,395.8	2,384.8	1,995.1	2,365.3	2,730.7	394.7
Total Expenditure (excluding depreciation and finance cost)	4,067.0	3,955.7	4,481.5	5,147.3	6,336.9	916.1
Operating Profit (PBDIT & other income)	426.8	453.1	529.2	631.2	778.2	112.5
Other Income	52.2	53.7	49.3	48.0	51.2	7.4
Finance Cost	140.9	127.4	98.2	103.3	119.0	17.2
Profit before Depreciation & Tax (PBDT)	338.1	379.4	480.3	575.9	710.4	102.7
Depreciation	85.2	83.7	77.7	76.6	86.0	12.4
Profit before Tax	252.9	295.7	402.6	499.3	624.4	90.3
Provision for Taxation (incl. Deferred Tax)	87.3	103.3	133.5	177.3	223.1	32.3
Profit after Tax (PAT)	**165.6**	**192.4**	**269.1**	**322.0**	**401.3**	**58.0**
Equity Share Capital	30.7	30.7	30.7	30.7	30.7	4.4
Net Worth	2,070.5	2,214.6	2,478.4	2,770.0	3,152.2	455.7
Long-Term Borrowings (including current maturities)	355.1	311.7	464.0	524.5	492.9	71.3
Short-Term Borrowings	616.3	287.0	231.5	249.7	153.7	22.2
Total Borrowings (including current maturities)	971.4	598.7	695.5	774.2	646.6	93.5
Borrowings (Net of Cash and Bank balances)	896.1	492.5	484.4	692.5	501.1	72.4
Net Debt to Equity Ratio	0.43:1	0.22:1	0.20:1	0.25:1	0.16:1	0.16:1
Return on Equity (ROE) (%)	**8.0**	**8.7**	**10.9**	**11.6**	**12.7**	**12.7**
Return on Capital Employed (ROCE) (%)	**14.0**	**14.9**	**17.7**	**18.8**	**20.9**	**20.9**
Book Value per Equity Share (₹/USD)	134.9	144.3	161.5	180.5	205.5	3.0
Earnings per Equity Share (₹/USD)	10.8	12.5	17.5	21.0	26.2	0.4
Operating Profit (%)	9.5	10.3	10.6	10.9	10.9	10.9
Profit before Tax (%)	5.6	6.6	8.0	8.6	8.8	8.8
Profit after Tax (%)	3.6	4.3	5.3	5.5	5.6	5.6
Order Book at year end	**5,150**	**8,300**	**9,017**	**12,404**	**14,068**	**2,034**
Consolidated						
Gross Revenue	**7,269.7**	**7,291.7**	**7,629.2**	**8,741.7**	**10,840.5**	**1,567.2**
Profit after Tax (PAT) (Attributable to Owners)	**120.4**	**110.0**	**186.5**	**280.7**	**466.8**	**67.5**
Earnings per Equity Share (₹/USD)	7.8	4.9	12.2	18.3	30.4	0.4
Consolidated Order Book at year end	**10,800**	**14,500**	**16,000**	**20,020**	**24030**	**3,474.0**
Net Worth (Attributable to owners)	2,216.6	2,247.3	2,422.1	2,673.4	3,119.5	451.0
Borrowings (Net of Cash and Bank balances)	3,546	2,756	2,585	3,036	3,281	474.3
Return on Equity (ROE) (%)	**5.4**	**4.9**	**7.7**	**10.5**	**15.0**	**15.0**
Return on Capital Employed (ROCE) (%)	**10.5**	**10.6**	**13.0**	**14.9**	**18.4**	**18.4**

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

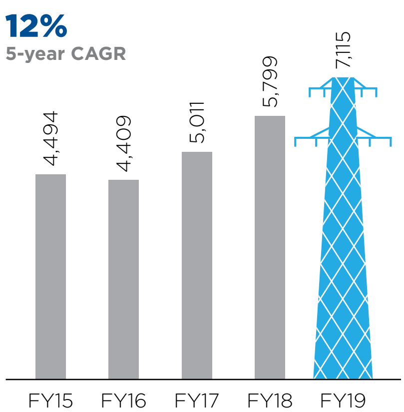
The financials for FY 14-15 are as per iGAAP and financials for other years are Ind AS compliant.

ROE = PAT / Networth; ROCE = EBIT / Average Capital Employed (Networth + Net Debt)

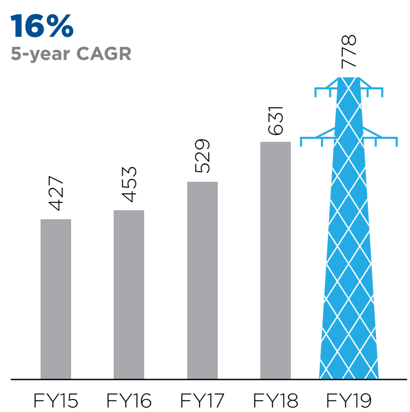
1 USD = ₹ 69.1713

Standalone

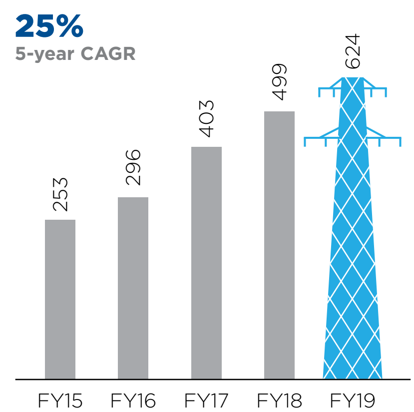
Revenue ₹ in Crore



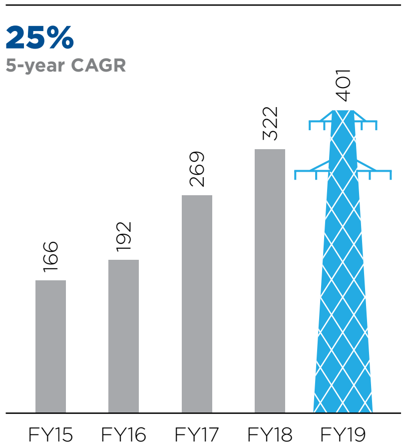
Core EBITDA ₹ in Crore



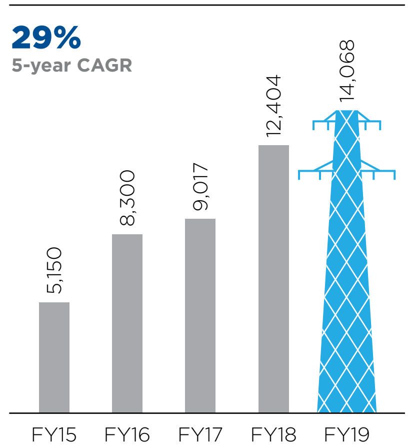
PBT ₹ in Crore



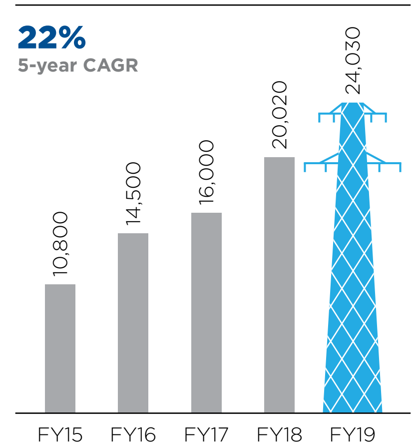
PAT ₹ in Crore



Order Book (Standalone) ₹ in Crore

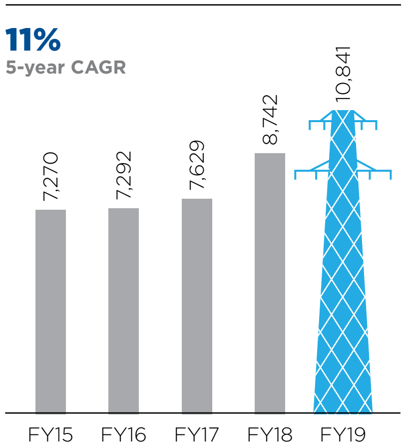


Order Book (Consolidated) ₹ in Crore

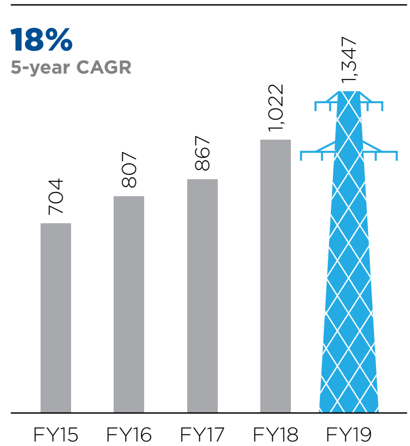


Consolidated

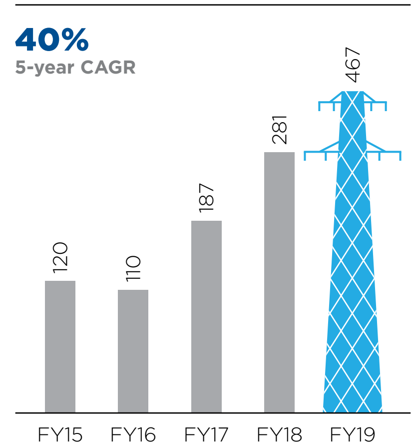
Revenue ₹ in Crore



EBITDA ₹ in Crore



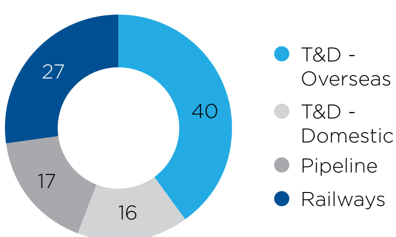
PAT (Attributable to Owners) ₹ in Crore



Chairman's Message

"Today, KPTL is well placed to drive sustainable and profitable growth, underpinned by a strong order book. It is well positioned in each of its businesses and continues to invest in strengthening capabilities and increasing international presence."

Standalone Order Book Status as on 31st March 2019 In %



Crossed
USD 1 Billion
Standalone Revenue in 2018-19

We delivered EBITDA margin of
10.9%
in 2018-19

We delivered PAT margin of
5.6%
in 2018-19

Dear Shareholders,

This year as Kalpataru Group celebrates its 50 glorious years, KPTL remains at the fulcrum of the group's vision to be among the foremost global player in the business verticals it operates. We believe that our values and determination shall help us to achieve our vision. KPTL is already a differentiated player in the market through its impressive project footprint across 55 nations. Further, the acquisition of Linjemontage i Grastorp AB in 2019 gives us unprecedented access to the opportunity in rich European market and strongly positions KPTL not only as one of India's biggest EPC multinationals but more importantly also as a premier ambassador of the spirit of Indian enterprise and aspiration. As we step up our growth momentum going forward it is evident that growth will come from two distinct levers, first is focused and relentless pursuit of new geographies and businesses and second our ability to transform ourselves and convert opportunities to achieve new revenue and profitability benchmarks.

The year 2018 saw global economy resurged backed by GDP growth in some of the advanced and emerging economies. Growth momentum is expected to continue in 2019 and beyond.

For the emerging market and developing economy group, India continues to be on a high growth trajectory and maintains the status of one of the fastest growing economies. According to the latest estimates, India's GDP grew by 6.8% in 2018-19 and is likely to accelerate further to 7.5% in 2019-20 on the back of support from private consumption and investment. The infrastructure sector has been the government's biggest focus area for several years now. This can be especially seen from the huge budget allocation for infrastructure sector of ₹ 4.5 trillion for the year 2019-20 with an aim of making India a USD 5 trillion economy by 2024 and a USD 10 trillion economy by 2029. The increased impetus for accelerating infrastructure development will open up vast opportunities for EPC players, especially the segments like roads, railways, airports, power and oil & gas are likely to witness greater construction activities.

The financial year 2018-19 has been a landmark year at KPTL. We have delivered on our targets, growing our topline by 23%, with EBIDTA and PAT levels reaching ₹ 778 Crore and ₹ 401 Crore respectively. We delivered EBITDA margin of 10.9% and PAT margin of 5.6%. We were able to successfully complete 24 projects in 2018-19. We also strengthened our balance sheet, with net debt-levels at ₹ 501 Crore as on March 31, 2019 compared to ₹ 693 Crore in the previous year. KPTL's return ratios have improved remarkably – ROCE has grown from 14% in 2014-15 to 21% in 2018-19, indicating our strong commitment to improve shareholder value.

In the transmission business, we successfully completed charging the ATL BOOM Project by commencing commercial operations of Kishanganj – Darbhanga line. The acquisition of Linjemontage i Grastorp AB is in line with our strategy of going local in global markets. The resulting synergies - exchange of experience, access to new markets and technologies will form the springboard of the next phase of our growth in global markets. We continue expanding our global footprint organically as well, with addition of two new countries, Mali and Burundi in Africa.

Our Railway business witnessed strong growth with record order

"Our presence in SAARC markets of Sri Lanka, Bangladesh and Nepal have further consolidated and these markets constituted a significant component of our order wins in 2018-19."

inflows of ₹ 2,605 Crore and presents a tremendous opportunity in the near future. In the current fiscal, we completed five projects and started manufacturing railway products at our Raipur plant marking an important step towards our goal to emerge as a dominant player in the space. In our Oil and Gas business, we are among the top EPC players in the domestic market and are now actively pursuing global opportunities as well.

Our presence in SAARC markets of Sri Lanka, Bangladesh and Nepal have further consolidated and these markets constituted a significant component of our order wins in 2018-19. Our strong order book gives good visibility to record 15-20% growth in topline for 2019-20 without compromising on profitability and return ratios. We have consistently outperformed the industry over the past 4-5 years on these aspects.

In the financial year 2018-19, the Company achieved significant headways on the digital transformation and operational excellence front. Our SAP backed processes and systems were migrated to the latest version of SAP i.e. S4 HANA, to bring in more speed, efficiencies and productivity improvements. We have deployed GPS monitoring of plant and machinery at our Oil & Gas business and intend to take it across all businesses. In addition, we used drones for surveying, stringing and project monitoring in our businesses. At the plant level, we have improved productivity through mechanisation, purposeful technology adaption and process innovations. We have completed site process reviews across all businesses taking help of global consultants to improve our site-level operations and benchmarks. Driven by this continued thrust on digitalisation and operational excellence, the Company is committed to continue its focus on profitable growth.

Our Group companies, JMC and Shree Shubham Logistics (SSL) also delivered good progress. JMC achieved a revenue growth of 18% Y-o-Y with EBITDA margins of 10.4%. PAT for the year 2018-19 improved by 34% to ₹ 142 Crore. JMC's Order Book reached record high of ₹ 9,962 Crore on back of strong order inflows across both Buildings & Factories (B&F) and Infrastructure business. JMC will continue to leverage its capabilities to pursue growth in domestic market and at the same time will use KPTL's strong parentage to systematically spread it operations in Africa and SAARC markets.

At SSL, we continue to focus on upscaling our business through lease based warehouse model. Revenue for 2018-19 grew by 80% to reach ₹ 124 Crore with EBIDTA margin of 30%. We have been successful in reducing our losses from ₹ 42 Crore in 2017-18 to ₹ 15 Crore in 2018-19. We will continue to look for opportunities in new states while pursuing improvement in profitability.

The Company continues to focus on nurturing its talent and make KPTL the most preferred EPC Company for employees to work. Many initiatives for learning & development, employee

Our standalone Return on Capital Employed in 2018-19 has reached

20.9%

Our Railway business witnessed strong growth in 2018-19 with record order inflows of

₹ 2,605 Crore

Our Consolidated Order Book reached a record high as on 31st March 2019 of

₹ 24,030 Crore

diversity, heath management, EHS and employee well-being have been taken during the year to enhance people capabilities.

KPTL is well positioned to exploit the growth opportunities available across the globe utilizing its strengths and competencies in core businesses. Against this backdrop, KPTL has made its strategic objective clear – become a leading EPC players in its chosen fields. Every KPTL division functions with that vision in mind and is investing resources towards it. As part of this strategy, we are on track for monetisation of our transmission assets. The cash flows generated out of this transaction will help us to invest in future growth.

We are proud of our achievements in 2018-19 and as we step up our growth momentum going forward it is evident that growth will come from areas mentioned below:

a. Making our proposition unbeatable by strengthening project management skills.

b. Becoming more global in businesses we operate.

c. Adopting multiple transformation initiatives in digitalization and operational excellence.

I am confident that we will together scale many new horizons making tomorrow better. I would like to sincerely thank our customers, shareholders, bankers, employees and the board for their support and commitment to KPTL.

Sincerely,

Mofatraj P. Munot
Executive Chairman

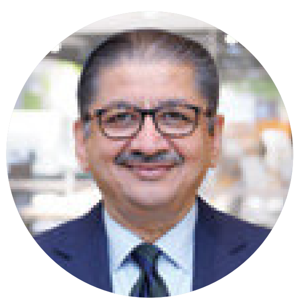
Board of Directors

Mr. Mofatraj P. Munot
Executive Chairman

Mr. Parag Munot
Promoter Director

Mr. Manish Mohnot
Managing Director & CEO

Mr. Sajjanraj Mehta
Independent Director



Mr. Vimal Bhandari
Independent Director

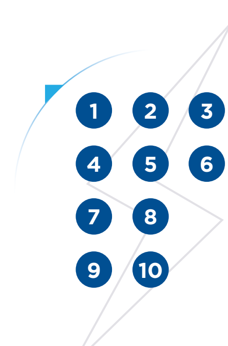
Mr. Narayan K. Seshadri
Independent Director

Ms. Anjali Seth
Independent Director

Mr. K. V. Mani
Independent Director

Mr. Sanjay Dalmia
Executive Director

Mr. Imtiaz Kanga
Non-Executive Director



1 **Mr. Mofatraj P. Munot**
Executive Chairman

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

2 **Mr. Parag Munot**
Promoter Director

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

3 **Mr. Manish Mohnot**
Managing Director & CEO

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

4 **Mr. Sajjanraj Mehta**
Independent Director

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

5 **Mr. Vimal Bhandari**
Independent Director

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

6 **Mr. Narayan K. Seshadri**
Independent Director

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

7 **Ms. Anjali Seth**
Independent Director

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

8 **Mr. K. V. Mani**
Independent Director

Mr. K. V. Mani has more than four decades of unparalleled experience in T&D business. He has been associated with the Company for about two decades and has served as the Managing Director from 2001 to 2009. In June 2009, he became a Non-Executive Director of the Company and since January 2014 has been serving as an Independent Director. He holds a degree in Engineering and is a MBA from IMD, Switzerland.

9 **Mr. Sanjay Dalmia**
Executive Director

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

10 **Mr. Imtiaz Kanga**
Non-Executive Director

Mr. Imtiaz Kanga has a rich experience of over 38 years in various industries. Currently, he serves on the Board of various Kalpataru Group Companies. He is a qualified Chartered Accountant.

Delivering focused and sustainable growth

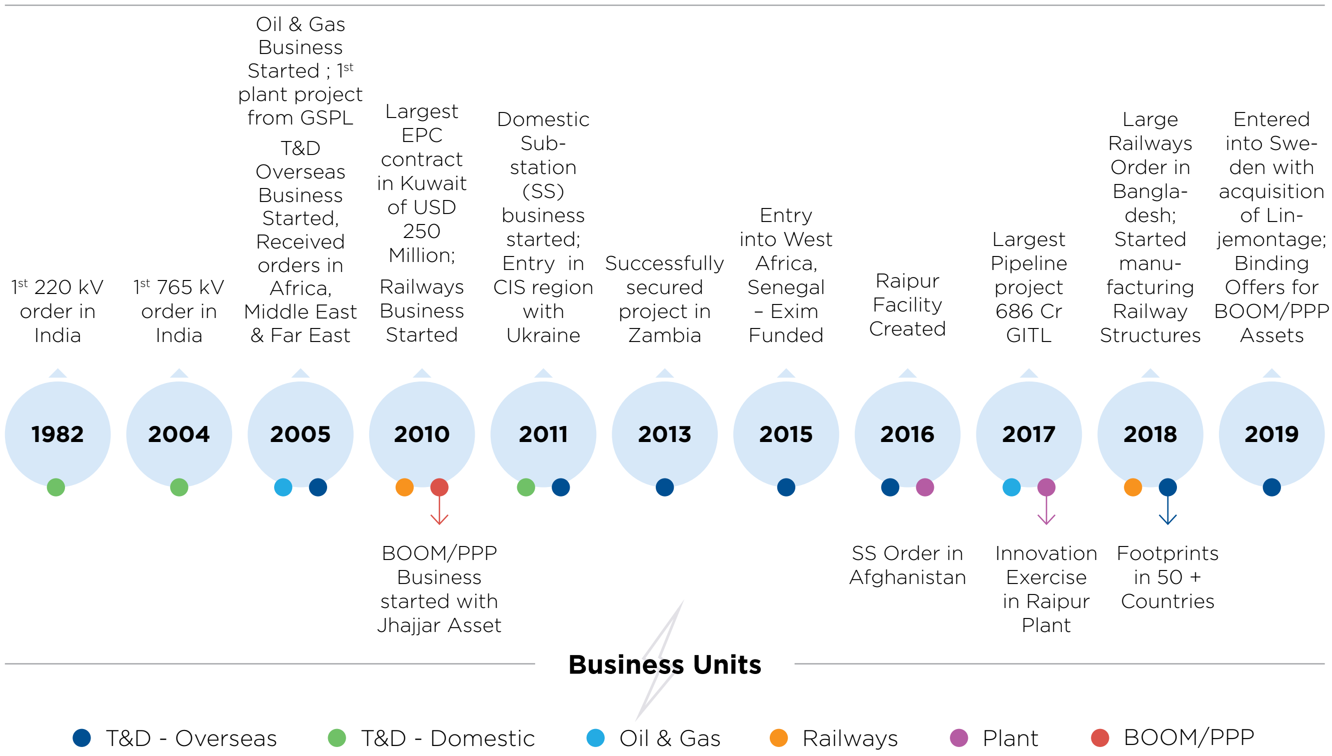
Our strategy is to drive focus and sustainable growth by building on our core capabilities with a widening global presence. This strategy is designed to ensure that we stay resilient in volatile economic cycle, by being well-diversified both in EPC business and geographic footprint.

Strategic Growth - Geographic Footprint & New Businesses

Over the years, we have achieved sustainable growth by investing selectively in high-growth markets and geographies. Starting from our first international project in 2005, we now have capitalised on opportunities in 55 countries across the globe. Our strategic expansion of geographical footprints has not only boosted up our revenues but has also been a congenial source of diversification. Our average international revenue as percentage of total revenues for last five years is 45%, indicating our strong focus to drive international business growth.

The financial year 2018-19 was a landmark year for KPTL, as we received international orders worth ₹ 3,700 Crore. We garnered the orders from clients in countries where we are already present, as well as from clients in uncharted countries like Mali and Burundi. We were also successful in further consolidating our presence in SAARC nations by securing new projects in Bangladesh, Sri Lanka and Nepal. We also forayed in Sweden and Norway T&D markets through acquisition of Linjemontage i Grastorp AB.

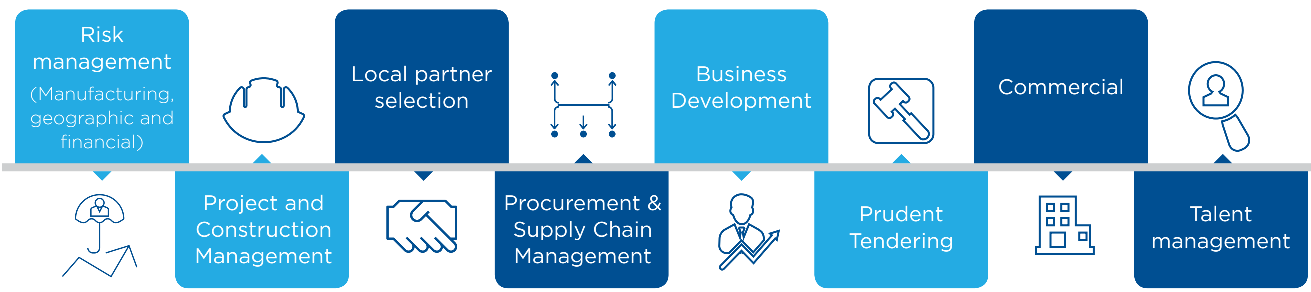
We will continue to explore new business opportunities in EPC and manufacturing space that strategically fits within our existing businesses, as we have earlier done with our foray into Oil & Gas, Railways, BOOM/PPP and Sub-station (SS) businesses.



Major Transactions	Large BOOM/PPP Wins in 2015 & 2017 – Alipurduar & Kohima
New Businesses Created	New Businesses - Railways and Oil & Gas become fastest growing businesses together crossing ₹ 2,000 Crore revenue and 43% of Order Book as on 31st March 2019
Quantum Leap Events	Acquisition of Linjemontage i Grastorp AB and Monetisation of BOOM/ PPP Assets

Considering the nature of KPTL's business, each geographical location has a distinct local requirement and approach. This has enabled us to build our strengths and competitive advantages that are core and unique to us.

Functional Competencies



More importantly, we have proven ourselves as a partner that is trusted by governments, multilateral funding agencies, local communities and other stakeholders, given our steadfast commitment to uncompromised quality and timely completion of projects.

Our endeavor is to achieve a robust competitive position with an aim to foster the positions that subsist and address the existing and new market growth opportunities. Our strong understanding of local issues has helped us to move up the value chain and scale up our Oil & Gas and Railways business in international markets.

We plan to make a number of strategic investments that will accelerate growth and provide increased value to our stakeholders. In our existing businesses, we are targeting long-term growth by working with leading local partners in select countries with strong growth characteristics. These investments make a modest contribution to our financial performance today, but they are sources of long-term upside for future profit, cash-flow and shareholder value.

From a geographic standpoint, we want to leverage our capabilities to grow our T&D market share in Africa, SAARC, Middle East, South Asia, Europe and America. Our competitive position in Railways & Oil & Gas business in India positions us well to capture opportunities in the international markets.

Execution Expertise – Our Core Competence

We have acquired the expertise in project execution, which includes achieving high-quality standards, cost-efficiency and timely-delivery. Our Project Management Groups (PMG) across business units ensures effective management and most importantly, warrants that the quality and safety standards are adhered.

We approach project management with dual focus, first, initial centralized planning to ensure time, cost and quality; second, site level day-to-day planning to further optimize the base line plan created at central planning level. The dual focus approach adds to our capabilities of execution, backed with strong communication between centralized and site level teams for superior project execution.

The project management team at business units gets all support from group resources to exceed benchmarks and assimilate any new innovations.

This proven and unique project management competence has been a backbone to manage challenges in complex projects both in India and international terrains.

Major projects undertaken by KPTL

66kV to 400kV Overhead Transmission Lines in Malawi (Africa)

Client	Location	Value
Millennium Challenge Account (MCA)	Malawi, Africa	USD **59** Million

Scope

- Design, supply, installation, test & commissioning of 400 kV single circuit overhead transmission line of 173 km.
- Design, supply, installation, test & commissioning of 132 kV and 66 kV single/double circuit overhead transmission line of 191.6 km.
- Supply, installation, test & commissioning of rerouted transmission lines.

Key Challenges

- Land locked country
- Tough terrain

Success Factors

- Malawi being a land locked country, transport of material and machinery involves complex supply chain and logistics management issues. Our procurement planning and supply chain management teams helped deliver material and machinery on time thereby ensuring the timely completion of critical activities.
- We formed multiple teams and ensured the continuous progress of project at all the locations the project locations within the outage period of 30 days for transmission lines. With this, all lines were commissioned within the contractual completion date.
- Project involved working in dense forest, hilly & rocky terrain and rivers, which made foundation and tower erection works very difficult. Proper planning of critical activities and timely communication helped in resolving issues related to Right of Way (ROW).
- We deployed our own labour teams and machinery in order to reduce reliance on local resources.
- We also ensured availability of healthcare and hygienic facilities at labour camps and sites given that the region is prone to malaria and snake bites.

Railway Overhead Electrification (OHE) Works from Erode to Tiruchchirappalli & Salem to Dindigul

Client	Location	Value
Central Organisation for Railway Electrification (CORE)	Tamil Nadu, India	₹ **104** Crore

Scope

- Designing, fabrication and erection of 8,300 numbers of galvanized structure equipped with porcelain and composite insulators and other fittings.
- Stringing of 359 Km contact and catenary wire with the help of specially designed wiring train.
- Designing and installation of four traction sub stations, seven sectioning and ten sub sectioning posts.

Key Challenges

- Hard rock
- Unavailability of sand

Success Factors

- Around 75% of the Karur-Salem section has rocky terrain and high rock cutting zones. Few zones were identified with pure hard rock, in which anchor fastening method was implemented wherein high tensile holding bolts were embedded into rock and grouted with chemical compound.
- During the execution time of the project, the state government had banned supply of sand and aggregates and to which our design team proposed the idea of using stone dust (M sand) while maintaining the standards of strength and design.
- **Despite facing so many problems, KPTL completed the Trichy – Karur – Erode & Salem- Karur – Dindigul Section on time in 26 months against a contractual period of 30 months.**

Railway Electrification, Civil and S&T works in Chhapra - Varanasi Division of North Eastern Railway

Client	Location	Value
Rail Vikas Nigam Ltd. (RVNL)	Uttar Pradesh, India	₹ **343** Crore

Scope

- Designing, fabrication and erection for 4,328 MT of galvanized structure equipped with porcelain and composite insulators and other fittings.
- Stringing of 978 track Km of contact and catenary wire.
- Designing and construction of five traction sub-stations, erection of seven transformers and nineteen sub sectioning buildings

Key Challenges

- Limited availability of traffic block for OHE works, material and manpower movement.

Success Factors

- Our in-house team of engineers carried out project design at a rigorous pace to achieve project completion before time. Design was carried out for 25 kV, 50 Hz, AC and single phase, traction overhead equipment, switching stations, booster transformer stations and supply transformer stations including foundations.
- Given the very limited availability of traffic blocks as most of the section is single line operated, we requested for obtaining traffic blocks during night time, so that erection and stringing works were completed.
- The project faced many hurdles due to non-availability of tower erection train. Hence, material shifting and erection was planned meticulously by deploying trailers and hydras. Consequently, OHE works - Erection and Wiring were completed on time.

225 kV Transmission Line Project in Senegal

Client	Location	Value
La Societe D'Electricite Du Senegal (SENELEC)	Senegal (Africa)	USD **200** Million

Scope

- Designing, Supply and Construction of 350 kms long 225 kV transmission line and two 225 kV/30kV new substations.
- Construction of 595 kms of MV network and 1,000 kms of LV network on concrete/steel/wooden poles and laying of underground cable in different provinces of the country.

Key Challenges

- Remote, water logged and dense forest locations.
- Unavailability of local manpower and equipment.
- The project is of national importance and part of Senegal Government's 'Plan Senegal Emergent' that is dedicated towards developing significant power generation capacity distribution network. Hence, successful completion of the project was critical to attract more foreign investment by Senegal Government.

Success Factors

- Major project works were located in South Senegal (CASAMANCE region) which is remote, has water logging and dense forest with minimal access to facilities. Given our well-coordinated efforts and better understanding of conditions, we were able to manage timely supply of material and construction machinery. Our own departmental teams executed most of the construction works given the shortage of local resources.
- **We successfully completed the schemes of Touba sub-region before scheduled completion date to celebrate Senegal's 'Grand Magal' festival on the client's special request. SENELEC appreciated our efforts and expressed appreciation in the national newspaper.**

400kV inter-state transmission line between Bihar and West Bengal

Client	Location	Value
Alipurduar Transmission Limited (ATL)	Bihar, India	₹ **465** Crore

Scope

The project involved design, supply and construction of 325 kms of 400 KV double circuit transmission line with ACSR Moose conductor.

Key Challenges

- Rivers (Koshi & Teesta) crossing tower locations.
- Right of Way

Success Factors

- Majority of the transmission line traverses through plain cultivated fields and hence without accessible roads. Ground water table is very high mainly because of Koshi river in the vicinity. Most of the stretch is flood prone. Our construction teams casted most of the foundations by continuous dewatering using single-point and multi-points boring systems.
- Koshi river crossing of 7 kms stretch was full of challenges, as twelve pile foundation locations were there for river crossing towers. Lot of challenges were faced by construction teams as material shifting was done by boats. Floating anchoring system and construction of coffer dam was done for pile foundation and tower erection.
- The completion of this project has helped us to expand our BOOM project portfolio. The project received certificate of achievement for implementation of good quality practices in line of construction. In addition, the project achieved 30.16 million safe hours without any major accident.

400 kV Overhead Electric Transmission Line in Abu Dhabi

Client	Location	Value
Abu Dhabi Transmission and Dispatch Company (TRANSCO)	Abu Dhabi	USD **45** Million

Scope

Design, supply, installation, testing and commissioning of approx.. 149 kms of double circuit 400 kV transmission line on lattice steel towers with quad dove ACSR conductors .

Key Challenges

- Restricted working hours.
- Limited access and remote locations.

Success Factors

- Approx. 21 km (41 towers) passes through high security areas (Baraka Nuclear Power Station and Military Electronic Shooting Range) and around 35 km (72 towers) passes through areas having high environment significance for protection of Houbara birds and local gazelles. The line also passes through the remote deep desert of western region of Abu Dhabi, approx. 63 km (126 towers) were far inside the deep desert, away from road or utilities. Working hours in restricted areas are stringent and need prior approvals.
- The "Special Access Pass" from CICPA (Critical infrastructure and Coastal Protection Authority) was obtained in advance for Manpower, Equipment and Vehicles. Receiving the access pass was challenging and required time and patience with lot of documentation. Other challenges associated with the above were obtaining of CICPA Access pass for KPTL's sub-contractors employees and their equipment.
- Success to complete the project was because of advance identification of requirements and planning, continuous follow-up with authorities for necessary permissions and team co-ordination.

The project bagged RoSPA Bronze award for the HSE performance for the year 2018.

Cross Country Pipeline under Paradip Haldia Durgapur Project for 159 kms

Client	Location	Value
Indian Oil Corporation Ltd. (IOCL)	Odisha and West Bengal, India	₹ **166** Crores

Scope

Installation of approx. 159 Km of cross country Pipeline under Paradip Haldia Durgapur LPG Pipeline Project. Scope included associated civil, piping, mechanical, electrical &instrumentation works inside mainline valve stations (31 Nos.).

Key Challenges

- Right of Use (ROU), Multiple Working Fronts.

Success Factors

- Since continuous stretch for pipeline laying was never made available, effective & efficient planning of crew deployment on daily basis resulted in successful completion of project. As this project was awarded as balance/pending work, tremendous coordination was required to complete the pending work which was left by other contractor.
- As work front at refinery area was not released, we completed that portion by horizontal direct drilling (HDD) method instead of normal pipeline laying work.
- There was better coordination with client to resolve the local issues for smooth execution and also we deployed local subcontractor to carried out the construction activities smoothly.

Approach to Growth – Developing competencies in international markets

Converting challenges into success factors

Our business has constantly evolved in sync with the market opportunities and the ever-changing environment. To capitalize on the market opportunities, we adopted a multifarious approach towards our product offering by entering into the Oil & Gas Pipeline, Railways and T&D Long-term Assets business in the domestic market. This strategy was put in place to ensure that the new plan of action would deliver diversified returns and at the same time boost KPTL's market position for a sustainable future.

Region	Global Footprint (No. of Countries)	Transmission Line (Ckms)	Substation Capacity (MVA)	Challenges
Africa 	23	14,301	1,073	• Hostile & Unsafe Working Environment in few Countries. • Severe Right of Way (ROW) issues in selected countries. • Language barrier in west and maghreb region of Africa. • Few countries are prone to diseases, causing health concerns for our team. • Limited availability of manpower, construction equipment and sub-contractors.
Middle East 	6	1,779	Modification works	• Difficult and harsh climatic conditions. • No claims for delay & stoppage of project. • Stringent contractual terms and client management. • Very competitive market with high presence of local companies. • Shortage of skilled manpower and visa issues for labour.
South-East Asia and SAARC 	14	2,992	160	• Severe ROW and environmental clearance issues. • Difficult topography and uncertain soil conditions. • Legislative and regulatory compliance. • Countries with active terrorism (Afghanistan) • Language barrier in countries such as Philippines.
CIS & Europe 	7	1,334	Extension works	• Prequalification (PQ) requirements requiring local presence in many countries. • Harsh weather conditions in the region. Limited window for construction works. • Language barrier in many countries. • Strict quality and HSE norms.

To achieve our new strategic shape combined with increased stability and improved performance, over the past few years we have accelerated the growth of Oil & Gas and Railways business. We are taking advantage of favourable market opportunities and setting targets with an ambition that these businesses contribute significantly for future profitable growth. In 2018-19, our Oil & Gas and Railways business combined contributed to around 30% of revenue and 44% of order book.

As a next step, we will use our strengths created while establishing global footprints for expanding our other businesses in international markets.

Success Factors for KPTL	Market Opportunity
• Strong Client relationship to expedite decision making and resolve issues. • Expert legal & contract management to proactively resolve issues. • KPTL has built a substantial fleet of construction equipment over the years, thereby reducing dependence on local suppliers. • Dedicated team of construction workers and highly skilled & experienced project managers with strong local knowledge. • Strong vendor base and technology enabled supply chain management. • Strong Project Management Teams for seamless co-ordination & communication. • Employee welfare providing good quality working environment with in-house doctors and security staff.	• Access to electricity in Africa is low. Only 35% of people in Africa have access to electricity. • Transmission investment is needed to connect hydro generation resources to consumers, including investment in transmission connections between countries. • Estimates of investments required for transmission in Africa, between 2015 and 2040, range from US$3.2 billion to US$4.3 billion per annum.
	• Between 2018 and 2022, Arab Petroleum Investment Corporation (APICORP) estimates that MENA power capacity is expected to expand by an average of 6.4% per year, corresponding to additional capacity of 117 gigawatts (GW) to meet increases in demand. This is likely to require US$ 152 Bn of investment in generation capacity and an additional US$ 108 Bn for transmission and distribution (T&D). • The MENA governments are expanding their investment plans and APICORP estimates that 91 GW of capacity additions are presently in the execution stage.
	• Southeast Asia countries in particular are forecasted to have high rise of demand in the power sector; expected to triple from 789TWh in 2013 to about 2,200TWh in 2040 which doubles the current capacity. To materialise this, calls for investments of USD 618 billion in generation and USD 690 billion in the transmission and distribution of power is needed.
	• Europe plans to increase renewables penetration in Europe up to 75% of the demand by 2040. Increasing generation from renewables will create new interconnection needs across and between all regions, which in turn require a high level of internal reinforcements to national grids. • The reported expenditures for transmission grid infrastructure add up to EUR 139 billion in the decade 2021-2030 in the EU28 region. An additional EUR 36 billion is still reported for investments with expected commissioning year up to 2020.

Source: World Bank, Apicorp Energy Research, ASEAN Power Grid Summit, World Nuclear Association, IEA

Accelerating transformation through our strategic programs

We believe in building a future-ready organization with competitive edge. This is validated in our strategies of building a scalable business model and adoption of digital technology. The result: we have been able to deliver high revenue growth, increase the productivity and create value for our stakeholders. The three pillars (digital, operational excellence and people) are the building blocks that will help us to thrive and build a sustainable organisation.

Core Operational Transformation Steps

A. Kalpa-Parivartan- The Journey Towards 'World-Class Manufacturing'

At KPTL, we are relentlessly working to eliminate waste and improve efficiency, effectiveness and profitability in our manufacturing processes. The detailed approach is based on evaluating processes to help cut costs, enhance quality and enrich customer experiences.

We named this initiative as **'Kalpa-Parivartan'** with direct monitoring by top leadership of KPTL and dedicated team of individuals. We on-boarded a renowned technical consultant to drive our organization towards unprecedented change to improve productivity, quality and lower the costs. The initiative is aimed to achieve the following:

Reduce throughput time → Release Space → Optimize manpower → Reduce work in progress inventory → Spare CNC machines

This initiative will help not only identify the reasons for waste but also help optimize processes through marked principles and guidelines. We have decided to apply the concept of automobile industry to transmission industry, as a first mover in transmission tower manufacturing factory. With this prudent approach, we have decided to implement the initiative in phased manner across our plants.

First phase implementation is at Raipur manufacturing unit → Second phase implementation to begin at Gandhinagar unit

Lean and Value stream mapping were two major management tools deployed. At our Raipur plant, we are close to reaching target levels, while at Gandhinagar unit, we are in process to achieving the desired results.

Sr No	Objective	Improvement in % (Raipur)	Improvement in % (Gandhinagar)
1	Production Order Lead Time	50%	45%
2	Optimization of Man Power	16%	8%
3	Release Space for New Business (Railway)	22.50%	20%
4	Work in process	62%	49%

As a next step, we shall carry out Value Stream Mapping (VSM) of all functions namely Project Management, Procurement, Engineering, Planning – all of which have interface to factory / production.

B. Project Site Process Review (PSPR)

We conducted construction site process review with a renowned global consulting firm with an objective to provide recommendations on improving Project Site Processes and unlock value in the areas of:

Productivity improvement → Cost optimization through 'point of use' efficiencies → Re-engineering of project management processes → Improved communication management processes → Enablers for digital interventions and automation

Two projects were carefully chosen from each Business Unit to be part of the reviews. The exercise was timely completed in the financial year and the implementation of recommendations shall pave a way forward for building a sustainable organisation. We believe with implementation of these we shall get enormous value by reducing project schedule reduction in site overheads and optimisation of direct costs at sites.

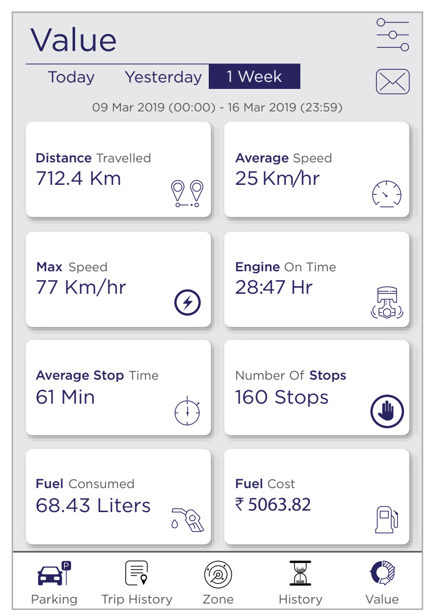
The project has given us a broad understanding of analytical tools, digital platforms and planning improvement methodologies to take us in a league of high performance companies.

C. Go Digital

In line with our vision to build a competitive and an agile organisation, we have created a digital team to implement futuristic technologies. Some of the initiatives introduced during the year were:

Digital Transformation Program: KPTL has commenced a program to enhance digital capabilities across businesses. Digitalization presents enormous opportunities to increase project delivery certainty and efficiency and to strengthen collaboration and knowledge sharing. In 2018-19, we firmed our digital strategy at advance stage to rollout various digital initiatives. These initiatives shall run on backbone of various technologies like Virtual Reality, Augmented Reality, Mobile Applications, Robotic Process Automation, GPS, RFID etc. We plan to implement these technologies across various stages of project life cycle and corporate functions in order to be more effective and efficient in our operations. Implementation will be done in two phases – during first phase pilot implementation in select projects of businesses shall be carried out and the second phase shall include full scale roll out and creating Standard Operating Procedures as well as training teams for sustainability initiatives. We firmly believe that digitalization will help us improve performance and make us more competitive in the EPC market.

Vehicle Monitoring: We have installed GPS devices to track the movement of site vehicles. It can track position of vehicles (including its exact location, moving/stopped, speed, fuel) on a real-time basis. The tool informs on various alerts like speed violation, unauthorized zone entry, anti-theft, device tampering etc. These features help in proper monitoring of the vehicles. Customized vehicle running reports ensure savings on account of unauthorized usage of vehicles. The devices are currently being used in pilot basis on few sites and will be scaled up slowly to cover other sites.



Drones: We have tied up with drone services providers for providing services on sites with difficult terrain and track project progress. Going ahead, we intend to create an in-house team with capabilities to do surveys, check project progress and support execution activities of transmission lines.

D. SAP Migration:

KPTL has been one of the early implementers of SAP in the EPC Industry. In 2018-19, we upgraded our existing SAP from ECC to the latest version of SAP S4 Hana 1809 platform under the program KALP-UDAAN "Feel The Pace". KPTL is first in India to convert our SAP ECC 6.0 to S4 HANA 1809 with Vendor Invoice Management (VIM) 16.3 Version. Generally, such large-scale migration program takes 5 to 6 months to complete the implementation; however, KPTL completed the entire migration in a record period of 97 days. The implementation of latest SAP has lead to significant improvement and faster processing of reports and transactions. The Company has also taken steps to implement latest digital technologies and integrate the same with our Back-End ERP.

E. People

We are undertaking constant efforts to refresh and update the skills and expertise of our employees. As the EPC industry gets more competitive, we ensure our employees are rewarded fairly and compensated, to keep them motivated and associated with us.

Skill Upgradation: In support of our continual learning imperative, the year 2018-19 also saw the launch of our new online digital platform, which provides over 40 resources, including online learning tools and videos. The online training programs have special modules for upgrading technical skills of our workforce. This programs are in areas related to construction methodology, quality, HSE, Material management, finance and accounts etc.

Nurturing Future Leaders: Our Leadership Development Programs continue to nurture and develop leaders to have an opportunity to join our organization, with core leadership skills needed to achieve our short-term goals. Since its launch in 2015-16, over 135 employees have completed the program, 78 are ongoing and 78 new participants started their journey during the year 2018-19.

Attracting Young Talent: We have significantly increased the opportunities provided to young people to gain work-experience at KPTL. In 2018-19, we have provided more than 1,080 young people opportunity to work across a wide spectrum of areas ranging from project planning, finance to execution - helping them to accelerate their learning curve.

Recognizing Performance: We reward people based on their performance, potential and contribution to our values and success. This year, to drive ownership, empower our line managers and encourage future-focused goals, we implemented a new performance rating and variable pay structure.

F. Procurement & Supply Chain Management:

Centralising and standardising our procurement process has helped efficiently redeploy resources from one job to another. This has reduced wastage, cost and delays caused by sites not being operationally ready. At the same time, project managers are freed up to focus on their project rather than procurement. Additionally, our centralised procurement group has established long-term agreements with suppliers selected on their ability to deliver superior products and services to all major geographies, as well as offer highly competitive pricing. We have also shortlisted preferred vendors and subcontractors with the express aims of strengthening business relationships and provide greater consistency on delivery and reducing cost.

G. Quality Initiatives at KPTL

Each of business units are equipped with quality professionals. As an example we have detailed MSQA plan, SOPs for all important work processes in place and monitored for adherence. MSQA plan for 2019-20 is:

- Preparation of handbook and pocket diaries of do's and don'ts in cube test, slump test, foundation, erection and stringing.
- To develop in house audit team to carry out site audit cross functionally.
- Develop and calculate the coq (cost of quality) to optimize work
- Implementation of 5S in all project stores and location.
- Implementation of Geotag application in all projects.
- Monitoring of all new initiatives through digital platform.
- LMS Module for Substation – Plastering and Brickwork.
- LMS Modules for T&D – Derrick and Centre Crane Method.
- Quality week celebration at T&D Office and project sites.
- Supervisors nomination to CIDC Vishwakarma Awards.
- Creating mass awareness and building culture of quality by conducting workshops to sub agencies and channel partners.

H. Environment, Health and Safety (EHS)

KPTL has established a Company-wide practice of re-enforcing and maintaining the highest EHS standard with a dedicated approach and strong demonstrative commitment.

KPTL has taken the different type of control measures (Initiatives) continuously to achieve the organizational goal of ZERO harm and consistently encourages its employees to practice & integrate the EHS standard at all levels of the work.

EHS initiatives:

- Quantitative rapid EHS performance assessment of project sites on every month.
- Developed Kalpataru Innovative Occupational Health and Safety Park for EHS awareness.
- EHS agreement for contractors & sub-contractors.
- Centralized procurement process of Personal protective equipment.
- Introduced foolproof fall protection mechanism through Provision of Safety net / vertical and horizontal lifeline while working at height.
- Provision of CCTV Camera System at tower location to monitor the safe work practices.
- Utilization of Kalpataru Safety Park as a commercial purpose and it profit center.
- Customer feedback form to measure the customer satisfaction level of EHS standard.
- Visitor safety guideline to develop the visitor management system.
- Released In-depth incident investigation guideline for the systematic approach to identify root causes of all incidents.
- Introduced excellent corporate EHS Operational control procedure for Safe work system.
- Fire safety audit of major business buildings of Kalpataru to avoid any untoward fire incident.
- Organized the different type of campaign for health awareness / Environment protection /blood donation.
- Organized different EHS workshop for EHS excellence towards culture transformation across the organization.

KPTL has received various prestigious EHS awards at national and international level and received appreciation from different clients.

The main goal for all the initiatives is to promote safer, healthier and greener work environment by adopting efficient practices.

Strategic Transformation Steps

A. Monetisation of BOOM/PPP Assets

Being an EPC entity with four transmission assets, we analysed potential strategic options to create long-term value for stakeholders.

While we evaluated options to continue to operate the assets or get an investor on board as seed funding which may create more value in the assets, we concluded hiving-off the assets would create unmatched value for our shareholders. We deliberated and ran successful processes for selecting a suitable buyer for our PPP portfolio.

We received multiple attractive bids during Non Binding Offer (NBO) stage as well as Binding Offer (BO) stage. The investors were given the opportunity for complete evaluation as our sites and data room were open for due diligence and inspection to help them ascertain the asset quality. During the due diligence stage, we addressed various queries and follow-up questions by potential investors. As a result, up to 31st March 2019, we received several binding offers for sale of our PPP portfolio.

Our exit strategy is primarily to unblock capital for our core business. We will continue to selectively bid for BOOT assets with a defined strategy to build and hive off or sell to long-term investors.

B. Acquisitions

Historically we have acquired entities that align to our business model and integrate well to deliver value. As next step to growth, we are evaluating multiple international firms in EPC businesses and these avenues of inorganic growth shall help us expand our global footprint to the existing 55 countries.

In the current fiscal, we signed an agreement to acquire 85% equity stake in Linjemontage i Grastorp AB through our wholly owned subsidiary in Sweden, one of Sweden's most promising EPC firms specializing in power supply solutions and services.

The acquisition presents us with a huge opportunity in the Scandinavian markets of Sweden, Norway, Denmark and Finland, each of which have huge potential, given their ageing transmission networks. Importantly, this acquisition paves our entry into the highly competitive and technologically intensive European market. It will give us access to cutting edge technology and practices that can bring greater value to all our clients.

Our global experience and expertise will enable Linjemontage i Grastorp AB secure access to new European markets. Linjemontage will also be able to leverage our strong networks and proven capability to execute large complex projects to become more competitive, deliver better and grow faster.

Key highlights of the execution are:

- Target Company's activities are strategic fit with our Core Business.
- Consistent growth in top line (more than doubled in last 3 years), Positive EBITDA & Net Profit.
- Motivated and experienced team of individuals with existing CEO to continue for 3 more years.
- Strategic presence in Sweden.
- PQ to execute upto 400kV substation & TL.
- No major Financial, Tax & Legal problems.
- Use of all three legs AAA strategy-
  - **Arbitrage:** Business synergy and improvement of margin by supply from India.
  - **Aggregation:** We shall be able to use proven design capabilities to support expansion of business.
  - **Adaptation:** This acquisition also marks the beginning of the journey aligned to our vision of being local in global market. This is a very strategic step which also helps KPTL to adapt easily to address cross- country differences.
- Both Sweden and Norway markets are up with lots of investments happening in creation of renewable assets coupled with more than 40 years old transmission infrastructure.

We will continue to explore further acquisitions with core premise of being 'Local in the Global Environment'.

Taking actions as a responsible Company

As the builder of infrastructure, it is imperative that we build a business model that imbibes sustainability in all aspects. We have a holistic view of our assets in terms of their life cycle and impact. Our aim is to develop and apply the most effective social and environmental solutions in response to the issues created by economic, ecological and technological change.

Intangible greener commitments

We take into account the environmental impact at each step of our project execution, with a broad perspective that helps reduce the carbon footprint. The Company offers solutions that help improve people's living conditions in cities and regions, while at the same time providing solutions to major environmental challenges.

Our Business	Impact on environment and local communities
Power Transmission and Distribution: We undertake power transmission and distribution projects in developing countries across Asia, SAARC and Africa. Many of our projects are executed in difficult geographic terrains and harsh climatic conditions where the local habitat has minimal or no access to electricity.	• Access to electricity also improves access to safe water, better health conditions, food security, as well as lighting and education. • In addition, it reduces the need for collecting and using other traditional sources of energy, such as firewood, animal dung and crop residues for cooking and heating, which cause harmful indoor air pollution. • Access to electricity increases productive working hours and provides opportunities for self-employment, in particular for women in rural areas.
Railways: In line with Government of India's vision for complete electrification of broad guage routes of Indian Railways, KPTL has dedicated enormous resources and is actively executing numerous railway electrification projects across India. In addition to overhead electrification of railway lines, we are working in areas like new / additional track laying, signaling and telecom, civil works etc.	• In line with the new Auto Fuel Policy of the Government, total shift to electric traction will reduce fossil fuel consumption of about 2.83 billion liters per annum. Reduced dependence on imported petroleum based fuels will ensure energy security to the nation. • Overall savings in fuel bill to the extent of ₹13,510 Crore per annum. Electrification of sections covered under this decision will result in net savings of ₹3,793 Crore per annum. • Reduced expenditure on maintenance of locomotive as electric locomotive maintenance cost is ₹16.45 per thousand GTKM compared to diesel locomotive maintenance cost which is ₹32.84 per thousand GTKM. • Reduced carbon footprint as environmental cost per Tonne Km for Electric Traction is 1.5 Paisa and for Diesel Traction 5.1 paisa. • In line with commitment made by India in COP21, total shift to electric traction will reduce CO^2 emission of Railways by 24% till 2027-28. • Green house gas emission for electric traction will fall below diesel traction by 2019-20 making it environmentally friendly option. • Direct employment during construction phase for about 20.4 Crore Man days.
Oil and Gas: KPTL is a leading player in EPC contracting of Oil & Gas pipeline laying and associated facilities. We have completed laying of 4600 kms of pipelines and setting up of 275 intermediate & terminal stations.	The need for an optimal system of petroleum product transportation is being felt over the years. Therefore, creation of infrastructure like LNG regassification terminal and network of pipelines is critical to growth of industry as well as the country's economic growth. Pipelines have several distinct advantages over other modes of transport in terms of safety, eco friendliness, transportation losses etc.
Biomass: After Kyoto protocol was adopted in 1997, the Government of Rajasthan came up in 1999 with a ;Policy for Promoting Generation of Electricity from Non-Conventional Energy Sources'. Taking advantage of this, we commissioned our first 7.8 MW Biomass Power Plant at Padampur in the Ganganagar district of Rajasthan in 2003. Another 8 MW Biomass Power Plant at Uniara in the Tonk district of Rajasthan in 2006.	Biomass power pants are an integral to inclusive development of KPTL as these plants not only generate greener environment by converting waste into clean energy, but also boost rural development. KPTL's both biomass plants have received Gold Standard, which is the premium quality standard for CER's with added sustainable benefits and guarantee performance.

Source: http://pib.nic.in/newsite/PrintRelease.aspx?relid=183399

Giving Back to the Society

We are committed to creating opportunity everywhere we work, sharing our time, expertise and resources with local communities and partners to improve their quality of life.

Uganda: We made contribution for the construction of second phase of the maternity ward at Kitubi Health Centre, Kampala. The project was initiated by Indian Women Association (Uganda) and KPTL was the main sponsor of the project. The second phase of the maternity ward consists of two labour rooms and twenty four beds.

Sierra Leone: KPTL contributed to the development of the community in Sierra Leone by upgrading the facilities of the Makeni Comprehensive Academy, Secondary School in Makeni, Sierra Leone. As part of this program we supported in renovating three classrooms and one laboratory hall. We also donated forty six benches, one set of laboratory equipment and six sets of text books.

Botswana: KPTL undertook various community development initiatives in Botswana including: (1) Construction of jungle gym and donations for furniture, stationeries and toys at Samochima pre-school (2) Donation of wheelchair batteries, groceries and electric vouchers at village Molepolole (3) donation of reflector cow belts to farmers at village Nokaneng.

Senegal: KPTL contributed to various community development initiatives in Tambacounda, Kolda and Ziguinchor by donating bench tables, chairs sport equipment and medical kits to schools.

Creating safe working conditions for our employees

We hold strong emphasis on ensuring potential health and safety of our employees in our business operations. The zero accident goal is a target for the teams in every project, including subcontractors' employees and temporary staff.

Under the authority of the EHS steering committees, the health and safety policy was implemented across all sites. We focused on compiling shared methods and tools to analyse the root causes of workplace accidents and improve how organisational and human factors are taken into account for accident prevention.

Managers regularly receive safety management training and are evaluated based on their safety practices and performance. We also built Kalpataru Innovative Occupational Health and Safety Park which is conceptually in-house designed, for enhancing the EHS awareness and adopting safe work culture.

KPTL also pays close attention to the health of its employees. In many international project sites, full fledged dispensary with an Indian doctor assisted by a team of nurses with all the required medicines are set up. Additionally, places where such arrangements are not possible the Company arranges health camps specializing in tropical medicine for a thorough checkup of all employees. In domestic projects regular health checkup camps are arranged for employees including advice about diet, health and physical activity.

Awards

KPTL's Gandhinagar manufacturing plant received Silver Certificate of Merit at **India Manufacturing Excellence Awards 2018** conceptualized by Frost & Sullivan for appreciating efforts taken by the Plant and its personnel in enhancing manufacturing and Supply chain excellence.

KPTL Chairman Shri. Mofatraj P Munot received the **Life Time Achievement Award** at the CNBC Awaaz National Real Estate Awards 2018 from Hon Union Housing and Urban Affairs Minister, Shri. Hardip Singh Puri.

KPTL's Padampur Power Plant received **"Apex India Occupational Health & Safety Excellence Award"** under Gold category. It also received State Level **"Factory & Safety Award"** from Department of Factory & Boiler, Government of Rajasthan.

Gold Standard Organization recognized KPTL's Biomass power plants as one of the **best 3 CDM Projects globally.**

KPTL received Bronze Trophy at **"RoSPA Safety Awards, 2018"** from **The Royal Society for the Prevention of Accidents – UK** for 400 KV OHL Baarakaha Bab Grid Station, Abu Dhabi.

KPTL was honoured with **"Best Exporter of the Year"** award at Exim Club Awards, 2018 organized by Exim Club, Association of Exporters and Importers.

KPTL received the following recognition from Power Grid Corporation of India Limited **(PGCIL)**

- PGCIL appreciated KPTL for its approach for **Environment, Health & Safety** while executing Drass - Kargil Transmission Line.

- PGCIL conferred a **Certificate of Appreciation** to KPTL in recognition to its significant achievement of **"One Million Safe Man hours"** during the period from August, 2016 to January, 2019 without any lost time accident and maintaining improved EHS standards at "765 kV D/C Ajmer – Bikaner Transmission Line" project associated with Green Energy Corridors.

- KPTL received Special Appreciation from PGCIL for **"Excellence in new work – Railway Electrification"** for Mansi- Madhepura Railway Project

ONGC also conferred to KPTL **Certificate of Appreciation** on achieving Four million safe man hours without any lost time incident during execution of a Pipeline Project. It also conferred to KPTL **Certificate of Appreciation** on achieving one million safe man hours at Navagam Koyali Pipeline Project.

KPTL received award at **"11th CIDC Vishwakarma Awards – 2019"** in the category of "Achievement Award for Best Artisans and Supervisors – 12 Supervisors".

World HRD Congress 2019, recognized KPTL's Training Initiatives by conferring **'Excellence in Training & Development Award - An Overall Award for Best Result Based Training**'.

Leadership Team

Mr. Mofatraj P. Munot
Executive Chairman

Mr. Parag M. Munot
Promoter Director

Mr. Manish Mohnot
Managing Director & CEO

Mr. Sanjay Dalmia
Executive Director

Mr. Kamal Jain
Director (Operations & Procurement)

Mr. Ram Patodia
President & CFO

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

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

Mr. M A Baraiya
President (HR & Admin)

Mr. Subhasish Mukherjee
President (International Business)

Mr. Rakesh Gaur
President (Railways)

Mr. Ramesh Bhootra
President (International Business)

Mr. Brajesh Sohrot
President (Group Procurement & SCM)

Mr. Pawan Kant
President (Long-term Assets & PPP)

Mr. Manish Madhok
President (Group Assurance, Risk & Audit)

Mr. Dhimant Gandhi
Deputy President (Production)

Management Discussion & Analysis (MD&A)

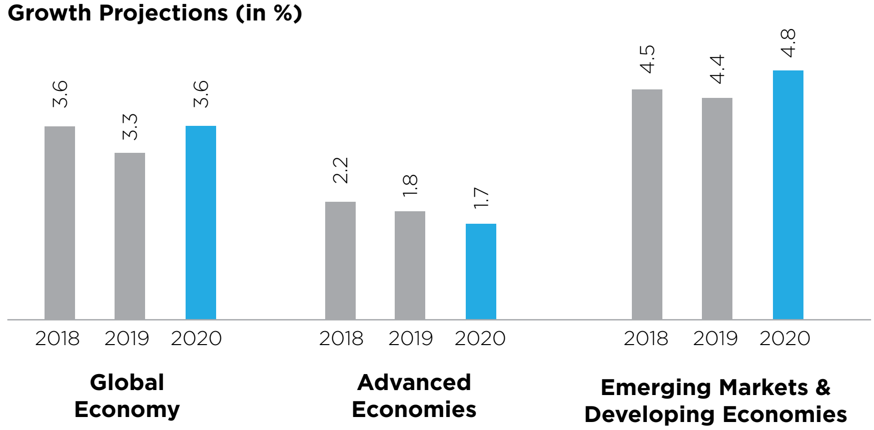
Economic Scenario

Global

Economic growth accelerated in more than half the world's economies in both 2017 and 2018. Developed economies expanded at a steady pace of 2.2% in 2018 and growth rates in many countries have risen close to their potential, while unemployment rates in several developed economies have dropped to historical lows. Among the developing economies, the regions of East and South Asia remain on a relatively strong growth trajectory, expanding by 5.8% and 5.6%, respectively in 2018. Growth is expected to remain strong in 2019 but moderate slightly to 3.3% amid escalating trade disputes, risks of financial stress and volatility and an undercurrent of geopolitical tensions.

As has been the case in recent years, Asia will maintain its status as central engine of world economic growth on back of strong consumption and investment. The strong regional performance will be led by India, which continues to be the fastest growing major economy. Although China economy is slowing, nevertheless it will maintain a growth rate of over 5.5% in medium term.

Growth Projections (in %)



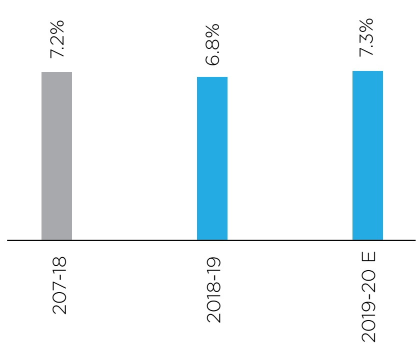
Source: World Economic Outlook - April 2019

Indian

The Indian economy remains one of the fastest growing and possibly the least affected by global turmoil. In fact, the effects of the aforementioned external shocks were contained in part by India's strong macroeconomic fundamentals and policy changes (including amendments to the policy/code related to insolvency and bankruptcy, bank recapitalization and foreign direct investment).

The Indian economy grew by 6.8% in 2018–19, while GDP growth is projected to remain upward at 7.3% for 2019-20. These projections could be attributed to the sustained rise in consumption and a gradual revival in investments, especially with a greater focus on infrastructure development. The improving macroeconomic fundamentals have further been supported by the implementation of reform measures, which has helped foster an environment to boost investments and ease banking sector concerns. Together, these augur well for a healthy growth path for the economy. India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank. India's leap of 23 ranks in the Ease of Doing Business ranking is significant considering that last year India had improved its rank by 30 places, a rare feat for any large and diverse country of the size of India. With key economic policies on track, the government is likely to focus on faster policy implementation in the year ahead, with a greater focus on infrastructure development. Government push may encourage muted private investors to participate, thereby fostering private sector expenditure and boosting investments.

India Real GDP Growth Rate



Note: Estimates for 2018-2019 have been taken from the budget.

Source: RBI

Industry Scenario

Global Power Transmission & Distribution Sector

a. Overview, Outlook & Trends

Electricity is the fastest-growing source of final energy demand and over the next 25 years it continues to outpace energy consumption as a whole. The power sector now attracts more investment as the generation mix changes to more of renewables and ageing infrastructure is upgraded.

The electricity transmission market is currently undergoing a major change with countries in pursuit of better efficiencies and more suitability for wheeling renewable energy. Several countries are upgrading their transmission lines to higher voltages in order to reduce transmission losses. Technological changes and upgrades are also being made to make the transmission systems more stable against the intermittent nature of renewable energy sources. Besides, the advent of net metering for solar homes and coordinated charging of electric vehicles is pushing utilities to align their new infrastructure with the possibility of bi-directional flow of electricity. Increasing renewable power capacity has also heightened the need for countries to interconnect their transmission systems in order to balance generation and demand through export and import of electricity. This, in turn, has pushed the construction of higher capacity interconnection lines.

The global transmission line market grew from $12.3 billion in 2008 to $32.1 billion in 2014. During 2020–2025, the market size is estimated to soar from $37.6 billion in 2020 to $78.1 billion in 2025. (Source: Global Data Report)

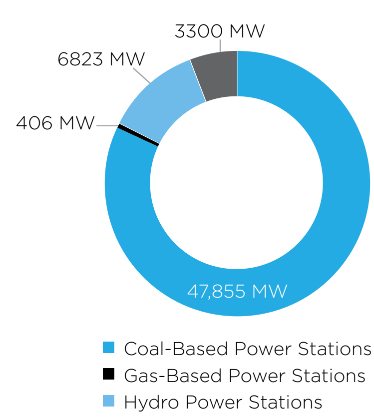
b. Region-wise Outlook & Opportunities

India

The power sector in India witnessed an all-time high exponential growth during 2018-19. With a total installed power generating capacity of 3,56,100 MW as of March 2019, India emerged as the world's 3rd largest electricity producer. Further, a total capacity addition of 58,384 MW from conventional sources along with setting up of renewable power generation capacity of 175 GW has been envisioned for the period 2017-2022. In 2018-19 (up to Feb-19), the peak demand touched a high of 177 GW against 164 GW in 2017-18, registering a growth of 7.8%. The rising demand was met from higher generation by both thermal and renewable energy plants. This is reflected in the improvement in thermal power PLF to 61.01% in 2018-19 as against 60.67% in 2017-18, as well as 29.5% higher generation from renewable energy sources on y-o-y basis.

The successful implementation of directives along with growing policy-level changes has led to the transformation of the power sector of India. The power sector in any country has a crucial impact on its economic development and growth. In recent years, the transmission segment has seen significant growth, which in turn has increased the demand for power transformers. As of March 31, 2019, the total transmission line length stood at 4,13,407 ckm. With almost 899 GVA of capacity, transformers at the 220 kV voltage and above accounted for the highest share of 40% in the total transformer capacity. Central and private sector transmission utilities have started adopting global practices for the development of transmission line projects. A refurbishment of the transmission planning process is also under way with the central regulator issuing regulations in this context. As a result, the transmission segment is expected to witness a paradigm shift

Capacity Addition Envisaged from Various Conventional Sources



Source: Electrical India

in terms of how projects are planned and executed in the next few years.

Growth Drivers

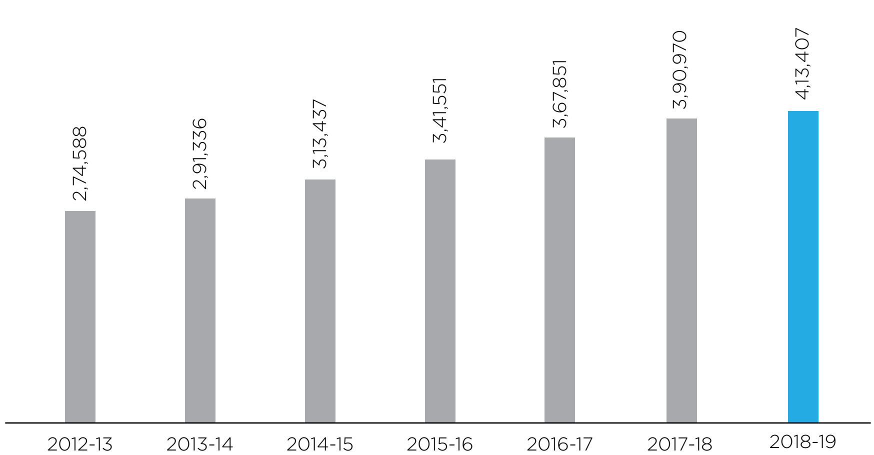
- The transmission network infrastructure is likely to undergo significant expansion in the coming years. As per the TARANG web portal, 1,12,420 ckm of transmission lines are under construction in the country as of October 2018. Between 2017 and 2022, around 1,07,490 ckm of line length, 3,33,479 MVA of substation capacity and 14,000 MW of HVDC capacity is expected to be added.
- High capacity green energy corridors are under implementation, which will facilitate the interconnection of large-scale renewables into the national grid. In addition, transmission schemes for 7,200 MW of ultra-mega solar power parks are also under implementation in various states as part of the second phase of the green energy corridors scheme.
- The electrical interconnections with neighbouring countries Nepal, Bhutan and Bangladesh are being further strengthened for increasing the exchange of power.
- The government also plans to increase the fleet of Electric Vehicles (EVs) in the country with a target of 30% EVs by 2030. This will lead to rise in demand for power transmission.
- Metro rail projects and railway electrification projects have also contributed to the increase in demand for power transmission.
- Under the government's renewable energy plan, significant generation capacity is continuously being added and a number of transmission lines and substations are being constructed, thus driving the demand for transformers.

Government Initiatives

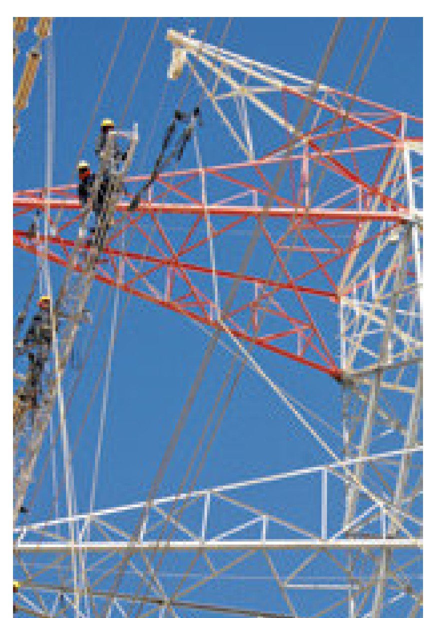
The Government of India has recognised power sector as a key sector of focus so as to promote sustained industrial growth. Some initiatives by the Government of India to boost the Indian power sector are:

- As of September 2018, a draft amendment to Electricity Act, 2003 had been introduced. It discussed separation of content & carriage, direct benefit transfer of subsidy, 24x7 Power supply as an obligation and penalisation on violation of PPA, setting up Smart Meter and Prepaid Meters along with regulations related to the same.
- Ujwal Discoms Assurance Yojana (UDAY) was launched by the Government of India to encourage operational and financial turnaround of State-owned Power Distribution Companies (DISCOMS), with an aim to reduce Aggregate Technical & Commercial (AT&C) losses to 15% by 2018-19.
- The Pradhan Mantri Sahaj Bijli Har Ghar Yojana-"Saubhagya" was launched by the Government of India with the aim of achieving universal household electrification. As of 31 January 2019, 213 million households have been electrified.

Growth in Transmission Line Length (Ckt. Km)



Source: Powerline.net.in



Africa

As per the World Bank report, the private sector plays a vital role in financing, building and operating power transmission lines in Africa and helps to take electricity to millions in the region. The country is in a challenging position and needs to pull the private sectors into investing in power generation and transmission projects. With the population expected to rise by 80% by 2040, electricity generation will have to be doubled to maintain per capita provision. In order to meet the rising demand, major power generation projects will also be required. With around 600 million Africans lacking access to power, the continent faces severe limits to growth in every sector, ranging from health and education to industrialisation efforts and infrastructure growth. Weak power networks are considered to be the primary cause of power shortages and poor quality of power. As per the World Bank estimates, investment required by 2040 in all power production sector, ranges between $33.4 billion to $63 billion annually.

There are two major drivers for Transmission Infra creation in Africa-

- Trade among countries – between surplus and deficit regions.
- Rise of renewables.

10 major corridors planned for trades are below-

1. Exports to Tanzania (EKTZ line); Tanzania will experience a supply deficit in the medium term, ranging between -500 and -800 MW. Sources of power could come from Ethiopia (expected to have generation surpluses of ~1,200-1,900 MW from low cost hydropower),

2. Nile Basin sub-regional trade; NELSAP power interconnections could move power to Rwanda, which is expected to remain in deficit in the short term. Power could come from Kenya or Ethiopia, through a reinforced interconnection around Lake Victoria (covering Kenya, Uganda, Rwanda, Burundi and Tanzania, with connections to DRC, as well).

3. Central corridor opportunity between South Africa, Zimbabwe, Zambia, Mozambique and the DRC to export power to Zambia and industrial off takers, such as the Copperbelt in southern DRC and north-western Zambia (accumulated deficit could reach ~2,000 MW). Power sources would include South Africa in the short term and Mozambique in the medium term.

4. Connecting Malawi to the power pool (expected deficit of up to -400 MW in 2025) through a connection to Mozambique and the rest of the Southern Africa Power Pool.

5. Western Corridor opportunity/ delivering power to Namibia (expected deficit of -400 MW before 2025), most likely from neighbors with a surplus supply, e.g., South Africa or Angola.

6. Bringing new power capacity to the regional market, especially in Mozambique (gas), South Africa (various sources) and Zambia (mostly hydro, e.g., Kafue Gorge Lower), which would allow additional generation surpluses to be traded across the region.

7. Interconnection of the Senegal-Guinea axis, particularly through the Gambia River Basin Organization (Organisation pour la Miseen Valeur du fleuve Gambie, or OMVG), which covers Senegal, Guinea, Guinea-Bissau and Gambia, to supply countries in deficit (e.g., Guinea-Bissau) and dispatch potential future surpluses from Senegal (e.g., the Sambangalou hydropower project).

8. Addressing power deficit in landlocked countries (e.g., Burkina Faso, Niger) through a northern connection in Ghana, which has surpluses (over 1,000 MW in the short run and over 500 MW in 2025)

9. Enabling Côte d'Ivoire to export its surplus to the West, especially to Sierra Leone and Guinea, which will experience deficits before 2025, via the CLSG line.

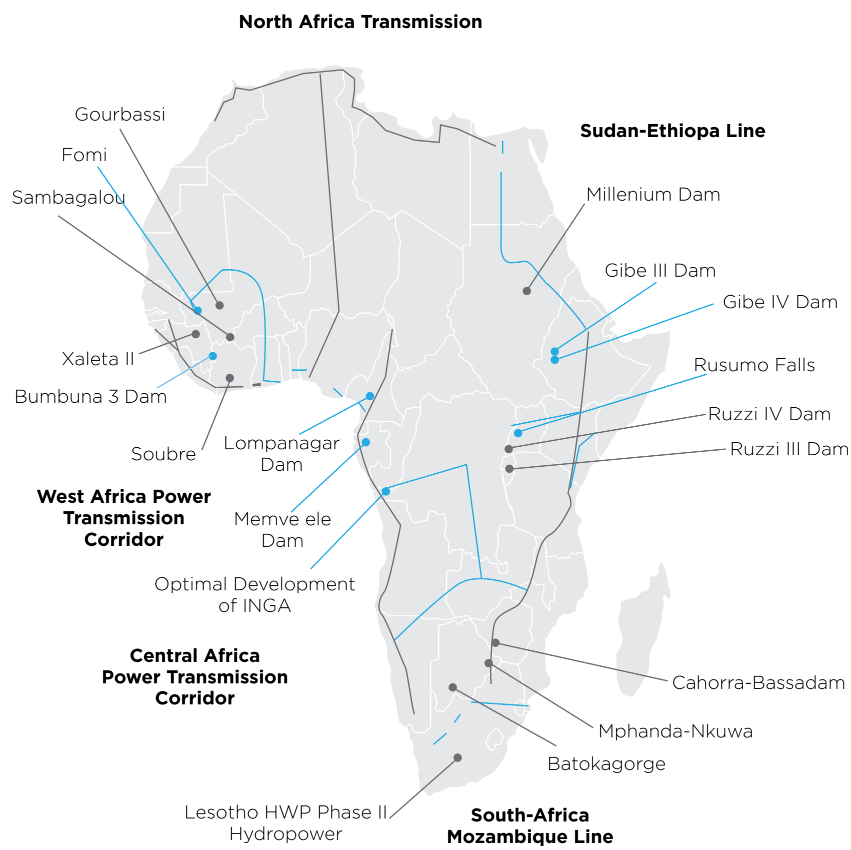
10. Addressing regional imbalances in the eastern Gulf of Guinea, with opportunities including exports from Togo (surplus ranging between 20-50 MW between 2018 and 2025) to Benin (deficit between 50 and 130 MW over the period) and Cameroon to Nigeria, which should experience significant deficit through 2025 and beyond

Renewable Corridor Opportunity in Africa

Green corridors likely to be planned are detailed below-

- Algeria & Egypt are two countries in the Northern Africa region which will see good renewable energy capacities planned under solar & wind power. The key development for renewable energy corridors shall preside over these two countries in the northern region. The inter-connector shall be between Nigeria & Algeria
- Ethiopia, Kenya, Tanzania & Uganda are the countries in the Eastern Africa region which will see good renewable energy capacities planned under hydro & geothermal power. The key development for renewable energy corridors shall preside over these two countries in the eastern region.
- Nigeria, Cote D'Ivoire & Ghana are the countries in the Western Africa region which will see good renewable energy capacities planned under hydro & wind power. The key development for renewable energy corridors shall preside over these two countries in the western region.
- South Africa, Mozambique, Namibia & Zambia are the countries in the Southern Africa region which will see good renewable energy capacities planned under hydro, solar & wind power. The key development for renewable energy corridors shall preside over these two countries in the southern region.

Major Power Transmission Green Corridors in Africa - Given Focus on Renewable Plans



Source: Enicon Research

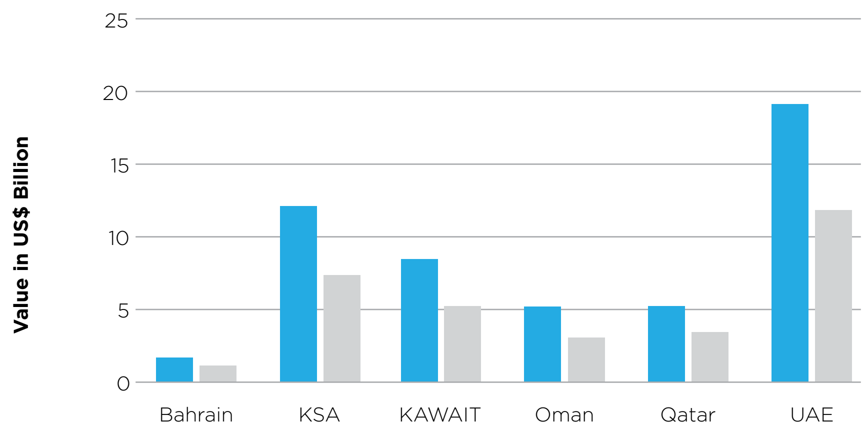
Middle East

The Middle East's power sector is undergoing significant transformation as governments work to boost energy security and subcontract responsibilities to the private sector. While rising power demand is not new for the region, the approach to developing electricity infrastructure is changing extensively. At current rates of growth, installed power generation capacity will need to increase by about 40% on the 2,97,367MW of available power in 2016 to meet the projected demand by 2025. In addition to growing demand from rising populations, substantial capacity additions will be required to power major energy and industrial schemes with the major oil companies of Gulf seeking to boost their downstream and petrochemical sectors as part of economic reform programmes. The decline in oil prices four years ago has accelerated programmes to tap into new fuel resources and financing structures and this strategic shift is likely to be more compelling than ever in the coming year. (Source: Power Technology)

The Gulf Cooperation Council (GCC) region has the highest level of investment in power infrastructure, public and private, of any group of countries worldwide. Rapidly growing population and urbanisation, rising income levels and industrialisation are the market drivers for the rise in electricity consumption in the GCC region. According to APICORP Energy Research, the GCC represents 47% of 151 GW (of current MENA power generating capacity) and the region is expected to require US$ 55 Billion for additional 43 GW of generating capacity and US$ 34 Billion for T&D over the next five years.

Currently, the middle east region is increasingly shifting its focus towards renewables (solar and wind resources) as a means of diversifying its power generation mix. The region has an attractive market for renewables due to abundant availability of solar, wind resources and nuclear power. According to a recent IRENA report, the region is anticipating renewable energy investment of US$ 35 Billion per year by 2020.

Required GCC Investment (2018-2022)



	Bahrain	KSA	KAWAIT	Oman	Qatar	UAE
Generation	1.9	12.9	9.1	5.4	5.4	20.5
T&D	1.2	8	5.7	3.4	3.4	12.7

Source: APICORP Energy Research April 2018

Asia

The Asian power sector projects a stable outlook for the coming year supported by steady cash flows, gradual pace of regulatory change, a gradual transition to a low-carbon economy and sufficient mitigants against capital market volatility. However Asia has the world's second largest population living off the grid i.e. more than a quarter of the world population living without access to electricity. South Asia faces enormous needs to meet the electricity demands of its fast-growing economies while, at the same time, protecting its natural environment and the health of its people. Moreover, owing to low access rates and low quality of supply, per capita electricity consumption in South Asia is the second-lowest in the world (after Sub-Saharan Africa). Unreliable power supply also adversely affects the operation and growth of firms, contributing to substantial business losses. In order to address these challenges power reforms should be the top priority for Asia such that it can yield high economic gains towards a more sustainable future. Further, increased efficiency together with a gradual increase in energy prices and targeted assistance also helps to mitigate the impact on consumers. (Source: The World Bank)

South East Asia

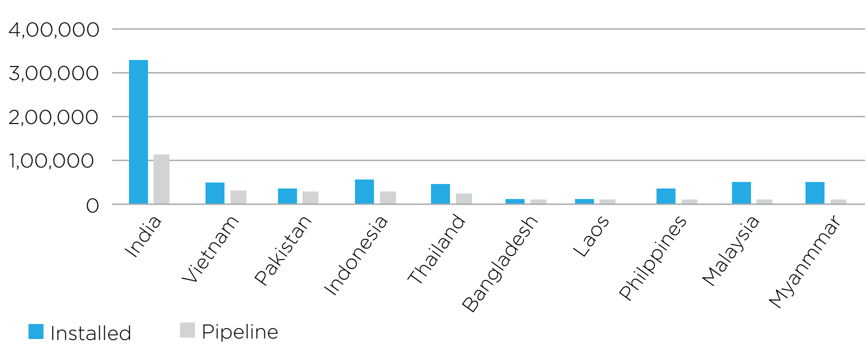
In order to meet their growing needs, Southeast Asian countries have to make crucial choices. They either have to lock the region into a carbon-intensive energy future or open up a more sustainable, flexible path based on renewables and energy trading. Foreign investors, especially China, play a key role in the outcome. Some of the region's poorest developing countries face extreme pressures. Myanmar, Cambodia and Laos expect their energy demand to grow every year by double digits. Indonesia, the Philippines and Vietnam project 6-10% annual growth rates. The region's energy demand is anticipated to grow by two-thirds by 2040, requiring massive investment in new energy generation and transmission. Installed capacity is likely double from 240 gigawatts to 565 gigawatts, which amounts to adding a bit more than Japan's total electricity capacity.

There are some signs that ASEAN countries are responding to global energy market shifts. Thailand has recently raised its renewable energy target from 20% to 30% following some government successes in encouraging solar investment. Cambodia, Indonesia, Malaysia and the Philippines are moving from feed-in-tariffs to competitive auctions for renewable energy projects. (Source: Chinadialogue)

SAARC

The electricity markets of all SAARC nations are experiencing structural transitions, caused by both exogenous (climate change) and endogenous (political economic) factors in their respective countries. While the world per capita electricity consumption stands at 3105 kWh/year, the SAARC region's electricity consumption is a meagre 726 kWh/year. There has been a rapid expansion of power capacity in India, Pakistan and Bangladesh.

Capacity Installed Vs. Planned (MW)



The performance of Bangladesh's power sector in the last five years has been impressive due to the progressive efforts of policymakers, support from developing partners and effective project implementation by public and private developers. The growth in terms of capacity addition in the last 10 years has been remarkable, from around 4.5 GW in 2007–08 to 12.8 GW in 2016–17. Private sector participation in generation accounts for about 60% of the total installed capacity. As part of the Power System Master Plan, 2016, the Power Division outlined a USD 35 billion investment potential in the transmission segment up to 2041. Under the plans, power transmission lines will be expanded to 36,870 km across the country by 2041.

Latin America

In the last 5 years, Latin America has made progress in the production of renewable energy, especially from sources such as wind and solar. However it has not yet been able to reduce its dependence on fossil fuels to clean up its energy mix. The region is also facing challenges in energy efficiency, transportation and power generation to move towards a low carbon economy and thus accelerate that transition, which is essential to cut emissions in order to reduce global warming before it reaches a critical level. (Source: InterPressService)

Lot of new Transmission lines are planned in the region. Line length expected to awarded by country are in short term is given below-

Country	Transmission Line Length (Kms)
Brazil	13,154
Argentina	2,175
Mexico	1,834
Chile	722
Colombia	691
Peru	557
Panama	317

Source: Global Transmission Research

Europe & CIS

European energy policy seeks to create a pan-European competitive electricity market and to increase substantially the generation of electricity from renewable resources. In the coming years these two factors will require significantly increased transfer of large amounts of electrical energy across long distances and national borders in Europe. Strengthening the European internal energy market, facilitating the energy transition and ensuring secure system operation relying on adequate well-developed and cost-effective transmission grids in Europe are some of the major factors affecting T&D market in Europe. With the European Union undergoing a fundamental energy transformation towards more electrification, electricity networks will represent the backbone of Europe's future fully decentralized, digitized and decarbonized energy system. More, modern and smarter electricity grids will then play a crucial role in facilitating and enabling the energy transition to integrate increasing volumes of decentralized renewable energy sources, evolving demand patterns as well as to modernize the system by introducing new technologies and solutions. An analysis of all projected capital expenditures in the domains of electricity transmission, gas transmission, storage, oil supply connections, carbon networks and power-to-gas grid injections highlights an overall expenditure of EUR 229 Billion in the decade 2021-2030 in the EU28 region. This adds to the EUR 67 Billion of infrastructure investments still pending for commissioning up to 2020.The analysis shows that the highest share (65%) of transmission investments are foreseen in the electricity transmission sector.

Total Capital Expenditure in EU

Transmission infrastructure	Capital expenditure (Euro Billion)	
	up to 2020	2021-2030
Electricity transmission	36	152
Gas transmission	19	41
Electricity storage	7	14
LNG facilities	3	10
Underground gas storage	2	5
Power-to-gas grid injection	-	6.5
Carbon dioxide networks	-	0.2
Oil supply connections	<1	1.8
Total	**67**	**229**

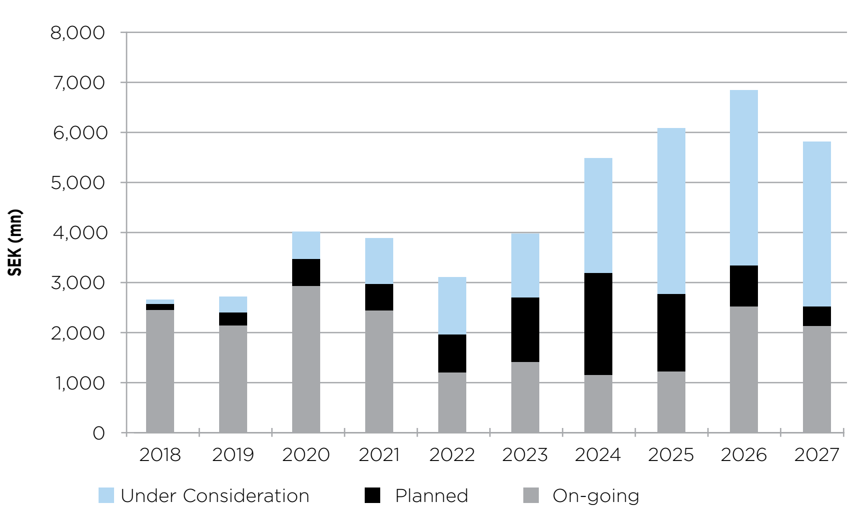
Source: Investment Needs in Trans EU Energy Report

Transmission and Distribution Industry in Sweden

As per the Swedish Energy commission report, by 2040, the power system will change wherein the use of nuclear power will decommission and wind and, till some extent, solar power generation will expand. Hence, leading to boost of new investment in grid of new electricity generation majorly comprising of power from new wind farms.

Sweden's transmission grid contains stretches with parallel 400kV and 220kV connections. Grid reinforcements are carried out to handle limitations arising from unfavourable flow distribution between connections that are driven in parallel with different system voltages. The power lines that are estimated to be renewed entirely involve ~800km based purely on renewal needs, but further measures may be added for other reasons. In addition, Svenska kraftnät will also renew around 30 substations, 15 control facilities and 10 reactors and transformers during this period. As per the grid investments presented in the System Development Plan, during the planning period 2018-2027, the combined investment volume amounts to SEK45 billion, of which SEK22 billion constitutes reinvestment in existing substations and power lines and the remaining SEK23 billion is for new investments.

Svenska Karftnat's Grid Investment Plan



Source: I-Sec Report

Construction & Infrastructure Industry

Infrastructure is the backbone of economic development of a country and India being second largest populated country in the world needs comprehensive and harmonious infrastructure development programmes. Infrastructure sector is the major reason behind India's overall development and enjoys prime focus from the Government for initiating policies ensuring time-bound creation of world class infrastructure in the country. The sector includes power, bridges, dams, roads and urban infrastructure development.

Apart from new construction projects, government has recognised the need to modernise the existing infrastructure. For this purpose, several ambitious plans have been initiated by the government which has helped in creating good infrastructure for the country. Some of the plans are: Smart City Mission, Atal Mission for Rejuvenation and Urban Transformation (AMRUT), Housing for All etc. These schemes, along with the government's determined approach for better infrastructure by allocating funds for the sector in Budget 2019-20, have given a massive push to the infrastructure sector. The relaxation of FDI norms for the infrastructure and construction sector activities has yielded good results.

Railways

After decades of underinvestment, the railway sector is finally undergoing a much needed course correction. In the few years, the government has initiated numerous measures to realise the sector's potential as the next growth engine of the economy. CRISIL Research expects the investments in railway sector to increase by about 77% from ₹ 3.9 trillion in 2015-18 to ₹ 6.8 trillion in 2019-22 backed by external funding and participation of various stakeholders. The sector aspires to add 1.5% to the country's GDP by building infrastructure to support 40% modal freight share of the economy. Investments in key segments such as new lines, gauge conversion, doubling, track renewals and electrification will account for majority of the construction opportunity during 2019-22.

Key Opportunities:

Network Decongestion – Doubling of Tracks and Gauge Conversion:

Doubling of tracks is undertaken to reduce congestion and delays while improving safety. 15,000 km double tracks already exist by 2016 and funding for 12,500 km more track doubling was approved in 2016. In 2018-19 budget, 18,000 km of broad gauge track doubling and conversion was approved along with 36,000 of track renewal for safety. Doubling projects, which involve laying additional lines along an existing line to ease traffic constraints and increase chartered capacity, are seeing sharper focus on commissioning. The pace of completion of doubling projects is likely to increase to 1,500 km by 2021-22 from 882 km in fiscal 2017.

Conversion from metre gauge to broad gauge is undertaken to ensure seamless movement of traffic on Indian Railways network. New and converted broad gauge tracks are being introduced at the rate of 7.7 km per day. Indian Railways has projected completion date of the same till 2022. Over fiscals 2019-2022, CRISIL Research expects gauge conversion of about 2,900 rkm over FY2019-FY2022, indicating that about ~98% of the network will be on broad gauge by 2021-22.

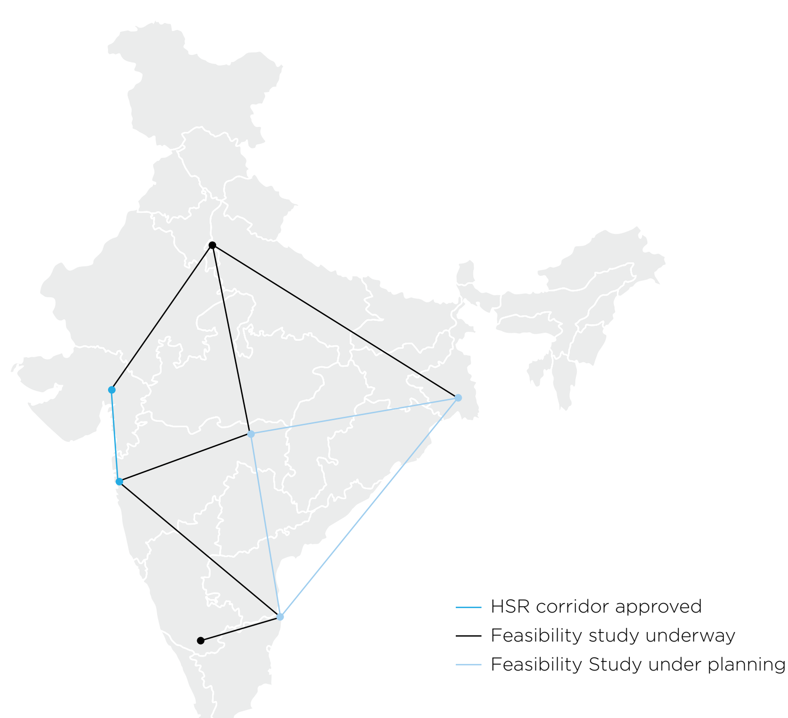
Mission Electrification:

As on 1st April 2018, 30,212 Route Kilometers (RKM) of Indian Railways are electrified and electrification work is in progress on 33,658 Route Kilometers which includes 13,675 Route Kilometers sanctioned in September, 2018. The sanctioned cost of electrification of balance 33,658 Route Kilometers is ₹ 29,486 crore. In 2018, The Cabinet Committee on Economic Affairs has approved the proposal for electrification of balance un-electrified broad gauge routes of Indian Railways comprising of 108 sections covering 13,675 route kilometers (16,540 track kilometers) at a cost of ₹ 12,134.50 crore. This electrification is likely to be completed by 2021-22.

Dedicated Freight Corridors (DFC):

Two Dedicated Freight Corridors (DFC), one on the Western route (Jawaharlal Nehru Port to Dadri) and another on the Eastern route (Ludhiana to Dankuni), have been fast tracked. Golden quadrilateral and diagonal are next phase of opportunities that shall come in due course. As a part of corridor along Golden Quadrilateral, four more DFCs, spanning 6,700 km, have been planned over the next 8-10 years. The cost of three of these corridors is estimated at ₹ 2,717 billion. The Preliminary Engineering

Planned High Speed Trains Network



and Traffic Study (PETS) for three of these corridors has already been completed.

Metro Rail: India's Metro dream started building up in 2006, when the National Urban Transport Policy was proposed and Metro rail systems for every Indian city with a population of 2 Million or morewas suggested. In 2014, the Union government announced that it would provide financial assistance for the implementation to all Indian cities having a population of more than 1 Million. This was followed by the Union Cabinet approving Metro rail systems for 50 cities in May 2015.

Station Redevelopment: Indian Railways has now decided to redevelop 400 stations under the PPP model by simplifying processes for faster redevelopment. Of these, about 100 stations have been targeted to be redeveloped during fiscals 2016-2020 and 13 have been taken up till fiscal 2017. Of these, contracts for two stations - Gandhinagar and Habibganj have been awarded and are under construction. Apart from this, National Building Construction Corporation (NBCC) has taken up redevelopment of 10 stations at an estimated cost of ₹ 50 billion till fiscal 2020. Together, these stations offer an investment opportunity of ₹ 70 billion till fiscal 2020.

High Speed & Semi-high Speed Railways: India's first high speed rail between Ahmedabad- Mumbai is under bid stage. Feasibility studies are being conducted on six routes to connect India's four key metro cities of Delhi, Chennai, Mumbai and Kolkata through a diamond quadrilateral network. The routes that have been identified for feasibility studies are Delhi-Mumbai; Delhi-Kolkata (via Lucknow); Mumbai-Chennai; Delhi Nagpur part of Delhi-Chennai route; Mumbai-Nagpur part of Mumbai-Kolkata route and Chennai-Bengaluru-Mysuru.

In addition to this project, the National Capital Region Planning Board (NCRPB) has identified eight corridors for rail-based high-speed commuter transit system in the NCR region. The first project under this scheme has been approved between Delhi and Meerut through Ghaziabad for a total cost of ₹ 30,274 crore.

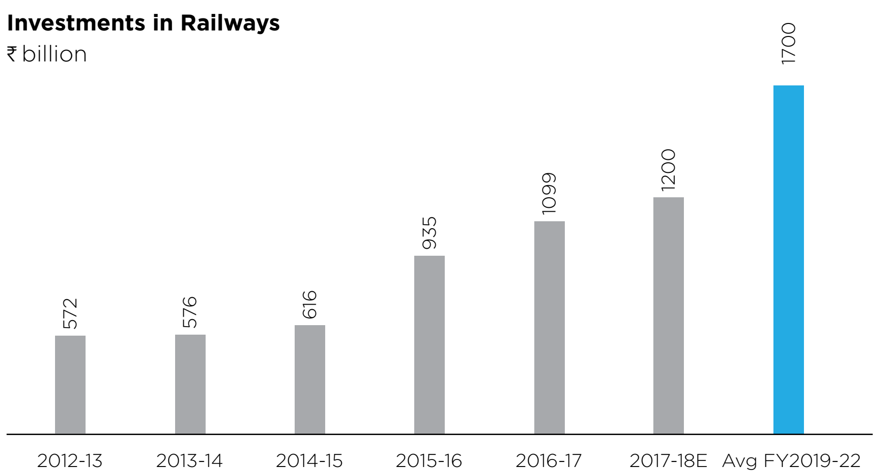
International Projects: The current condition of existing railway infrastructure is undeveloped in many African and SAARC countries. This shortfall has undermined the potential of the rail systems to play a strong contributing role in economic development. This will lead to enormous opportunities in these countries as experiencing an unprecedented economic development.

Outlook

The Indian Railway network is developing at a healthy rate. In the next five years, the sector is estimated to be the third largest, accounting for 10% of the global market. Indian Railways is targeting to increase its freight traffic to 3.3 billion tonnes by 2030 from 1.1 billion tonnes in 2017. It is projected that freight traffic via the Dedicated Freight Corridors will increase at a CAGR of 5.4% to 182 MT in 2021–22 from 140 MT in 2016–17.

Investments in Railways

₹ billion



During 2018-19, budgetary allocation for Railways stood at ₹ 1,465 billion
Source: Budget Documents, CRISIL Research

Oil & gas infrastructure

The oil and gas sector is among the eight core industries in India and plays a major role in influencing decision making for all the other important sections of the economy. Indian economic growth is closely related to energy demand; therefore the need for oil and gas is projected to grow more, thereby making the sector quite favourable for investment. The Government of India has adopted numerous policies to fulfil the increasing demand. The government has allowed 100% Foreign Direct Investment (FDI) in many segments of the sector, including natural gas, petroleum products and refineries, among others. The current demand for oil and gas in the country surpasses supply by a wide margin. Considering the overall trend during the past five years (2013-14 to 2017-18), crude oil production registered a decline of 1.42% primarily due to low production of crude oil including ageing fields and non-realisation of planned production from new wells.

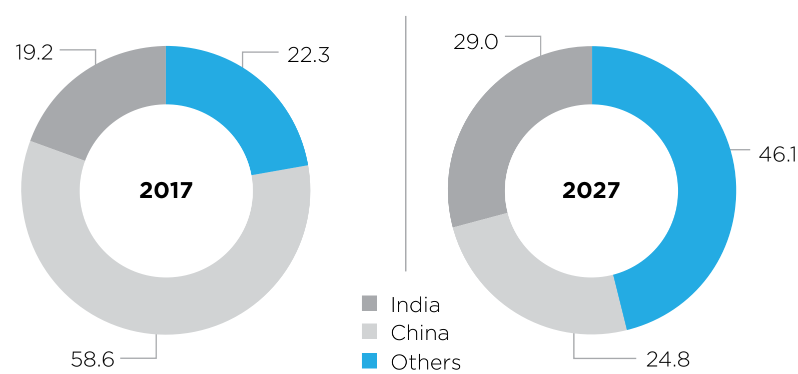
India has proven oil reserves of 600 million metric tonnes (MMT) and gas reserves of 1.2 trillion cubic meters. Production of crude oil reached 0.46 million barrels per day during April-November 2018. Natural gas production during Apr-October 2018 stood at 18.59 billion cubic metres. Natural gas continues to be a minor part of India's energy mix, accounting for only 6%. The consumption of natural gas, however, has been rising unswervingly since 2014-15. This is predominantly due to the higher consumption of liquefied natural gas (LNG) that is available at prices less than those of domestically produced gas. India has a flourishing crude oil refining industry with an annual capacity of 249.40 MMT, as of Dec 1, 2018. India's oil consumption is expected to grow 129% during 2016-2040.

Outlook

A number of initiatives have been taken by the Government of India including the launch of Open Acreage Licensing Policy (OALP) and Coal Bed Methane (CBM) policy. It has allowed 100% foreign direct investment (FDI) in E&P projects/ companies and 49% in refining under the automatic route. The government is planning to invest US$ 2.86 billion in the upstream oil and gas production to double the natural gas production to 60 bcm and drill more than 120 exploration wells by 2022. (Source: Indian Infrastructure, IBEF)

Globally India continues to be a major Oil & Gas market and we being a major player in the country would continue to benefit out of upcoming opportunities.

Demand Growth 2017 vs 2027 – India Continues to be Major Market (% Share in Global Oil Demand Growth)



Agri-Logistics

The warehousing industry is expected to grow at a rate of 13-15% in the medium term driven by the growth in manufacturing, retail, FMCG and ecommerce sector. Agriculture storage capacity in India increased at 4% CAGR between 2014-17 to reach 131.8 million metric tonnes. Growth in overall production and consumption, organized retail, logistics outsourcing and regulatory interventions such as WRDA Act and GST, private investments in logistics and other infrastructure developments such as Dedicated Freight Corridor (DFC) have also improved prospects of the organised professional warehousing segment. Further the implementation of GST is eliminating inefficiencies arising out of the erstwhile complex tax structure as well as interstate taxes. Additionally, the government's decision to allow FDI in retailing with emphasis on backend infrastructure such as modern warehousing space is also expected to provide further impetus to the sector.

Demand for agriculture warehousing is expected to grow on account of established base and expected normal monsoons. Integrated models, diversification across end-user industries are expected to drive growth of cold chain segment. Significant demand is also seen coming from storage of fruits and vegetables and pharmaceutical segments.

Company Overview

Kalpataru Power Transmission Limited is a leading player in the global power transmission and distribution EPC business. The Company today has established its footprints in 55 countries, executing marquee projects with comprehensive capabilities that deliver complete solutions covering design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis. It offers solutions in the field of power transmission, infrastructure and asset creation. It has interests in power transmission and distribution, oil and gas pipeline, railways, infrastructure development, civil contracting and agri-commodity (post-harvest) logistics. Its transmission and distribution business consists of transmission domestic, transmission international and power distribution. Its Infrastructure EPC business includes cross country oil and gas pipeline laying and railway EPC business of the Company. Its other business is engaged in the generation and sale of power produced from two biomass-based power generation plants in Rajasthan.

Operational Review

Geographically, the revenue of the Company can be divided into two different segments – domestic and international. Revenue from the domestic segment was ₹ 4,384 Crores (62%) and international segment contributed revenue of ₹ 2,731 crore (38%) in 2018-19.

Transmission and Distribution Business (T&D)

T&D is the major business vertical for the Company and contributes 70% of the total revenue. The revenue in T&D increased to ₹ 4,946 crore in 2018-19 from ₹ 4,576 crore in 2017-18. Since inception, the Company has witnessed

strong presence and performance in the T&D space. Transmission sector is estimated to draw more investment globally; our (T&D) business is expected to cater to the global demand backed by our unmatched project execution capabilities.

Production (including outsourced) and dispatches of transmission line towers were 1,68,634 and 1,70,696 respectively in 2018-19 as compared to 1,96,768 MT and 1,93,877 MT in 2017-18.

The Company erected 1,33,343 MT of transmission towers at various locations domestically and internationally and executed about 2825 ckm of stringing work to connect the grid to sub-station or sub-station to sub-station in 2018-19.

During the year, T&D business has received the following major orders:

- Numerous orders for transmission line and substations in Africa, MENA and CIS countries totalling ₹ 1,613 crore
- Received Transmission line orders from Bangladesh & Sri Lanka totaling ₹ 1,402 crore
- Orders totaling ₹ 1,024 crore for transmission line and substations from Power Grid Corporation of India Ltd. (PGCIL) and State Electricity Boards (SEBs) in India

Oil & Gas Pipeline and Railway Business

The revenue in these businesses increased to ₹ 2,104 crore in 2018-19 from ₹ 1,092 crore in 2017-18, registering a growth of 93%.

During the year, Railways and Oil & Gas business has received the following major orders:

- Railway infrastructure construction project in Bangladesh for ₹ 553 crore
- Numerous orders related to railway electrification, track laying, signaling and associated works from Rail Vikas Nigam Ltd. (RVNL) totaling ₹ 2,052 crore
- Gas pipeline and associated station work for ₹ 465 crore from GSPL India Gasnet Limited (GICL)
- Three orders from GAIL (India) Ltd. for gas pipeline and associated works of ₹ 516 crores
- Product Pipeline laying order of ₹ 440 Cr from Indian Oil Corporation Limited (IOCL)

Construction

The orders booked by JMC during 2018-19 was ₹ 5,629 crore and value of the order on hand as on March 31, 2019, stood at around ₹ 9,962 crore.

During the year, JMC bagged certain prestigious orders, some of which are as under:

- Various water projects in Madhya Pradesh and Odisha totalling ₹ 2,198 crore
- Various orders for construction of residential and commercial buildings in South India of ₹ 1,516 crore
- Road project in Tamil Nadu from National Highways Authority of India (NHAI) of ₹ 486 crore
- Construction of flyover in Maharashtra from NHAI of ₹ 456 crore
- Construction of township for National Mineral Development Corporation (NMDC) in Chhattisgarh of ₹ 366 crore

Financial Review

On a standalone basis, the Company achieved revenue from operations of ₹ 7,115 crore in 2018-19 as against ₹ 5,779 crore in 2017-18, an increase of 23%.

PAT was up by 25% in 2018-19 to ₹ 401 crore from ₹ 322 crore in 2017-18 mainly on account of increased turnover, operational efficiency and lower finance cost.

Net fixed assets (including capital work in progress), at the end of 2018-19 stood at ₹ 578 crore as against ₹ 543 crore in the previous year. During the year under review, depreciation was at ₹ 86 crore and net addition in the fixed asset is ₹ 119 crore. Net current assets increased to ₹ 2,185 crore (Includes ₹ 366.96 crore of current assets pertaining to Assets held for Sale) as against ₹ 1,300 crore in the previous year due to growth of the business of the Company. Borrowing levels of the Company are ₹ 647 crore in 2018-19 as against ₹ 773 crore in 2017-18. The net debt is ₹ 501 crore in 2018-19 against ₹ 693 crore in 2017-18.

The Borrowing levels remain at a comfortable level with net debt/ equity ratio of 0.16:1. The finance cost declined to around 1.67% of the revenue during 2018-19 as against around 1.79% of the revenue during 2017-18. The Company enjoys A1+ and AA Stable rating for its short-term and long-term borrowing respectively from CRISIL and CARE both. The Company has sufficient working capital to support its growth plan.

Consolidated revenue of the Company grew by 24%, with revenue of ₹ 10,841 crore in 2018-19 as compared to ₹ 8,742 crore during 2017-18. Net debt at consolidated level stood at ₹ 3,304 crore (includes ₹ 922 crore as Debt pertaining to Assets held for Sale) in 2018-19 as against ₹ 3,054 crore in 2017-18. The consolidated order book of the Company is ₹ 24,030 crore at the end of year.

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

Ratio	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Debtors Turnover (no. of days)	173	214	146	170
Inventory Turnover (no. of days)	32	30	38	41
Interest Coverage Ratio	6.44	5.83	2.91	2.27
Current Ratio	1.50	1.33	1.39	1.32
Debt Equity Ratio	0.21	0.28	1.14	1.24
Operating Profit Margin (%)	10.9	10.9	16.21	9.74
Net Profit Margin (%)	5.6	5.5	4.48	3.17

There has been improvement in Debt Equity ratio at standalone level by more than 25% on account of better working capital management. At consolidated level, there has been improvement by more than 25% in Interest Coverage Ratio, Operating Profit Margin and Net Profit Margin on account of better profitability of standalone business and improved margins of subsidiary companies.

Further, the Return on Net worth ratio (Standalone) during FY 2018-19 was 13.55% as compared to 12.27% during 2017-18 which improved by 128 bps on account of higher profitability. Further the Return on Net worth ratio (Consolidated) during FY 2018-19 was 16.11% as compared to 11.02% during 2017-18 which improved by 509 bps on account of better profitability of standalone business and improved margins of subsidiary companies.

Risk Management

At KPTL, the Board is committed to protect and enhance the value of our assets and safeguard the interests of our stakeholders. The Company's exposure to various uncertain possibilities can have a material impact on its financial condition and operational results. We undertake a thorough risk management process, identifying the main risks to our business, their possible impact and necessary action to mitigate the same.

1. Macroeconomic risks:	Company's business may be affected by changes in Government policy, taxation, intensifying competition and uncertainty around economic developments in Indian and overseas market in which the Company operates.
	Mitigation Strategy: The Company has well defined conservative internal norms for its Business. The Company ensures a favourable debt/equity ratio, moderate liquidity, strong clientele with timely payment track record, appropriate due diligence before bidding and focus on expanding presence in newer markets to minimise the impact in adverse conditions. The Company has geographically and operationally diversified into multiple countries and business segments thereby reducing its dependency on one country or market.
2. Financial Risks :	Interest Rate Risk, Exchange Rate Risk and Liquidity Risk are the major Financial Risks. Exchange rates and Interest rates fluctuations impact the Company's financial conditions. Company is exposed to changes in interest rates as certain portion of the debt is bearing variable interest rates. With operations in many countries and time gap between bidding and award of Contracts any adverse movement in any particular currency can adversely impact financials. Any adverse impact on liquidity conditions in the credit market may limit the short term financing requirements of the Company
	Mitigation Strategy: Liquidity management is integrated with business planning and cash flow projections. Company manages the Liquidity by a judicious mix of Short Term and Long Term Debt. The Company opportunistically refinances its debt with favorable covenants and reduced interest rates to provide financial flexibility to its business. The Company deploys two-pronged approach of maintaining a balanced order book mix (domestic and overseas orders) and currency hedging whenever possible to mitigate these risks. Foreign exchange risk is tracked and managed within the risk management framework. Short term foreign currency asset-liability mismatch is continuously monitored and hedged effectively.
3. Input Price Risk/ Commodity Price Risk:	Company's business is significantly dependent on availability, cost and quality of raw materials and fuels for the construction and development of projects undertaken. Prices of commodity items used in the manufacturing and project execution mainly includes steel, zinc, aluminium conductors, copper, cement and insulators. Prices of these are varied due to global economic conditions, supply demand mismatch, competition, production levels and taxes etc.
	Mitigation Strategy: The Company currently manages such risk through the price escalation clause in some of the Contracts whereby the fluctuation in the input cost is passed to the Client. In case of firm price contracts, Company enters into a Commodity Forward Contract to hedge its price risk or pass on back-to-back firm price contract to its vendor/contractor. Company addresses the risk of fluctuation in commodities which can not be hedged by building adequate contingencies based on market trends. Company manages such risk as per its Risk Management Policy and Procedures.
4. Operational Risks :	The Company's operations and financial condition could be adversely affected if it is unable to successfully implement its growth strategies. Competition from others, or changes in the products or processes of the Company's customers, could reduce market prices and demand for the Company's products, thereby reducing its cash flow and profitability. Product liability claims may adversely affect the Company's operations and finance.
	Mitigation Strategy: The Company does strict monitoring of prices and adopts appropriate strategies to tackle such adverse situations. The Company also adopts technological innovations to bring about operational efficiency in continuous basis to remain competitive.

5. Execution Risks:	Most of the projects that the Company undertakes are by their nature long term and, consequently involves a variety of implementation risks, including construction delays, delay or disruption in supply of raw materials, delays in arranging the right of way, design risk, managing locational issues, availability of timely skilled manpower and these can lead to cost overruns. Also the industry is inherently hazardous due to execution in difficult terrain, extreme weathers under unsafe conditions leading to loss of life which may result in, financial and reputational damage. Bank guarantee encashment may also impact Company's reputation.
	Mitigation Strategy: The Company deploys a well-defined standard operating procedure – from project planning to delivery – and adheres to rigorous internal checks and balances with regards to every project. The Company is committed to conduct all its activities in such a manner so as to avoid harm to employees and the community
6. People risk:	Scarcity of management resources along with growing costs poses big challenge against building an effective succession structure at senior and middle management level. The Company's business and prospects could suffer if it loses one or more key personnel or if it is unable to attract and retain its employees. Any labour unrest could adversely affect the Company's operations and financial condition.
	Mitigation Strategy: The Company periodically reviews the succession plan for its senior management team to ensure continuity in leadership. The Company's people related policies are reviewed and monitored to attract and retain its employees. The Company grooms its internal resources through various training programmes on a continuous basis and intends to build an in-house trained team.
7. Cyber Risk :	At KPTL, the use of information and telecommunication technologies are increasing, resulting in greater security threats to its digital infrastructure. These impacts may include the loss of sensitive data or information, legal and regulatory breaches and reputational damage.
	Mitigation Strategy: To protect organizations from cyber threats, Company has established a CISO office at the group level. The CISO office is implementing controls designed to protect systems, networks and data from cyber attacks. Effective cyber security reduces the risk of cyberattacks and protects against the unauthorised exploitation of systems, networks and technologies. Robust cyber security involves implementing controls based on three pillars: people, processes and technology and implementing this three-pronged approach has helped the Company to defend from both cyber attacks and common internal threats, such as accidental breaches and human error.
8. Regulatory Compliance Risk :	The Company recognises that timely compliance with the ongoing frequently changing regulatory requirements can at times be challenging and therefore will:
	• Strive to understand the changing regulatory standards, so as to strengthen its decision making processes and integrate these in the business strategy of each of the segments in which it operates
	• Drive business performance through the convergence of risk, compliance processes and control mechanisms to ensure continued operational efficiency and effectiveness
9. Political Risk :	Social / Civil unrest, act of terrorism within India or internationally can have an impact on the Company's operations. Political and civil unrest and tensions globally may have an impact on the safe and timely execution of projects, which may have financial implications.
	Mitigation Strategy: The Committee reviewed the Company's risk management practices and activities on a quarterly basis. This included a review of risks to the achievement of key business objectives covering growth, profitability, talent aspects, operational excellence and actions taken to address these risks.

Internal Controls

The Company is committed to ensuring an effective Internal Control environment that will help in preventing and detecting errors and irregularities, thus ensuring security of Company's assets and efficiency of operations. The Company has an internal control mechanism which is commensurate with the size and complexity of business and aligned with evolving business needs. This is demonstrated through various means including, but not limited to Code of Conduct together with the Whistle Blower Policy and Anti Bribery & Corruption Policy which provides the facility of expression of genuine concerns about unethical behavior, improper practice, any misconduct, any violation of legal or regulatory requirements, actual or suspected fraud by any official of the Company without fear of punishment or unfair treatment, appraising Senior Management and the Audit Committee of the Board periodically on the internal processes of the Company with respect to Internal Controls, Statutory Compliances and Assurance etc.

The 'Group Assurance, Risk and Audit' department is entrusted with the responsibility of assuring the Management and the Audit Committee on the adequacy of 'Internal Controls' in the Company. Periodically, the Audit Committee takes cognizance of the significant risk assessment processes, audit plans, reported observations, recommendations and adequacy of Internal Controls and provides directions and guidance including external benchmarking of best practices for further action, if any.

The Company has implemented standard operating procedures specific to the respective businesses and has well-documented policies, procedures and authorization guidelines commensurate with

the level of responsibility. Internal Financial Controls (IFC) have been laid down as detailed in the Companies Act, 2013 and it has covered all major processes commensurate with the size of business operations. Controls have been established at the entity level and process levels and are designed to ensure compliance with internal control requirements, regulatory compliance and appropriate recording and reporting of financial and operational information. Processes and controls laid down as per IFC are regularly updated for all the changes occurring internally due to change in business process, restructuring, IT changes, etc. or any changes in external scenarios like introduction of new law, new risk, changes in existing laws & regulations etc.

Environment, Health and Safety

KPTL has implemented Company-wide practice of re-enforcing and maintaining the highest EHS standards (Environment, Health and Safety) with a dedicated approach and strong demonstrative commitment.

KPTL consistently encourages its employees to practice & integrate EHS in all levels of leadership of organization and motivate them to lead with ownership in to all facets of construction with aim to achieve the organizational goal of ZERO harm.

All the stakeholders including employees and customers are assured of complete adherence to the industry standards and laws of safety thus laying the foundation for a successful and accident-free projects.

KPTL is committed to achieve zero harm to employees, environment, contractors, communities and property and demonstrate sustainable leadership for effective and enhanced occupational health, safety and environment practices.

Planned Attributes are Implemented by Various Defined Process as per Following Models

KPTL Vision

EHS Policy

Planning
- Project EHS plan
- EHS Risk Assessment
- EHS Objective and Target

Implementation & Operation
- Screening and induction of workmen
- Daily Tool box talk
- Work permit system
- Safe work method
- Certification of Equipment fitness
- Subcontractor management
- Job Specific training
- Emergency preparedness and response
- Implementation of PPE and Safety devices
- EHS Reward and Recognition

Customer Satisfaction Checking
- Rapid EHS Assessment
- Internal EHS Audit
- EHS Inspection
- EHS walk round
- EHS steering committee meeting
- Incident investigation

Act
- Management Review
- Continues improvement
- Corrective and preventive action

The management system of the Company related to its manufacturing plants, Transmission business and Oil & Gas Project Division is compliant with the below certifications:

Certificate No.	Scope of Certification	Management System	Plant/Division Covered
8013–Q15-001	Design, Tower Test, Manufacture, Supply of Towers and Construction / Installation of Lattice Type Transmission lines (up to 1200 kV) On EPC basis	ISO 9001:2015 Quality Management System	Gandhinagar Plant, Domestic Project Division and Mumbai office - International Project
8013–E15-001	Manufacture and Supply of Tower Parts for Power Transmission lines up to 1200 kV	ISO 14001 :2015 Environment Management System	Gandhinagar Plant
8013-OHSAS-001		BS OHSAS 18001: 2007 Occupational Health and Safety management System	Gandhinagar Plant
10570–QMS & EMS		ISO 9001:2015 Quality Management System ISO 14001 :2015 Environment Management System	Raipur Plant
EMS / R91 / 1967	Engineering including design and development, Procurement, Construction and commissioning of Cross-Country Pipelines with associated facility, Process plant and Oil /Gas Gathering stations. Operation and maintenances of process plants and Oil / Gas Gathering station. Survey, Testing, Pigging and Corrosion protection of oil/Gas pipelines and Restoration of land over Pipelines.	ISO 14001 :2015 Environment Management System	Oil & Gas Project Division
OHS/R91/1967		BS OHSAS 18001: 2007 Occupational Health and Safety management System	Oil & Gas Project Division
7434-Q15 & E15 – 001	Construction / Installation of Power Transmission line (up to 1200 KV) on Turnkey / EPC basis	ISO 9001:2015 Quality Management System ISO 14001 :2015 Environment Management System	International Project Division
7434 – OHSAS – 001		BS OHSAS 18001: 2007 Occupational Health and Safety management System	International Project Division

EHS initiatives:

- **Quantitative rapid EHS performance assessment** of the Project site for monitoring & measuring of EHS performance and it helps us to bring the attention/focus of the project management on the areas for improvement.
- **Kalpataru Innovative Occupational Health and Safety park** which is conceptually in-house designed for enhancing the EHS awareness and adopting safe work culture. It is indeed a boost to our EHS drive & motivation to entire work force.
- **EHS agreement for contractors & sub-contractors** which enable to address well-defined organizational expectations and it is imperative that we continue to move with speed to make our contractor/sub-contractors more accountable & responsible towards achieving safe working
- **Centralized PPEs system** has been initiated to maintain the standard quality & uniformity as well as significant cost saving.
- **Customer feedback** form to measure customer satisfaction level of EHS standard, Client opinion and feedback as most essential component for the EHS improvement to bring continuity and sustainability of business and helps growth of organization.
- **Visitor safety guideline** is issued to develop the visitor management system as well as to enhance our brand image towards our commitment in perspective of EHS.
- In-depth **incident investigation guideline** for the systematic approach to identify and control the underlying or root causes of all incidents in order to prevent their recurrence and losses due to incidents in the organization.
- Introduced **corporate EHS Operational control procedure** for Safe work system, its complete step by step operational guideline with safe work practices.
- **World Environment Day** celebrated across the KPTL Offices and Sites and more than 2000 Tree Planted at KPTL Sites and offices.
- **Mass Blood donation campaign** across the group of the companies - making this event a grand success by donating 3839 units of blood.
- **Celebration of National Safety Week** to promote the importance of safety in all spheres of life so as to prevent mishaps and accidents resulting out of negligence or lack of awareness.

The Company also keeps on organizing on continuous basis health awareness campaign, Firefighting training and different type of job specific training.

The ultimate main goal behind all the initiative is to promote safer, healthier and greener work environment by adopting efficient practices.

Award & Recognition - Occupational, Safety, Health and Environment

Institution	Awarded Project / Plant	Sector	Award Received	Name of Award ceremony
Gujarat Safety Council, Vadodara	Sector 25, Gandhinagar	Engineering	Certificate of Appreciation	Gujarat Safety Council Awards
The Royal Society for the Prevention of Accidents - UK	400 KV OHL Baarakaha Bab Grid Station, Abu Dhabi.	Construction	Bronze Trophy	RoSPA Safety Awards 2018
APEX India Foundation	Biomass Padampur Power Plant	Thermal power sector	Gold	Apex India Occupational Health & Safety Excellence Award 2017
Department of Factory & Boiler, Government of Rajasthan.	Biomass Padampur Power Plant	Power Plant	Factory Safety Award	State level Factory Safety Award by Govt. of Rajasthan

The Company has received the certification of appreciation for achieving of 4 million safe man hours without any loss time incident from its client ONGC for the successful and safe execution of 43 pipeline replacement project of ONGC - Ahmedabad and from Power Grid Corporation of India Limited for one million safe man hours without any loss time incident during safe execution of 765kV D/C Ajmer-Bikaner Transmission Line (Part – III) project.

The Company has also received the BEST CONTRACTOR AWARD from its client M/s Technip FMC for stringently following safety norms at IOCL Bongaigoan Oil & Gas project.

Corporate Social Responsibility

As a responsible and responsive corporate citizen, KPTL believes that sharing success with the larger communities and societies is both a responsibility as well as an opportunity to make a difference to the lives of people and help them become part of the mainstream development and prosperity of the nation. Towards its CSR initiatives, KPTL focuses on Healthcare and overall Community Development. The Company works primarily through its CSR Trust i.e. Kalpataru Welfare Trust, for providing healthcare services to poor and marginalized sections of the society. Kalpataru Welfare Trust runs "Kalpa Seva Arogya Kendra" at Gandhinagar as well as Mumbai. The "Kalp - Seva Arogya Kendra - Gandhinagar" has been operational for approx. 10 years since 2009 benefitting on an average approx. 100 patients per day and till date, in total more than 2,75,000 patients got benefitted from it. Further, on an average, more than 400 patients are benefitted every month through medical camps organized at "Kalp - Seva Arogya Kendra - Mumbai" and till date more than 5,900 patients have availed services of such medical Camps. Besides this, the Company has carried out range of CSR activities during the year under review in the field of Healthcare, Rural Development, Promoting Education, Flood Relief activities, livelihood enhancement projects for specially abled etc. Details regarding CSR initiatives taken by the Company during the year under review are available in Annexure A to the Directors' Report.

HR INITIATIVES

We take pride in our culture and the positive influence it has on our teams across the globe. Our culture is driven by our strong values of Business Ethics, Customer Centricity, Quality, Respect, Team Work and Pride. It is an inherent trait of the KPTL Culture to nurture, respect and support each other. Our ability to drive the Company forward in this VUCA world is backed by our commitment to people and planet also.

This year also the Company has diligently focused on being future ready through various initiatives aimed at capability and capacity building. We steadfastly remain focused on developing home grown leaders, improving competencies and skill of our key performers and providing opportunities to employees to build a career across ranks at KPTL.

The Company has grown from 2,722 to 3,295 in manpower strength, with addition of about 178 management trainees, graduate trainees and CA's to ensure cadre building.

- **Kalpataru Accelerated Leadership Program:** The Kalpataru Accelerated Leadership Program (KALP)
- **Mentorship:** To provide a guide who can help key performers in developing professional and personal goals and build a broader perspective, thereby developing leaders from within.
- **Executive Education:** Programs which provide a global outlook and bring in fresh ideas.

- **Key Contributors' Incentive:** Aims at retaining key talent.
- **3 Tier Leadership Development Program:** Developing a leadership pipeline for Early, Future and Senior leader roles by facilitating their leadership journey.
- **IGNITE Project Management Certification:** This year 24 employees achieved Project Management Certification through our custom program in partnership with S. P. Jain Institute of Management Studies.
- **Technical Competency Development:** Advance skill building in technical and functional areas.
- **HR Automation:** Making employees life simpler and easier at KPTL.
- **Railways Technical Training:** Specially designed technical training program for employees of Railways Business to hone necessary skills.
- **Learning Management System:** Taking technical and managerial learning to employee's doorsteps. 1607 courses completed through LMS in 2019.

This year the Company has been acknowledged and applauded by various agencies for our efforts:

- **11th CIDC Vishwakarma Awards 2019:**

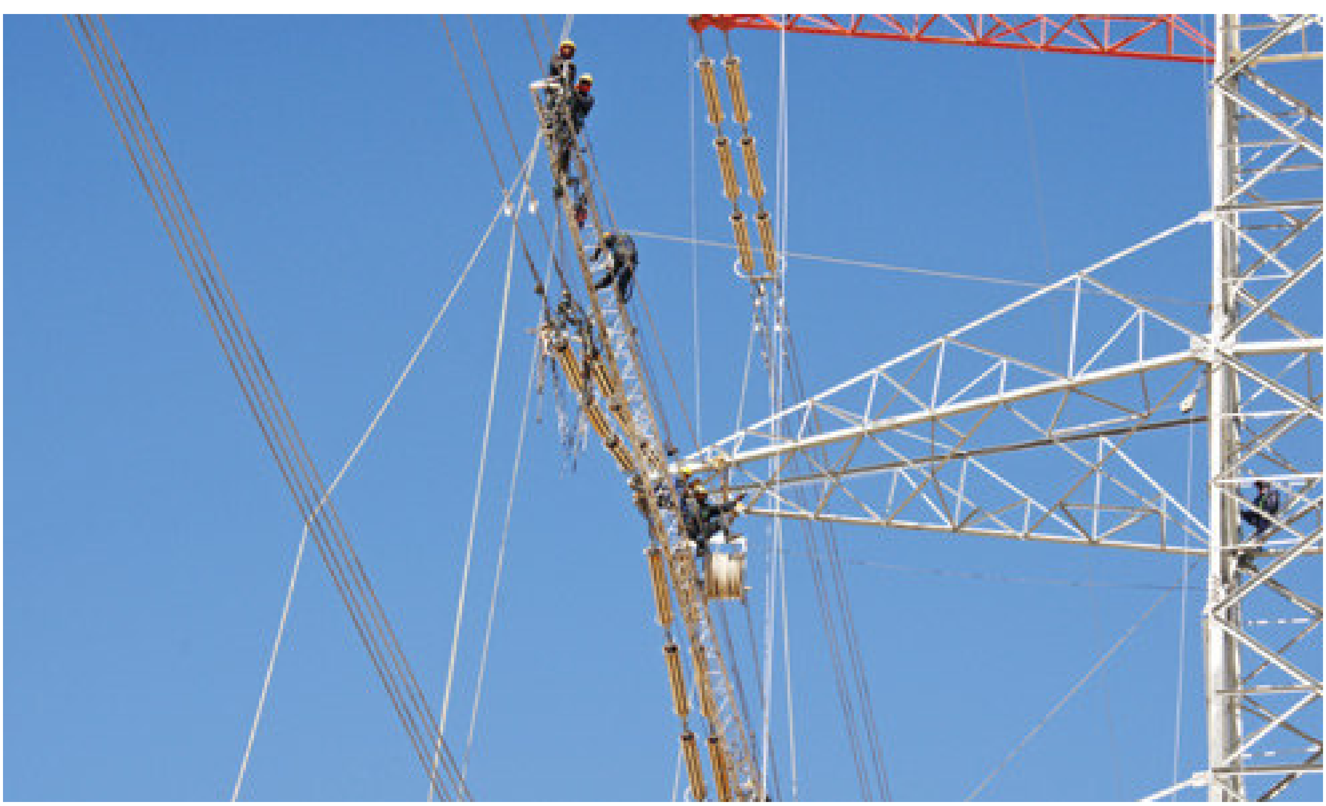
o 12 supervisors of KPTL TLD projects received **"Achievements Award for Artisans & Supervisors – Code G1 & G2"**

- **World HRD Congress 2019**, recognized **KPTLs Training Initiatives** as **'Excellence in Training & Development Award - An Overall Award for Best Result Based Training'.**

The Company constantly aims to build an environment where employees practice speed of delivery, efficacy in outcomes and probity in their conduct. HR strives to build an agile workforce through its various initiatives that ensure development of capabilities and skills across levels and functions.

Cautionary Statement

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



Directors' Report

TO,

THE MEMBERS,

Your Directors are pleased to present the **38th ANNUAL REPORT** of your Company together with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2019.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

	Consolidated		Standalone	
	2018-19	**2017-18**	**2018-19**	**2017-18**
Revenue from Operations	10,840.48	8,741.72	7,115.12	5,778.50
Profit before Depreciation, Tax and amortization expense	990.29	669.27	710.37	575.94
Less: Depreciation and amortization expenses	210.94	191.51	85.99	76.60
Profit before Tax	**779.35**	**477.76**	**624.38**	**499.34**
Share of Profit / (Loss) from Joint Venture	(18.10)	(16.84)	-	-
Tax Expense	274.16	182.66	223.09	177.34
Profit for the period	**487.09**	**278.26**	**401.29**	**322.00**
Other Comprehensive Income(net of tax)				
Items that will be reclassified subsequently to Profit or Loss	24.51	8.34	18.00	4.66
Items that will not be reclassified subsequently to Profit or Loss	1.34	(0.23)	1.54	0.92
Total Comprehensive Income for the period	**512.94**	**286.37**	**420.83**	**327.58**
Retained Earnings – Opening balance	**1,378.86**	**1,200.04**	**1,540.72**	**1,314.97**
Add: Impact of Ind AS 115 (net of taxes)	5.24	-	6.14	-
Add: Profit for the year	466.75*	280.68*	401.29	322.00
Less: Acquisition of non-controlling interest	1.64	-	-	-
Less: Dividends including Dividend Tax	46.93	37.28	44.86	36.25
Less: Transfer to Debenture Redemption Reserve	36.86	52.18	25.00	50.00
Less: Transfer to General Reserve	12.25	12.25	10.00	10.00
Less: Transfer to other reserves	0.20	0.16	-	-
Retained Earnings – Closing balance	**1,752.97**	**1,378.85**	**1,868.29**	**1,540.72**

** Profit for the year attributable to Owners of the Company*

OPERATIONAL HIGHLIGHTS

The Standalone revenue of your Company increased by 23.13% to ₹ 7,115.12 Crores as against ₹ 5,778.50 Crores in the previous financial year due to strong focus on project delivery and robust execution across business verticals. Total Export revenue (including overseas projects) was ₹ 2,730.70 Crores or approx. 38.38% of revenues in financial year 2018-19.

The Standalone net profit for the year increased by 24.63% to ₹ 401.29 Crores as against ₹ 322.00 Crores in the previous financial year. The Company successfully delivered on the Profitability front with Core EBIDTA increasing by 23.29% to ₹ 778.19 Crores with margins on standalone level at 10.94% primarily driven by operational excellence while the initiatives for cost rationalizations and productivity enhancement continue to gain momentum.

Your Company has supplied 1,70,696 MTs of Transmission Line Towers during the year under review. The Company has also initiated manufacturing of Railway structures at existing manufacturing plant of the Company and the same has been approved by Central Organization for Railway Electrification ("CORE").

Directors' Report

Your Company has a standalone order book in excess of ₹ 14,000 Crores excluding fairly placed bids. Your Company has received Orders in excess of ₹ 8,300 Crores in the current financial year 2018-19. The current year Order inflow in Railways Business highlights your Company's commitment to establish itself as a leading Railway EPC player. It reaffirms that Railways will continue to be a key growth driver going forward. On the back of solid order book, your Company is confident of delivering its guidance for coming years on both revenue and profitability front.

Financial year 2018-19 was remarkable year for your Company. At Consolidated level, your Company crossed ₹ 10,000 Crores in Revenue with order book nearing to ₹ 24,000 crores, spread across various businesses and geographies.

The consolidated revenue of your Company increased by 24.01% to ₹ 10,840.48 Crores as against ₹ 8,741.72 Crores in the previous financial year.

On the back of such strong performance across the businesses, the consolidated net profit for the year increased by 75.05% to ₹ 487.09 Crores as against ₹ 278.26 Crores in the previous financial year with Core EBIDTA increasing by 31.86% to ₹ 1,347.21 Crores with margins on Consolidated level at 12.43%, an improvement of ~70 basis points over the previous year.

The long term focus on cost management and return ratios continues to strengthen your Company's balance sheet, with optimal debt levels.

During the year under review, your Company through its wholly owned subsidiary in Sweden forayed a strategic investment to enhance KPTL's position in the global T&D EPC business and acquired on 29th April, 2019 85% equity stake in Linjemontage i Grastorp AB ("**LMG**"). This acquisition has been carried out on grounds of strategic fit both to capture local market opportunity and to help your Company in expanding presence in Nordic countries where it does not have any former presence.

There has been no change in the nature of business of your Company during the year under review.

During the year under review, your Company has issued and allotted 1,000 Zero Coupon unsecured, rated, listed, non-convertible, redeemable, taxable Debentures of the face value of ₹ 10 Lakhs each aggregating to ₹ 100 Crores on a private placement basis.

AWARDS & RECOGNITION:

The Company has received various Awards and recognitions during the year under review, some of which are elaborated hereunder:

A) Gandhinagar manufacturing plant of your Company received Silver Certificate of Merit at **India Manufacturing Excellence Awards 2018** conceptualized by Frost & Sullivan for appreciating efforts taken by the Plant and its personnel in enhancing manufacturing and Supply chain excellence

B) Your Company's Padampur Power Plant received "**Apex India Occupational Health & Safety Excellence Award 2017**" under Gold category. It also received State Level "**Factory & Safety Award**" from Department of Factory & Boiler, Government of Rajasthan.

C) **Gold Standard Organization** hosted a competition, where an independent panel of judges evaluated the projects that not only help protect the climate but also enable local communities to develop sustainably based on their impact, innovation & visualization. Your Company's Biomass power plants were rated as one of the **best 3 CDM Projects globally**. The link of Gold Standard is https://www.goldstandard.org/our-story/innovation-and-impact

D) Your Company received Bronze Trophy at "**RoSPA Safety Awards, 2018**" from **The Royal Society for the Prevention of Accidents – UK** for 400 KV OHL Baarakaha Bab Grid Station, Abu Dhabi.

E) Your Company received Award for Export Excellence from EEPC India, Western Region for "**Special Trophy for Engineering Process Outsourcing services 2016-17 – Large Enterprise Category**"

F) Your Company was honoured with **"BEST EXPORTER OF THE YEAR 2017-2018**" award at Exim Club Awards, 2018 organized by Exim Club, Association of Exporters and Importers

G) Your Company received Letter from Power Grid Corporation of India Limited ("**PGCIL**") appreciating your Company's approach for **Environment, Health & Safety** while executing Drass - Kargil Transmission Line

Directors' Report

H) PGCIL also conferred a **Certificate of Appreciation** to your Company in recognition to its significant achievement of "**One Million Safe Man hours**" during the period from August, 2016 to January, 2019 without any lost time accident and maintaining improved EHS standards at "765 kV D/C Ajmer – Bikaner Transmission Line" project associated with Green Energy Corridors

I) Your Company received Special Appreciation from PGCIL for "**Excellence in new work – Railway Electrification**" for Mansi- Madhepura Railway Project

J) ONGC also conferred to KPTL **Certificate of Appreciation** on achieving Four million safe man hours without any lost time incident during execution of a Pipeline Project. It also conferred to KPTL **Certificate of Appreciation** on achieving one million safe man hours at Navagam Koyali Pipeline Project.

K) Your Company's efforts towards Environment, Health & Safety has been acknowledged by State Government of Gujarat and its Manufacturing Plant at Gandhinagar was chosen and honoured during **Shram Parotoshik Award** for the period 2016-17

L) Your Company received award at "**11th CIDC Vishwakarma Awards – 2019**" in the category of "Achievement Award for Best Artisans and Supervisors – 12 Supervisors"

M) World HRD Congress 2019, recognized your Company's Training Initiatives by conferring '**Excellence in Training & Development Award - An Overall Award for Best Result Based Training**'.

MATERIAL CHANGES AND COMMITMENT AFFECTING FINANCIAL POSITION OF YOUR Company

There are no material changes and commitments, affecting the financial position of your Company which has occurred between end of financial year of the Company i.e. March 31, 2019 and the date of Directors' Report i.e. 9th May, 2019.

DIVIDEND

Your Directors are also pleased to recommend dividend for the year ended March 31, 2019 @ ₹ 3 (150%) per equity share of ₹ 2 each in line with Dividend Distribution Policy of the Company.

TRANSFER TO RESERVES

Your Company has transferred following amounts to various reserves during the financial year ended March 31, 2019:

Amount transferred to	Amount in ₹ Crores
General Reserve	10.00
Debenture Redemption Reserve	25.00

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

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

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

- **JMC Projects (India) Ltd.**

  JMC Projects (India) Limited **("JMC Projects" or "JMC")** is a leading construction Company in India, with revenue over USD 400 million, having presence in South Asia and Africa. It is certified under ISO 9001:2015 (Quality Management), ISO 14001:2015 (Environment Management) and BS OHSAS 18001:2007 (Occupational Health & Safety).

  It addresses critical needs in key sectors – Infrastructure (Highways, Flyovers, Elevated corridors, Metros, Railways, Bridges, Water Supply & Irrigation projects), Construction of Buildings (High-rise, Integrated Township, Residential, Commercial, IT Parks, Institutional, Hospital, Sports Complex, Tourism projects), Factories, Industrial Plants & Power projects among others. JMC's integrated capabilities span the spectrum of 'EPC' solutions with Safety, Quality and On-time delivery as the 3 pillars.

  Over three decades of a strong, customer-centric approach and a sharp focus on world-class quality have enabled JMC to maintain a leadership position in its major lines of business. Characterized by

Directors' Report

professionalism, high standards of corporate governance and sustainability, JMC continues to evolve, seeking better ways of engineering to meet emerging challenges leveraging the power of People-Processes-Technology (PPT).

The order booked by JMC during FY2018-19 was more than ₹ 5,600 Crores and value of the order on hand as on March 31, 2019, stood at around ₹ 9,962 Crores. Your Company holds 67.19% equity shares of JMC.

- **Shree Shubham Logistics Ltd ("SSLL")**

  SSLL undertakes an array of activities in the post-harvest value chain primarily for agri-commodities and currently present in 10 states and managing inventories above 1.4 million MT. The activities include warehousing, collateral management, funding facilitation, funding, testing & certification and pest management. The activities are aimed at a wide spectrum of market participants dealing in agri-commodities, including farmers, traders & aggregators, government agencies, banks and electronic commodities exchanges. Through the integrated business model, SSLL believes that they are able to create value in the post-harvest value chain. Your Company holds 80.06% equity shares of SSLL.

  SSLL has been awarded with "**IDC Insights Awards 2018**" for excellence in operations by implementing Warehouse Management Software which has helped the organization in achieving efficiency, ease of doing business and Transparency. This prestigious Award is to acknowledge and applaud the transformative IT initiatives that organizations have undertaken towards accelerating success.

- **Kalpataru Power Transmission Sweden AB ("KPTS")**

  During the year under review, your Company incorporated a wholly owned subsidiary in Sweden namely Kalpataru Power Transmission Sweden AB to explore business opportunities in Nordic Countries and Europe.

During the year under review, one new Company (i.e. KPTS) has become Subsidiary of your Company. No new Company has become Associate Company of your Company.

During the year under review, no Company have ceased to be Subsidiary Company, Associate Company or Joint Venture Company of your Company.

Accordingly, as on the date of this Report your Company have 21 direct and indirect subsidiaries and 2 joint venture Companies.

Pursuant to provisions of Section 129 of the Companies Act, 2013, your Company has placed Consolidated Financial statements before the members for its approval. Further, pursuant to provisions of Section 136 of the Companies Act, 2013, your Company will make available the Annual Accounts of the Subsidiary Companies and the related information to any Members of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies are also uploaded on the website of the Company i.e. www.kalpatarupower.com and will also be kept open for inspection at the Registered Office of your Company and that of the respective Subsidiary Company.

ACQUISITION OF LINJEMONTAGE I GRASTORP AB ("LMG")

The wholly owned subsidiary of your Company in Sweden namely Kalpataru Power Transmission Sweden AB has accquired on 29th April, 2019, 85% equity stake in **Linjemontage i Grastorp AB**, a Swedish EPC Company headquartered in Grastrop, Sweden along with its two wholly owned subsidiaries. LMG founded in 1993, specializes in power supply solutions and services for electricity networks up to voltage range of 400 kv. LMG mainly operates into three main business areas, comprising of Substation, Transmission & Local Networks and Electricity Network Services with revenue of around SEK 700 Mn (around USD 75 Million) in 2018 and has a profitable track record. The Company has presence in Sweden & Norway with an order book of around SEK 710 Mn (around USD 77 Million).

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statements pursuant to Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Consolidated Financial Statements presented by your Company include the financial results of its Subsidiary Companies, Associate and Joint Venture Companies.

DIRECTORS

Mr. Subodh Kumar Jain (DIN: 07085318), Non-Executive Director of the Company tendered his resignation from the Board w.e.f. 25th May, 2018.

Directors' Report

The Board of Directors based on recommendation of Nomination and Remuneration Committee has appointed Mr. Sanjay Dalmia (DIN: 03469908) as an Additional Director in the category of Executive Director on rotational basis for a tenure of 3 years w.e.f. 8th August, 2018 subject to approval of shareholders of the Company.

Further, the Board of Directors at the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Sajjanraj Mehta (DIN: 00051497), Mr. Vimal Bhandari (DIN: 00001318), Mr. Narayan Seshadri (DIN: 00053563) and Mr. K. V. Mani (DIN: 00533148) as Independent Directors of the Company for a second term of 5 consecutive years w.e.f. 1st April, 2019 subject to approval of shareholders of the Company.

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

In terms of Section 152 of the Companies Act, 2013, Mr. Manish Mohnot (DIN: 01229696) being the longest in the office shall retire at the ensuing AGM and being eligible for re-appointment, offers himself for reappointment.

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

BOARD MEETINGS

The Board met Six (6) times during the financial year ended on March 31, 2019. The dates on which the Board Meetings were held are May 25, 2018, August 7, 2018, October 31, 2018, January 7, 2019, February 1, 2019 and March 22, 2019.

The number of Meetings of the Board that each Director attended is provided in the Report on Corporate Governance.

COMMITTEES

Your Company has several Committees which have been established as a part of best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statues.

The Board has constituted following Committees.

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

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

During the year, all recommendations of the Committees were approved by the Board.

KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, Mr. Rahul Shah, Company Secretary of the Company resigned w.e.f. close of working hours of 15th February, 2019. In the interim, the Company has designated Mr. Basant Kumar Parasramka, Dy. President (F&A) as an Interim Compliance Officer in terms of Regulation 6 of the SEBI (LODR) Regulations, 2015 effective from 16th February, 2019 and as an Interim Company Secretary and Key Managerial Personnel effective from 9th May, 2019.

Further, the Board of Directors at the recommendation of Nomination and Remuneration Committee and Audit Committee, appointed Mr. Ram Patodia as a Chief Financial Officer ("CFO") of the Company effective from 1st April, 2019 due to retirement of Mr. Kamal Kishore Jain,

Directors' Report

Director (Finance) & CFO w.e.f. close of working hours on 31st March, 2019. The Board of Directors appreciated his 32 years of distinguished service extended to the Company and his valuable contribution in the growth of the Company. He continues to be associated with the Company as Director (Procurement & Operations).

Mr. Manish Mohnot, Managing Director & CEO, Mr. Ram Patodia, President (F&A) & CFO and Mr. Basant Kumar Parasramka, Dy. President (F&A) & Company Secretary are the Key Managerial Personnel (KMP) as per provisions of Companies Act, 2013.

FIXED DEPOSITS

Your Company has not accepted any fixed deposits from the public as per the provisions of Section 73 to 76 of the Companies Act, 2013. Hence, the disclosures required as per Rule 8 (5) (v) & (vi) of the Companies (Accounts) Rules, 2014, are not applicable to your Company.

CORPORATE GOVERNANCE

Your Company believes that sound Corporate Governance is critical for enhancing and retaining stakeholder's trust and your Company always seeks to ensure that its performance goals are met accordingly. The efforts of your Company are always focused on long term value creation. Inherent to such an objective is to continuously engage and deliver value to all its stakeholders including members, customers, partners, employees, lenders and the society at large.

The Report on Corporate Governance, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms an integral part of this Report. The Report on Corporate Governance also contains certain disclosures required under Companies Act, 2013.

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE SOCIAL RESPONSIBILITY

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

BUSINESS RESPONSIBILITY REPORT

As stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report describing the initiatives taken by the Company from an environmental, social and governance perspective forms part of this Annual Report.

VIGIL MECHANISM

The details of establishment of Vigil mechanism (**"Whistle Blower Policy"**) is given in the 'Report on Corporate Governance' of the Company which is annexed to this Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

Directors' Report

STATUTORY AUDITOR AND AUDITORS' REPORT

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

Statutory Auditors' comments on your Company's accounts for year ended March 31, 2019 are self-explanatory in nature and do not require any explanation as per provisions of Section 134(3)(f) of the Companies Act, 2013. There were no qualifications, reservation or adverse remark or disclaimer made by Statutory Auditor in its report.

SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013, your Company had appointed Mr. Urmil Ved, Practising Company Secretary, Gandhinagar, as its Secretarial Auditor to conduct the Secretarial Audit of your Company for FY 2018-19. The Report of the Secretarial Auditor for the FY 2018-19 is annexed to this report as ***Annexure B***.

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

COST AUDITOR

The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013 and the Company has maintained cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records in respect of Electricity and Steel Structures needs to be audited. In compliance to the above, the Board of Directors upon the recommendation of the Audit Committee, appointed M/s. K. G. Goyal & Associates, Cost Accountants, as the Cost Auditor of your Company for the FY 2018-19.

RISK MANAGEMENT FRAMEWORK

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

The Risk Management framework enables the management to understand the risk environment and assess the specific risks and potential exposure to the Company, determine how to deal best with these risks to manage overall potential exposure, monitor and seek assurance of the effectiveness of the management of these risks and intervene for improvement wherever necessary and report throughout the management chain upto the Risk Management Committee on a periodic basis about how risks are being managed, monitored, assured and improvements are made.

PARTICULARS OF REMUNERATION

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

B. The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. However, this report and the accounts are being sent to the members excluding the said annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of your Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

PERFORMANCE EVALUATION

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

Directors' Report

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

Your Company's policy on remuneration for the Directors, Key Managerial Personnel and other employees are forming part of this Report as ***Annexure D1***. The same is also placed on website of the Company www.kalpatarupower.com. The said Policy has been amended during the year under review. It was amended in line with the requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and certain administrative changes.

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

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

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

DIVIDEND DISTRIBUTION POLICY

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

EXTRACT OF ANNUAL RETURN

Pursuant to sub-section (3) of Section 92 of the Companies Act 2013, read with Rule 12 of the Companies (Management and Administration) Rules, 2014 the extract of the Annual Return as at March 31, 2019 forms part of this report as ***Annexure G***.

The annual return referred to in Section 134(3)(a) of the Companies Act, 2013 shall be placed on the website of the Company and can be accessed at www.kalpatarupower.com.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered during the financial year were on arm's length basis. There were no material related party transactions i.e. transaction / transactions entered into individually or taken together with previous transactions entered during the financial year, exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statements, entered by your Company with its related parties which may have a potential conflict with the interest of your Company. All Related Party Transactions are placed before the Audit Committee for approval in terms of requirement of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy on materiality of Related Party Transactions is uploaded on the website of your Company and the link for the same is provided in the 'Report on Corporate Governance'. Attention of Members is drawn to the disclosure of transactions with related parties set out in Note No. 42 of Standalone Financial Statements, forming part of the Annual Report.

STOCK OPTIONS

Your Company does not have any stock options schemes.

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

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

Directors' Report

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

POLICY ON CODE OF CONDUCT AND ETHICS

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

SIGNIFICANT OR MATERIAL ORDERS AGAINST COMPANY

No significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status and your Company's operation in future.

STATEMENT OF DIRECTORS' RESPONSIBILITY

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

(a) in the preparation of the annual accounts for the year ended on March 31, 2019, the applicable accounting standards read with requirement set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they had prepared the annual accounts on a going concern basis;

(e) they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively and

(f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants, including audit of internal financial controls over financial reporting by the statutory auditors, and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2018-19.

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

ACKNOWLEDGEMENT

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

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

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

ANNEXURE A to Directors' Report

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (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

Kalpataru Power Transmission Limited's CSR Policy

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

Your Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. "**Kalp - Seva Arogya Kendra**" functioning through Kalpataru Welfare Trust provides medical services to economically underprivileged sections of the society. As part of furthering its CSR outreach, KPTL started Kalpa Seva Arogya Kendra in Mumbai, which is also operated through Kalpataru Welfare Trust and it collaborates with well-meaning NGOs and individuals to provide specialized healthcare (consultation and treatment) at subsidized rates. Apart from such long term ongoing projects, the Company has also undertaken various other programme and projects under its CSR Policy in the field of Healthcare, Promoting Education, Flood Relief activities, livelihood enhancement projects for specially abled etc.

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

2. The Composition of the CSR Committee:

The Board of Directors of your Company has constituted the Corporate Social Responsibility Committee of Directors. CSR Committee is formed as per the applicable laws of the Companies Act, 2013 and the Committee is responsible for the implementation/monitoring and review of the policy and various projects/activities undertaken under the policy.

The Members of the CSR committee are:

a) Mr. Sajjanraj Mehta - Chairman of Committee (Independent Director)
b) Mr. Mofatraj P. Munot - Executive Chairman
c) Mr. Parag Munot - Promoter Director
d) Mr. Manish Mohnot - Managing Director & CEO

3. Average Net Profit of the Company for last three financial years: **₹ 18,309.64 Lakhs calculated as per CSR Rules**

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): **₹ 366.19 lakhs**

5. Details of CSR Spent during the financial year.

a. Total amount to be spent for the financial year: **₹ 366.19 lakhs**
b. Amount unspent, if any: **Nil**

ANNEXURE A to Directors' Report

c. Manner in which the amount spent during the financial year is detailed below:

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or Program wise** (₹ In lakhs)	Amount spent on the Projects or programs (Sub heads):* (1) Direct Expenditure on projects or programs (2) Overheads (₹ In lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
1.	Provide specialized healthcare services like non-surgical consultation/ checkup camps, awareness camps by specialists etc. through the "Kalpa Seva Arogya Kendra – Lotus House, Mumbai"	Promoting Health Care	Mumbai, Maharashtra	341.55@	240.00	331.55	Kalpataru Welfare Trust
2.	Provide medical services to poor and needy through the "Kalpa Seva Arogya Kendra - Gandhinagar"	Promoting Health Care	Gandhinagar, Gujarat	52.00	50.33	194.96	Kalpataru Welfare Trust
3.	Constructing 2 Storey Dormitory building within the School premises for girl students	Promoting Education, setting up hostels for women etc.	Balasore, Odisha	31.00	25.78	25.78	Direct
4.	Various Education promotion initiatives like Construction of Boundary Wall at Primary School, Books Distribution to poor students etc.	Promoting Education	Alipurduar District, West Bengal	7.25	2.42	2.42	Direct
5.	Educational support to the needy students	Promoting Education	PAN India	5.00	5.00	15.00	Gajendra Nidhi Trust
6.	Upliftment of Rural & Tribal Poor and Urban Slum Dwellers by curing avoidable blindness through "Project Rashtriya Netra Yagna"	Promoting Healthcare	North eastern states of India	10.00	10.00	40.00	Vision Foundation of India
7.	All round development of specially abled marginalized section of society through various activities like Counselling, vocational training in various Forms, assistance of aids and appliances, creating awareness, research activity, rural camps etc.	Promoting Health Care & promoting education, including special education and employment enhancing vocation skills among differently abled	Mumbai, Maharashtra	10.00	10.00	10.00	Fellowship of the Physically Handicapped

ANNEXURE A to Directors' Report

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs (1) Local Area or Other (2) Specify the State and district where projects or programs was undertaken	Amount Outlay (Budget) project or Program wise** (₹ In lakhs)	Amount spent on the Projects or programs (Sub heads):* (1) Direct Expenditure on projects or programs (2) Overheads (₹ In lakhs)	Cumulative expenditure upto the reporting period (₹ in lakhs)	Amount Spent: Direct or through implementing agency
8.	Various Infrastructure Development activities at government schools in Raipur like developing mini science centres, providing Musical instruments, books for poor students, provisioning for clean drinking water, rehabilitation and civil repairing etc.	Promoting Education	Raipur, Chhattisgarh	12.50	11.83	11.83	Direct
9.	Flood relief activities in Assam and Kerala	Eradicating hunger, poverty etc.	Golaghat, Assam and Calicut, Kerala	11.50	11.33	11.33	Direct
10.	Contribution of CSR funds to support the bereaved families of the deceased soldiers martyred in recent attack in Pulwama District of Jammu and Kashmir	Measure for the benefit of war widows and their dependents	-	5.00	5.00	5.00	Jain International Trade Organization
11.	Welfare activities related to Hygiene education, providing pre-primary education, nutritional food in rural areas, Vocational Skills, etc.	Healthcare, Promoting Education	Ahmedabad, Gujarat	0.50	0.50	0.50	Samvedana Trust
12.	Expenditure on administrative overheads	Administrative expenses	-	1.10	1.10#	6.17	-
TOTAL				**487.40**	**373.29**	**654.54**	

** The amount indicated in this column above is the direct expenditure on project or programs.*

*** Budget Outlay represents the amount the Company has budgeted in its CSR plan.*

 # The amount indicated in this column above is the overhead expenditure on project or programs.

@ Amount planned to be invested over a 3 year period of FY 2017-18, 2018-19 and 2019-20.

6. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report.

Not Applicable

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Mr. Manish Mohnot
(DIN: 01229696)
Managing Director & CEO

Mr. Sajjanraj Mehta
(DIN: 00051497)
Chairman of CSR Committee

ANNEXURE B to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Kalpataru Power Transmission Limited** (hereinafter called the Company) for the year ended on 31st March, 2019. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 and made available to me, according to the provisions of:

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

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

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

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

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

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

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

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (upto 10th November, 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (with effect from 11th November, 2018);

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (during the year under review not applicable to the Company);

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (during the year under review not applicable to the Company);

h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 (upto 10th September, 2018) and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (with effect from 11th September, 2018); (during the year under review not applicable to the Company) and

i) The Securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE B to Directors' Report

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

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

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

(a) The Electricity Act, 2003, the Central Electricity Authority Regulations and the Rajasthan Electricity Regulatory Commission Regulations.

(b) The Indian Boilers Act, 1923 and rules framed there under.

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

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

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

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

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

i. During the period under review pursuant to approvals granted by the Board of Directors of the Company and Shareholders at their Annual General Meeting the following Non Convertible Debentures were allotted:

Date of Allotment	Nature of Security	Amount Raised in ₹
12/09/2018	Zero Coupon Listed Rated Unsecured Redeemable Taxable Non-Convertible Debenture (NCDs)	1,00,00,00,000/-

ii. During the period under review on maturity the Company has redeemed 9.55% Listed Rated Unsecured Redeemable Non-Convertible Debentures (NCD's) aggregating to ₹ 1,00,00,00,000/-on 20th May, 2018.

Urmil Ved
Practicing Company Secretary
(ICSI Unique Code L1996GJ080100)
FCS No. 8094, CP No. 2521

Date: 9th May, 2019
Place: Gandhinagar

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

Annexure-A

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

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

1. Maintenance of secretarial record, device proper systems to ensure compliance with the provisions of all applicable laws, rules and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

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

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

4. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on random test basis.

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

Urmil Ved
Practicing Company Secretary
(ICSI Unique Code L1996GJ080100)
FCS No. 8094, CP No. 2521

Date: 9th May, 2019
Place: Gandhinagar

ANNEXURE C1 to Directors' Report

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

(i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial year 2018-19 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2018-19 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for Financial year 2018-19 (₹ in crore)	% change in Remuneration in the Financial Year 2018-19	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Mofatraj P. Munot Executive Chairman	14.00	38.61	213.41
2	Mr. Parag M. Munot Promoter Director	1.73	-28.72	26.30
3	Mr. Sajjanraj Mehta Non Executive Independent Director	0.59	19.39	8.92
4	Mr. Vimal Bhandari Non Executive Independent Director	0.42	18.57	6.33
5	Mr. Narayan K Seshadri Non Executive Independent Director	0.40	13.57	6.06
6	Mr. K. V. Mani Non Executive Independent Director	0.17	-46.88	2.59
7	Ms. Anjali Seth Non Executive Independent Director	0.21	16.67	3.20
8	Mr. Imtiaz Kanga Promoter Director	0.15	11.54	2.21
9	Mr. Manish Mohnot Managing Director & CEO	11.87	24.82	180.95
10	Mr. Sanjay Dalmia Executive Director#	5.30	##	80.79
11	Mr. Kamal Kishore Jain* Director (Finance) & Chief Financial Officer	2.64	9.54	40.24
12	Mr. Rahul C. Shah** Company Secretary	0.52	**	**

Mr. Sanjay Dalmia was appointed as Executive Director of the Company w.e.f. 8th August, 2018. Previously he was employed with the Company as Director (International Business) and above remuneration is for whole year FY 2018-19.

% increase is not stated as he was appointed as Executive Director of the Company w.e.f. 8th August, 2018

* *Retired as Chief Financial Officer of the Company w.e.f. close of working hours of 31st March, 2019*

** *Details not stated as Mr. Rahul C. Shah resigned as Company Secretary of the Company w.e.f. close of working hours of 15th February, 2019*

ANNEXURE C1 to Directors' Report

ii) The median remuneration of employees of the Company during the financial year under review was ₹ 6.56 Lakhs.

iii) In the Financial year under review, there was an increase of 4.46% in the median remuneration of employees.

iv) There were 3,295 permanent employees on the rolls of Company as on March 31, 2019;

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19 was 10.42%. Increase in the managerial remuneration for FY 2018-19 is not comparable with FY 2017-18 owing to appointment of Mr. Sanjay Dalmia as an Executive Director w.e.f. 8th August, 2018 and hence, % increase has not been stated.

(vi) It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

Annexure D1 to Directors' Report

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

1. PURPOSE

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

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

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

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

(a) The level and composition of remuneration should be reasonable and sufficient to attract, retain and motivate directors and employees of the quality required to run the Company successfully.

(b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.

(c) Maintain appropriate balance between fixed and incentive pay in remuneration to directors, key managerial personnel and senior management reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(d) Align the growth of the Company and development of employees and accelerate the performance.

(e) To motivate and retain the quality employees and attract other highly qualified executives to enter into KPTL's service, when require.

(f) To give a rational and fair treatment to employees, and to recognize importance of every one with team spirit and enhancing the value of human wealth.

(g) To create a transparent system of determining the appropriate level of remuneration throughout all levels of the Company.

(h) Encourage people to perform to their highest level.

(i) Allow the Company to compete in each relevant employment market.

(j) Provide consistency in remuneration throughout the Company.

(k) Align the performance of the business with the performance of key individuals and teams within the Company.

2. DEFINITIONS

(a) "**Board**" means Board of Directors of the Company for the time in force.

(b) "**Company**" or "**KPTL**" means "Kalpataru Power Transmission Limited", having **CIN** L40100GJ1981PLC004281, and registered office at 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India

(c) "**Committee**" or "**NRC**" means "Nomination and Remuneration Committee" of the Board of the Company, as may be reconstituted by the Board and as may subsist from time to time.

(d) "**Director**" means person appointed as Director on the Board of the Company pursuant to the applicable provision of the Companies Act 2013 and includes independent Directors of the Company.

(e) "**Division**" or "**Business Unit**" or "**Department**" means every division of the Company viz Transmission Line (Domestic), Transmission Line – International, Railway, Biomass, Infra, 'Accounts,

Annexure D1 to Directors' Report

Finance, Taxation, Secretarial and Legal', P&M, Information Technology (IT), HR & Admin, Quality Management & MR, Procurement, Development, Health and Safety (EHS), Contracts, Business Development, BOT Projects, and also includes Division as renamed and new Divisions setup from time to time.

(f) "**Department Head**" or "**Functional Head**" or "**Business Unit Head**" or "**BU Head**" means Employee of the Company who are designated as such or in charge of one or more Department or Business Units and person who are designated as Head for the time being, by the Executive Director or CEO.

(g) "**Executive Director**" means person appointed as Whole-time director, Executive Director, Managing Director, Deputy Managing Director and Joint Managing Director and holding office as such pursuant to the applicable provision of the Companies Act 2013.

(h) "**Employees**" Employees means and includes person who is confirmed for full time employment of the Company time to time.

(i) "**Key Managerial Personnel**" or "**KMP**" means person as defined in the Companies Act, 2013 and as appointed and in employment of the Company as a Chief Executive Officer or Managing Director or Manager, Whole Time Director, Chief Financial Officer and Company Secretary.

(j) "**Remuneration Policy**" or "**this Policy**" means this Policy for remuneration of Directors, KMP and employees of the Company as set out hereby, recommended by the Committee and approved by Board of KPTL, as amended from time to time.

(k) ''**Senior Management**'' means personnel in employment of the Company who are members of core management team excluding Board of Directors and normally this shall comprise all members of management one level below chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include Company secretary and chief financial officer..

(l) "**Steering Committee**" means Committee comprising of Managing Director & CEO, Executive Director, Chief Financial Officer, President (HR & Admin) & respective BU Head

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

3. EFFECTIVE DATE OF THE POLICY

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

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

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

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

4. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted the Nomination and Remuneration Committee of the Board presently comprising of 3 Directors including 2 Independent Directors. Existing remuneration committee has been renamed and reconstituted pursuant to the provision of the Companies Act, 2013 and Listing Agreement. The NRC are playing statutory and consultative role in building appropriate remuneration structure

Annexure D1 to Directors' Report

in the Company keeping in view recognition and appreciation of experience, expertise, advise, efforts and contribution provided by the Directors, KMP, Senior Management and dedication of Employees. While strategize the remuneration structure, the Committee would also consider that composition of remuneration needs to be reasonable and sufficient to attract, retain and motivate Directors and senior management of the quality required to run the Company successfully.

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

5. MONITORING AND IMPLEMENTATION OF THIS POLICY

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

6. REMUNERATION OF NON-EXECUTIVE DIRECTORS

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

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

6.1 Sitting fees

The Non-Executive Directors are paid Sitting Fees. The Company pays sitting fees of ₹ 75,000/- per meeting to the NEDs for attending the meetings of the Board and ₹ 25,000/- for attending meeting of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, CSR Committee and Risk Management Committee.

6.2 Reimbursement of expenses

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

6.3 Remuneration

The Company may upon passing of resolution by the Board of Directors of the Company consider payment of remuneration to Non-Executive Directors by way of commission as a percentage of profits on an annual basis, pursuant to the applicable provision(s) of the Companies Act 2013 and rules made thereto, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (erstwhile Listing Agreement) and approval of shareholders of the Company. The Commission would be at a rate not exceeding 1% or 3% per annum of the profits of the Company, as may be applicable to the Company, as per the provision of the Companies Act, 2013 and as approved by shareholders from time to time.

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

Effective from 1st April, 2019, the approval of shareholders by special resolution shall be obtained every year, in which the annual remuneration payable to a single non-executive

Annexure D1 to Directors' Report

director exceeds fifty per cent of the total annual remuneration payable to all non-executive directors, giving details of the remuneration thereof as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6.4 In case of no profit or inadequate profit

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

6.5 Review of remuneration of Non-Executive Directors

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

a) Financial performance and net-worth of the Company as per audited financial statement for last 3 financial years.

b) Value of order book position and operational performance track in last two years.

c) Performance of the Board as whole considering the evaluation of the Board done by Independent Directors.

d) Diversity and composition of Board considering experience, expertise, technical knowledge and skills relating to business and future plan of the Company, position held in other organizations and directorship in other companies.

7. REMUNERATION OF EXECUTIVE DIRECTORS

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

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

- the annual remuneration payable to such executive director exceeds rupees 5 crore or 2.5 per cent of the net profits of the listed entity, whichever is higher; or

- where there is more than one such director, the aggregate annual remuneration to such directors exceeds 5 per cent of the net profits of the listed entity:

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

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

7.1 Fixed Component

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

7.2 Variable Component

The Executive Directors are also paid remuneration by way of incentive / commission as percentage of profit of the Company as per audited financial statement, within range as approved by the shareholders. Commission is calculated with reference to net profits of the Company in a particular financial year and is determined by the Board of Directors at the end of the financial year based on the recommendations of the Nomination and Remuneration Committee, subject to overall ceilings and applicable statutory provision stipulated in Section 197 of the Companies Act 2013 and other applicable provisions as may be applicable time to time.

Annexure D1 to Directors' Report

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

7.3 Facilities

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

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

7.4 Remuneration in case of no profit or inadequate profit

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

8. STOCK OPTIONS TO EMPLOYEES / DIRECTORS

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

9. PECUNIARY RELATIONSHIPS OR TRANSACTIONS

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

10. REMUNERATION OF SENIOR MANAGEMENT

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

10.1 Review of Remuneration of Senior Management

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

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

10.2 Recommendation of the Committee

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

a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Senior Management members of the quality required to run the Company successfully.

Annexure D1 to Directors' Report

b) Relationship of remuneration to performance meets appropriate performance benchmarks.

c) There should be appropriate balance between fixed and variable pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

11. REMUNERATION OF EMPLOYEES

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

a) **Fixed Components** comprises salary, allowances, perquisites, PF etc.

b) **Variable Components** linked to performance of Individual Employee vis-à- vis performance of the Business and Company. Variable pay shall be determined after end of the financial year in terms of performance management system manual of the Company and KRA achievement of individual Employee.

12. PERFORMANCE MANAGEMENT SYSTEM (PMS)

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

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

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

13. CLARIFICATION AND REVIEW OF THE POLICY

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

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

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

14. AMENDMENTS IN THE POLICY

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

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

Annexure D2 to Directors' Report

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

1. CRITERIA / QUALIFICATION FOR APPOINTMENT AS DIRECTOR

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

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

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

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

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

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

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

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

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

Annexure D2 to Directors' Report

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

4. ROLE OF THE NOMINATION AND REMUNERATION COMMITTEE

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

In reviewing the Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively. The Committee shall also oversee the conduct of the annual review of Board effectiveness.

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

5. AMENDMENTS IN THE POLICY

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

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

Annexure E to Directors' Report

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

(A) Conservation of energy-

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

1. At Padampur power plant

   a. your Company replaced conventional 26 No(s) HMSV (High Pressure Sodium Vapor) & 96 No(s) Tube Lights of total load of 5944 Watt with 125 No(s) LED (Light Emitting Diode) of total load of 2151 Watt, which resulted into reduction in energy consumption.

   b. your Company replaced 22 KW ACW Pump of Cooling Tower with Energy Efficient Pump of 18 KW which resulted in reduction of energy Consumption.

   c. your Company replaced the DM Water Transfer Pump of 2.2 KW with Energy Efficient Pump of 1.5 KW, which resulted in reduction of Energy Consumption.

   d. your Company has revamped the Cooling Tower. The revamping helped in reduction in operation of pumps, which resulted in reduction of energy consumption.

2. At Uniara power plant

   a. your Company replaced 15 Nos. Conventional HMSV (High Pressure Sodium Vapor) Lights, 116 LCD Lights & 26 Tube Lights of total load of 7530 Watt with 133 LED (Light Emitting Diode) of total load of 3191 Watt, which resulted into reduction in energy consumption.

   b. your Company installed Variable Frequency Drive on Condensate Extraction Pump of Turbine which resulted in reduction in energy consumption by 8 Kw/hour.

3. It is Company's continuous endeavor to use energy efficient lights and therefore, the Company keeps on replacing the conventional CFL fittings lights with LED Lights from time to time as per requirement and usage cycle.

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

Your Company has used apart from the main biomass fuel-Mustard Crop Residue-other alternative biomass fuels for its Biomass Power Plants in order to ensure the availability of biomass in various seasons throughout the year.

(iii) the capital investment on energy conservation equipment:

The Company made capital investment of ₹ 0.49 Crores on energy conservation equipment during FY 2018-19.

(B) Technology absorption-

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

- The Company rolled out various digital and mobility-based solutions for better management of shop floor and production processes at Gandhinagar Plant. Overall technology improvements were carried out in order to improve galvanizing process by using online analytics and IOT at Gandhinagar Plant. Phase – II of such automation was carried out at Raipur Plant during the year under review.

- The Company is working on an innovative solution to expand the life of acid during Galvanizing process. A successful trial has been done in last quarter of the financial year under review. Post such implementation, the Company expects about 50% reduction in Acid Consumption which will ultimately reduce hazardous sludge. Other advantages are lower fume generation during Pickling process, Safe chemical to handle, lower iron & acid load to the ETP and Low dross generation.

- Conveyor system has been implemented at ETP plant for handling Hazards Sludge which has reduced the man power cost & man power fatigue.

Annexure E to Directors' Report

- The Company engaged a renowned global consulting firm with objective to provide recommendations on improving Project Site Processes. The exercise was timely completed in the financial year and it has given your Company a broad understanding of analytical tools, digital platforms and planning improvement methodologies, further implementation of which shall add enormous value by reducing project schedule compression, reduction in site overheads and optimization of direct costs at sites.

- The Company has implemented Geotagging application at Transmission Line sites for raising Non-Conformity Risk ("NCR") which is a great move towards digitalization and which will shorten time period in implementing corrective action plans and create library for capturing best practices at site.

- Horizontal Directional Drilling (HDD) works for trenchless installation of cross country pipelines which is a complicated activity and involves lot of risk due to uncertain underground conditions. One of the risks in HDD is pipe string getting stuck inside the drilled path due to the tough underground conditions. During such time, a tool is required to retrieve the pipe string for re-installation. Your Company implemented a modern European technology namely "Pipe Rammer" which imparts impact energy (powered by air compressor) for dynamic ramming. This tool along with other special equipment and instruments avalaible with your Company will be adding enormous value to HDD setup.

  This Technology has been imported from United Kingdom (Origin of the equipment – Germany). As the equipment has been received recently, the commissioning and initial set up is in progress.

- Your Company implemented Smart Fuel management system (Hectronics) for its Pipeline Projects. Pipeline Project sites typically stretches into long distances and distributing fuel to large equipment deployed at site is always a challenge due to remote inaccessible sites. The Company had to look for a method which helps it in improving this distribution process. Your Company implemented Hectronic fuel management system on fuel carrying vehicles, on which fuel bowsers were mounted containing RFID tags fixed on the neck of fuel tank and powerful mechanically driven pumps with filters fitted in the bowser which benefitted in distribution of fuel at a very quicker rate, avoid contamination of fuel before filling inside the fuel tank of site equipment and automatic system to fill the right quantity & to the intended equipment to avoid pilferage.

- Various other technologies were absorbed in Pipeline Projects like Automatic Welding – Gas Metal Arc welding (PWT/Serimer) & Submerged Arc Welding Technology due to which various advantages were observed like improved weld quality and smooth welding, increased output, less repair and less manpower requirement, weld metal deposit possesses uniformity, good ductility, corrosion resistance and good impact strength etc. Further, Phased Array Ultrasonic testing/ Time of Flight Diffraction Technique and Cobra Scanner Technologies were implemented for Non-Destructive Testing which have benefits like nil safety hazards, feasible and easy usage at typical areas without disturbing any other components, Instant inspection results and complete data storage with accurate traceability and easy to carry and well working in Well Pads.

- At Padampur power plant, your Company has -

  (a) replaced the Bomb Calorie Meter with updated Bomb Calorie Meter to correctly assess the Gross Calorific Value of each kind of Biomass for improving efficiency of the Plant.

  (b) conducted the Residual Life Assessment of the Boiler from third party. The Residual Life assessment Study helped in implementing the suggestions to avoid any major breakdown in Boiler.

- Your Company has installed Instant dust and moisture checking machines at Biomass Plants which helped for better quality control at the time of procurement and such monitoring is useful to improve fuel consumption & plant efficiency.

- Every agro waste/ forestry waste has a different chemical composition and reacts differentially in the controlled atmosphere of the Boiler. Different new agro wastes, forestry wastes were mixed and matched with the Mustard Crop Residue (Main fuel) to have optimum Electricity Generation and the Plant Efficiency at Biomass Plants.

Annexure E to Directors' Report

During the year under review, your company has used 38% alternate fuel (other than Mustard Crop residue, main fuel) at Padampur Biomass Power Plant and 22% alternate fuel at Uniara Biomass Power Plant.

- **Research and Development:**

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

- **Benefits derived as a result of R&D:-**

(a) Market expansion and improved competitive position through significantly improved products for new markets.

(b) Improved competency for designing process & products for customers.

(c) Up-gradation of technical skill of employees for higher productivity & more consistent quality.

- **Future Plan of Action:**

R&D is a continuous activity instead of one-time activity. Therefore, your Company is looking to adapt new and upgraded technologies in order to stay ahead of its competitors. Future R&D efforts will continue along similar lines, as at present, but with more focus, thrust and endeavors.

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

Not Applicable

a) the details of technology imported;

b) the year of import;

c) whether the technology been fully absorbed;

d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iii) the expenditure incurred on Research and Development:

(₹ in Crores)

	2018-19
Capital Expenditure	7.61
Revenue Expenditure	8.29
Total	**15.90**
Total R&D expenditure as a percentage of total turnover	0.22%

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

	(₹ in Crores)
Foreign Exchange Earnings	1,679.84
Foreign Exchange Outgo	781.66

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

Annexure F to Directors' Report

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION

1.1. Applicability

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

1.2. Philosophy

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

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

1.3. Objective

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

1.4. Regulatory Framework

1.4.1. Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, which was notified vide Notification dated July 08, 2016 provides that top five hundred listed entities based on their market capitalization calculated as on 31st day of March of every Financial Year shall formulate a Dividend Distribution Policy which shall be disclosed in the annual reports and on the websites of such Company.

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

1.5. Definitions

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

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

1.5.3. "**Board**" means Board of Directors of the Company.

1.5.4. "**Company**" shall mean Kalpataru Power Transmission Limited.

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

1.5.6. "**Financial Year**" shall mean the period beginning from 1st April of every year to 31st March of succeeding year.

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

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

Annexure F to Directors' Report

1.6. Interpretation

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

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

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

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

2. POLICY

2.1. Policy

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

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

2.2. Procedure

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

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

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

2.3. Parameters for Declaration of Dividend

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

2.3.1. Internal Factors

a. **Profits Earned:** The extent of stability and magnitude of Company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the Company.

b. Capital Expenditure Requirements and future working capital requirements

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

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

e. Leverage profile and liabilities of the Company.

f. Any other factor as deemed fit by the Board.

2.3.2. External Factors

a. **Industry Practice:** The nature of industry in which a Company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.

b. **Statutory Provisions and Regulatory concern:** The Board should keep in mind the restrictions imposed by Companies Act or any other applicable laws with regard to declaration of dividend and quantum of

Annexure F to Directors' Report

dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

c. **Macro-Economic Factors and General Business Environment:** The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.

d. **Fiscal Policy:** The tax policy of the country also influences the dividend policy of a Company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends.

e. **Capital Markets:** In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

2.4. Circumstances under which the Shareholders may not expect Dividend

2.4.1. The shareholders of the Company may not expect Dividend under the following circumstances:

a. Due to operation of any other law in force

b. Due to inadequate profit or losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year

c. Due to any restrictions and covenants contained in any agreement as may be entered into with the Lenders

d. Whenever Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital or undertakes any acquisitions or restructuring

e. Significant higher working capital requirements adversely impacting free cash flow

f. Whenever it proposes to utilise surplus cash for buy-back of securities

2.5. Utilisation of Retained Earnings

The portion of profits not distributed among the shareholders but retained and used in business are termed as retained earnings. It is also referred to as ploughing back of profit. These earnings may be utilized for internal financing of various projects of the Company and for fixed as well as working capital. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as Dividend after having due regard to the parameters laid down in this Policy.

2.6. Parameters for Dividend with regard to various classes of Shares

The Company does not have different classes of shares and follows the 'one share, one vote' principle.

3. DISCLOSURE

3.1 The Company shall make appropriate disclosures as required under the SEBI Regulations.

4. GENERAL

4.1 The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. Such amended Policy shall be placed before the Board for noting and necessary ratification at its subsequent meeting.

4.2 In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

Annexure G to Directors' Report

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2019

[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**	L40100GJ1981PLC004281
ii.	**Registration Date**	April 23, 1981
iii.	**Name of the Company**	Kalpataru Power Transmission 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**	Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar-382028, Gujarat, India. **Phone** : 079 2321 4000 **Fax** : 079 2321 1966 **Email ID** : cs@kalpatarupower.com
vi.	**Whether listed Company Yes / No**	Yes
vii.	**Name, Address and Contact details of Registrar and Transfer Agent, if any**	**Link Intime India Pvt. Ltd** 506-508, Amarnath Business Centre -1 Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380009 **Phone** : 079 2646 5179 **Fax** : 079 2646 5179 **Email ID** : ahmedabad@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	Construction of Utility Projects	422	86.90%
2	Construction Roads and Railways	421	12.19%

Annexure G to Directors' Report

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name of Company & Address	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
1.	JMC Projects (India) Ltd. A-104, Shapath – 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380051	L45200GJ1986PLC008717	Subsidiary	67.19	2(87)(ii)
2.	Shree Shubham Logistics Ltd. Plot No. A-1 & A-2, Sector-25, Gandhinagar-382004	U60232GJ2007PLC049796	Subsidiary	80.06	2(87)(ii)
3.	Energylink (India) Ltd. Plot No. 494/1, Near Lord Ayyappa Temple, Gandhinagar-382007	U45204GJ2001PLC039169	Subsidiary	100	2(87)(ii)
4.	Amber Real Estate Ltd. Plot No.101, Kalpataru Synergy, Santacruz (East), Mumbai -400055	U45200MH2007PLC173306	Subsidiary	100	2(87)(ii)
5.	Adeshwar Infrabuild Ltd. Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U26941GJ2009PLC057757	Subsidiary	100	2(87)(ii)
6.	Kalpataru Satpura Transco Pvt. Ltd. Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U45209GJ2013PTC074988	Subsidiary	100	2(87)(ii)
7.	Kalpataru Metfab Pvt. Ltd. Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U28113GJ2011PTC064272	Subsidiary	100	2(87)(ii)
8.	Alipurduar Transmission Ltd. Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U40109GJ2015PLC095114	Subsidiary	100	2(87)(ii)
9.	Kohima-Mariani Transmission Ltd.** Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U40102GJ2016GOI107260	Subsidiary	74	2(87)(ii)
10.	Kalpataru Power Transmission (Mauritius) Ltd. C/o International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius	N.A.	Subsidiary	100	2(87)(ii)
11.	Kalpataru Power Transmission USA Inc. 7500 Rialto Blvd, Suite 250 Austin, Texas 78735	N.A.	Subsidiary	100	2(87)(ii)
12.	LLC Kalpataru Power Transmission Ukraine 601, 6th Floor, 8A Feodory Pushinoy Street, Kyiv 03115, Ukraine	N.A.	Subsidiary	100	2(87)(ii)
13.	Kalpataru Power Transmission Sweden AB C/o Foyen Advokatfirma, Regeringsgatan 52, Box 7229, 103 89 Stockholm, Sweden	N.A.	Subsidiary	100	2(87)(ii)
14.	Kalpataru IBN Omairah Company Ltd. 6757, Ali Al Maruzi-Al Shohda Dist, Unit No. 33, Riyadh-13241-4018 Kingdom of Saudi Arabia	N.A.	Subsidiary	65	2(87)(ii)

Annexure G to Directors' Report

Sr. No.	Name of Company & Address	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
15.	JMC Mining and Quarries Ltd. A-104, Shapath – 4, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380051	U45201GJ1996PLC028732	Subsidiary	100	2(87)(ii)
16.	Brij Bhoomi Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East) Mumbai -400055	U74900MH2010PTC261958	Subsidiary	100	2(87)(ii)
17.	Wainganga Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz (East) Mumbai-400055	U45203MH2011PTC264642	Subsidiary	100	2(87)(ii)
18.	Vindhyachal Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2012PTC271978	Subsidiary	100	2(87)(ii)
19.	Saicharan Properties Ltd. 101, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai -400055	U45201MH2006PLC166598	Subsidiary	100	2(87)(ii)
20.	Punarvasu Financial Services Pvt. Ltd. Unit No. 72, 7th floor, Kalpataru Square, Kondivita Lane, Off Andheri Kurla Road, Andheri (E) Mumbai-400059	U67120MH1993PTC073611	Subsidiary	100	2(87)(ii)
21.	Kalpataru Power DMCC, UAE Unit No. 2301, HDS Tower, Plot No. PH1-F2, Jumeirah Lakes Tower, Dubai , UAE	N.A.	Subsidiary	100	2(87)(ii)
22.	Jhajjar KT Transco Pvt. Ltd. Plot No 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U45204GJ2010PTC060815	Associate	49.72	2(6)
23.	Kurukshetra Expressway Pvt. Ltd. Toll Plaza Gangaicha Jaat, NH-71 village Gangaicha Jaat, Mastapur post office Rewari-123401, Haryana	U45400HR2010PTC040303	Associate	49.57	2(6)

* *Representing aggregate % of equity shares held by the Company and/or through its subsidiaries*
** *Kohima-Mariani Transmission Ltd. is a Joint Venture Company with Techno Electric & Engineering Company Ltd.*
*** *Kalpataru IBN Omairah Company Ltd. is a Joint Venture Company with IBN Omairah Contracting Company Ltd.*

Note: The Company has no holding Company.

Annexure G to Directors' Report

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year (as on April 1, 2018 i.e. on the basis of SHP of March 31, 2018)				No. of Shares held at the end of the year (as on March 31, 2019 i.e. on the basis of SHP of March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters/Promoters Group									
(1) Indian									
a) Individual/HUF	2,89,11,867	-	2,89,11,867	18.84	2,89,11,867	-	2,89,11,867	18.84	0.00
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5,97,91,796	-	5,97,91,796	38.96	5,97,91,796	-	5,97,91,796	38.96	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other									
f-1) Promoter Trust	23,31,000	-	23,31,000	1.52	23,31,000	-	23,31,000	1.52	0.00
Sub-total(A)(1):	**9,10,34,663**	**-**	**9,10,34,663**	**59.32**	**9,10,34,663**	**-**	**9,10,34,663**	**59.32**	**0.00**
(2) Foreign									
a) NRIs – Individuals	-	-	-	-	-	-	-	-	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total:(A)(2):	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	**9,10,34,663**	**-**	**9,10,34,663**	**59.32**	**9,10,34,663**	**-**	**9,10,34,663**	**59.32**	**0.00**
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2,95,48,300	-	2,95,48,300	19.25	3,33,39,556	-	3,33,39,556	21.73	2.47
b) Banks / FI	77,141	-	77,141	0.05	28,044	-	28,044	0.02	-0.03
c) Central Govt. (IEPF Authority)	93,493	-	93,493	0.06	-	-	-	-	-0.06
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	44,47,762	-	44,47,762	2.90	53,83,227	-	53,83,227	3.51	0.61
g) FIIs / FPIs	79,68,480	1,000	79,69,480	5.19	66,89,391	1,000	66,90,391	4.36	-0.83
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Alternate Investment Funds	-	-	-	-	44,090	-	44,090	0.03	0.03
j) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**4,21,35,176**	**1,000**	**4,21,36,176**	**27.46**	**4,54,84,308**	**1,000**	**4,54,85,308**	**29.65**	**2.19**
(2) Non Institutions									
a) Bodies Corporate									
i) Indian	54,79,133	6,000	54,85,133	3.57	51,06,858	6,000	51,12,858	3.33	-0.24
ii) Overseas	-	-	-	-	-	-	-	-	-

Annexure G to Directors' Report

Category of Shareholder	No. of Shares held at the beginning of the year (as on April 1, 2018 i.e. on the basis of SHP of March 31, 2018)				No. of Shares held at the end of the year (as on March 31, 2019 i.e. on the basis of SHP of March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,10,41,888	4,41,285	1,14,83,173	7.48	86,83,954	3,92,785	90,76,739	5.91	-1.57
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,27,231	96,000	12,23,231	0.80	7,02,078	96,000	7,98,078	0.52	-0.28
c) Others (specify)									
c-1) Trusts	500	-	500	0.00	-	-	-	-	0.00
c-2) Hindu Undivided Family	4,41,506	-	4,41,506	0.29	3,48,499	-	3,48,499	0.23	-0.06
c-3) Non Resident Indians (Repat)	6,94,863	6,000	7,00,863	0.46	6,61,489	6,000	6,67,489	0.43	-0.03
c-4) Non Resident Indians (Non Repat)	8,01,066	1,000	8,02,066	0.52	7,26,974	-	7,26,974	0.47	-0.05
c-5) IEPF Authority	-	-	-	-	1,02,449	-	1,02,449	0.07	0.07
c-6) Clearing Members	1,53,259	-	1,53,259	0.10	64,489	-	64,489	0.04	-0.06
c-7) NBFCs registered with RBI	-	-	-	-	43,024	-	43,024	0.03	0.03
Sub-total (B)(2):-	**1,97,39,446**	**5,50,285**	**2,02,89,731**	**13.22**	**1,64,39,814**	**5,00,785**	**1,69,40,599**	**11.03**	**-2.19**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**6,18,74,622**	**5,51,285**	**6,24,25,907**	**40.68**	**6,19,24,122**	**5,01,785**	**6,24,25,907**	**40.68**	**-**
C. Shares held by Custodian for GDRs & ADRs (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**15,29,09,285**	**5,51,285**	**15,34,60,570**	**100.00**	**15,29,58,785**	**5,01,785**	**15,34,60,570**	**100.00**	**-**

ii) Shareholding of Promoters and Promoter Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2018 i.e. on the basis of SHP of March 31, 2018)			Shareholding at the end of the year (as on March 31, 2019 i.e. on the basis of SHP of March 31, 2019)			% change in shareholding 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	Kalpataru Constructions Pvt. Ltd.	2,33,50,000	15.22%	8.71%	2,33,50,000	15.22%	11.05%	-
2	K C Holdings Pvt. Ltd.	2,11,42,600	13.78%	7.56%	2,11,42,600	13.78%	7.71%	-
3	Mr. Mofatraj Pukharaj Munot	1,14,05,822	7.43%	-	1,14,05,822	7.43%	-	-
4	Kalpataru Properties Pvt. Ltd.	1,36,46,196	8.89%	1.83%	1,36,46,196	8.89%	2.27%	-
5	Mr. Parag Mofatraj Munot ##	1,34,63,615	8.77%	2.16%	1,34,63,615	8.77%	4.91%	-
6	Ms. Tara Kanga	18,54,130	1.21%	-	18,54,130	1.21%	-	-
7	Kalpataru Viniyog LLP	13,20,000	0.86%	-	13,20,000	0.86%	-	-
8	Ms. Sudha Rajesh Golecha	8,71,650	0.57%	-	8,71,650	0.57%	-	-

Annexure G to Directors' Report

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2018 i.e. on the basis of SHP of March 31, 2018)			Shareholding at the end of the year (as on March 31, 2019 i.e. on the basis of SHP of March 31, 2019)			% change in shareholding 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*	
9	Ms. Sunita Vijay Choraria	8,71,650	0.57%	-	8,71,650	0.57%	-	-
10	Kalpataru Holdings Pvt. Ltd.	3,33,000	0.22%	-	3,33,000	0.22%	-	-
11	Mrs. Yasmin Imtiaz Kanga	3,00,000	0.20%	-	3,00,000	0.20%	-	-
12	Ms. Imtiaz Kanga	1,00,000	0.06%	-	1,00,000	0.06%	-	-
13	Ms. Chandra Amar Munot	10,000	0.01%	-	10,000	0.01%	-	-
14	Mr. Jash Choraria	7,000	0.00%	-	7,000	0.00%	-	-
15	Ms. Khushali Rajesh Golechha	7,000	0.00%	-	7,000	0.00%	-	-
16	Mr. Rajesh Bhagchand Golechha	7,000	0.00%	-	7,000	0.00%	-	-
17	Mr. Umang Golechha	7,000	0.00%	-	7,000	0.00%	-	-
18	Mr. Vijay K Choraria	7,000	0.00%	-	7,000	0.00%	-	-
19	Aaryaveer Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.51%	-	-
20	Saachi Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.51%	-	-
21	Shubhika Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.51%	-	-
	Total	**9,10,34,663**	**59.32%**	**20.26%**	**9,10,34,663**	**59.32%**	**25.94%**	**-**

* *The term "encumbrance" has the same meaning as assigned to it in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.*

Disclosed consolidated position covering holding of Mr. Parag M Munot with Mrs. Monica Parag Munot holding 581,100 shares.

** *The equity shares of Aaryaveer Benefit Trust, Saachi Benefit Trust and Shubhika Benefit Trust are held by Mr. Mofatraj Pukharaj Munot in the capacity of Trustee of the said Trusts.*

iii) Change in Promoters' Shareholding

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Transactions during the year			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
NIL								

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

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Transactions during the year			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED-HDFC EQUITY FUND	1,21,62,067	7.9252	01 Apr 2018			1,21,62,067	7.9252
				01 Jun 2018	(1,52,000)	Transfer	1,20,10,067	7.8262
				08 Jun 2018	(35,000)	Transfer	1,19,75,067	7.8034
				30 Jun 2018	(3,35,000)	Transfer	1,16,40,067	7.5851
				12 Oct 2018	(15,000)	Transfer	1,16,25,067	7.5753
				26 Oct 2018	7,73,000	Transfer	1,23,98,067	8.0790
				09 Nov 2018	79,000	Transfer	1,24,77,067	8.1305
				14 Dec 2018	12,650	Transfer	1,24,89,717	8.1387
				21 Dec 2018	3,56,100	Transfer	1,28,45,817	8.3708

Annexure G to Directors' Report

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Transactions during the year			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
				28 Dec 2018	15,200	Transfer	1,28,61,017	8.3807
				04 Jan 2019	8,100	Transfer	1,28,69,117	8.3859
				11 Jan 2019	2,700	Transfer	1,28,71,817	8.3877
				18 Jan 2019	34,000	Transfer	1,29,05,817	8.4099
				25 Jan 2019	67,000	Transfer	1,29,72,817	8.4535
				01 Mar 2019	80,000	Transfer	1,30,52,817	8.5056
				08 Mar 2019	20,000	Transfer	1,30,72,817	8.5187
				15 Mar 2019	1,00,000	Transfer	1,31,72,817	8.5838
				22 Mar 2019	1,75,400	Transfer	1,33,48,217	8.6981
	At the end of the year						**1,33,48,217**	**8.6981**
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	39,58,660	2.5796	01 Apr 2018			39,58,660	2.5796
				06 Apr 2018	3,55,145	Transfer	43,13,805	2.8110
				20 Apr 2018	(18,737)	Transfer	42,95,068	2.7988
				27 Apr 2018	(6,729)	Transfer	42,88,339	2.7944
				04 May 2018	(15,102)	Transfer	42,73,237	2.7846
				11 May 2018	(12)	Transfer	42,73,225	2.7846
				18 May 2018	(2,590)	Transfer	42,70,635	2.7829
				25 May 2018	(5,724)	Transfer	42,64,911	2.7792
				15 Jun 2018	(1,60,871)	Transfer	41,04,040	2.6743
				22 Jun 2018	(1,030)	Transfer	41,03,010	2.6737
				13 Jul 2018	(1,10,361)	Transfer	39,92,649	2.6017
				20 Jul 2018	(11,652)	Transfer	39,80,997	2.5941
				27 Jul 2018	36,923	Transfer	40,17,920	2.6182
				03 Aug 2018	24,778	Transfer	40,42,698	2.6344
				10 Aug 2018	16,904	Transfer	40,59,602	2.6454
				17 Aug 2018	7,349	Transfer	40,66,951	2.6502
				24 Aug 2018	14,841	Transfer	40,81,792	2.6598
				31 Aug 2018	20,135	Transfer	41,01,927	2.6730
				07 Sep 2018	26,408	Transfer	41,28,335	2.6902
				14 Sep 2018	12,163	Transfer	41,40,498	2.6981
				21 Sep 2018	15,273	Transfer	41,55,771	2.7080
				29 Sep 2018	(76,623)	Transfer	40,79,148	2.6581
				05 Oct 2018	9,12,508	Transfer	49,91,656	3.2527
				12 Oct 2018	2	Transfer	49,91,658	3.2527
				26 Oct 2018	(4,993)	Transfer	49,86,665	3.2495
				09 Nov 2018	3,811	Transfer	49,90,476	3.2520
				14 Dec 2018	8,979	Transfer	49,99,455	3.2578
				21 Dec 2018	39,024	Transfer	50,38,479	3.2832
				28 Dec 2018	497	Transfer	50,38,976	3.2836
				04 Jan 2019	1	Transfer	50,38,977	3.2836
				18 Jan 2019	(2,897)	Transfer	50,36,080	3.2817
				25 Jan 2019	(5,322)	Transfer	50,30,758	3.2782
				08 Feb 2019	5,440	Transfer	50,36,198	3.2818
				22 Feb 2019	93,037	Transfer	51,29,235	3.3424
				01 Mar 2019	47,819	Transfer	51,77,054	3.3735
				08 Mar 2019	(116)	Transfer	51,76,938	3.3735
				15 Mar 2019	(24,046)	Transfer	51,52,892	3.3578
				22 Mar 2019	(9,395)	Transfer	51,43,497	3.3517
				29 Mar 2019	(33,242)	Transfer	51,10,255	3.3300
	At the end of the year						**51,10,255**	**3.3300**

Annexure G to Directors' Report

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Transactions during the year			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
3	RELIANCE CAPITAL TRUSTEE CO. LTD-A/C RELIANCESMALL CAP FUND	38,46,938	2.5068	01 Apr 2018			38,46,938	2.5068
				30 Jun 2018	10,500	Transfer	38,57,438	2.5136
				06 Jul 2018	39,500	Transfer	38,96,938	2.5394
				07 Sep 2018	55,213	Transfer	39,52,151	2.5754
				14 Dec 2018	(60,938)	Transfer	38,91,213	2.5356
				28 Dec 2018	4,959	Transfer	38,96,172	2.5389
				15 Mar 2019	(1,00,000)	Transfer	37,96,172	2.4737
				29 Mar 2019	(964)	Transfer	37,95,208	2.4731
	At the end of the year						**37,95,208**	**2.4731**
4	DSP SMALL CAP FUND	34,59,911	2.2546	01 Apr 2018			34,59,911	2.2546
				20 Apr 2018	(82,692)	Transfer	33,77,219	2.2007
				27 Apr 2018	(15,992)	Transfer	33,61,227	2.1903
				11 May 2018	(5,445)	Transfer	33,55,782	2.1867
				18 May 2018	(62,437)	Transfer	32,93,345	2.1461
				25 May 2018	(11,390)	Transfer	32,81,955	2.1386
				30 Jun 2018	(1,19,589)	Transfer	31,62,366	2.0607
				27 Jul 2018	26,336	Transfer	31,88,702	2.0779
				29 Sep 2018	14,489	Transfer	32,03,191	2.0873
				05 Oct 2018	(2,765)	Transfer	32,00,426	2.0855
				19 Oct 2018	54,849	Transfer	32,55,275	2.1212
				07 Dec 2018	(67,240)	Transfer	31,88,035	2.0774
				01 Feb 2019	(62,918)	Transfer	31,25,117	2.0364
				08 Mar 2019	(4,681)	Transfer	31,20,436	2.0334
				22 Mar 2019	6,435	Transfer	31,26,871	2.0376
	At the end of the year						**31,26,871**	**2.0376**
5	TATA MUTUAL FUND - TATA HYBRID EQUITY FUND	2,02,500	0.132	01 Apr 2018			2,02,500	0.1320
				15 Jun 2018	2,07,400	Transfer	4,09,900	0.2671
				22 Jun 2018	3,00,000	Transfer	7,09,900	0.4626
				30 Jun 2018	4,95,000	Transfer	12,04,900	0.7852
				06 Jul 2018	15,000	Transfer	12,19,900	0.7949
				27 Jul 2018	9,700	Transfer	12,29,600	0.8012
				10 Aug 2018	14,00,000	Transfer	26,29,600	1.7135
				29 Sep 2018	(8,500)	Transfer	26,21,100	1.7080
				05 Oct 2018	(8,500)	Transfer	26,12,600	1.7025
				12 Oct 2018	(76,000)	Transfer	25,36,600	1.6529
				19 Oct 2018	(47,000)	Transfer	24,89,600	1.6223
				26 Oct 2018	(59,500)	Transfer	24,30,100	1.5835
				16 Nov 2018	26,800	Transfer	24,56,900	1.6010
				14 Dec 2018	4,453	Transfer	24,61,353	1.6039
				08 Feb 2019	18,200	Transfer	24,79,553	1.6158
				22 Feb 2019	15,000	Transfer	24,94,553	1.6255
				29 Mar 2019	(3,000)	Transfer	24,91,553	1.6236
	At the end of the year						**24,91,553**	**1.6236**
6	IDFC STERLING VALUE FUND	17,08,755	1.1135	01 Apr 2018			17,08,755	1.1135
				13 Apr 2018	22,558	Transfer	17,31,313	1.1282
				25 May 2018	10,000	Transfer	17,41,313	1.1347
				15 Jun 2018	10,000	Transfer	17,51,313	1.1412
				22 Jun 2018	10,000	Transfer	17,61,313	1.1477

Annexure G to Directors' Report

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Transactions during the year			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
				30 Jun 2018	345	Transfer	17,61,658	1.1480
				06 Jul 2018	30,000	Transfer	17,91,658	1.1675
				13 Jul 2018	10,000	Transfer	18,01,658	1.1740
				20 Jul 2018	20,000	Transfer	18,21,658	1.1871
				27 Jul 2018	33,295	Transfer	18,54,953	1.2087
				03 Aug 2018	10,000	Transfer	18,64,953	1.2153
				10 Aug 2018	30,000	Transfer	18,94,953	1.2348
				24 Aug 2018	40,000	Transfer	19,34,953	1.2609
				31 Aug 2018	68,800	Transfer	20,03,753	1.3057
				14 Sep 2018	81,200	Transfer	20,84,953	1.3586
				21 Sep 2018	50,000	Transfer	21,34,953	1.3912
				29 Sep 2018	19,395	Transfer	21,54,348	1.4038
				05 Oct 2018	5,605	Transfer	21,59,953	1.4075
				12 Oct 2018	15,000	Transfer	21,74,953	1.4173
				19 Oct 2018	25,000	Transfer	21,99,953	1.4336
				02 Nov 2018	47,288	Transfer	22,47,241	1.4644
				09 Nov 2018	32,712	Transfer	22,79,953	1.4857
				16 Nov 2018	19,027	Transfer	22,98,980	1.4981
				30 Nov 2018	10,000	Transfer	23,08,980	1.5046
				07 Dec 2018	25,973	Transfer	23,34,953	1.5215
				14 Dec 2018	14,776	Transfer	23,49,729	1.5312
				21 Dec 2018	10,224	Transfer	23,59,953	1.5378
				28 Dec 2018	20,000	Transfer	23,79,953	1.5509
				04 Jan 2019	10,000	Transfer	23,89,953	1.5574
				11 Jan 2019	10,000	Transfer	23,99,953	1.5639
				25 Jan 2019	17,258	Transfer	24,17,211	1.5751
				01 Feb 2019	8,354	Transfer	24,25,565	1.5806
				08 Feb 2019	21,646	Transfer	24,47,211	1.5947
				15 Feb 2019	60,246	Transfer	25,07,457	1.6339
				01 Mar 2019	11,072	Transfer	25,18,529	1.6412
				08 Mar 2019	5,441	Transfer	25,23,970	1.6447
				15 Mar 2019	5,000	Transfer	25,28,970	1.6480
				22 Mar 2019	20,000	Transfer	25,48,970	1.6610
				29 Mar 2019	(65,216)	Transfer	24,83,754	1.6185
	At the end of the year						**24,83,754**	**1.6185**
7	SBI MAGNUM MULTICAP FUND	15,30,600	0.9974	01 Apr 2018			15,30,600	0.9974
				18 May 2018	(1,25,000)	Transfer	14,05,600	0.9159
				23 Nov 2018	40,510	Transfer	14,46,110	0.9423
				30 Nov 2018	27,490	Transfer	14,73,600	0.9602
				07 Dec 2018	70,000	Transfer	15,43,600	1.0059
				28 Dec 2018	60,000	Transfer	16,03,600	1.0450
				11 Jan 2019	83,000	Transfer	16,86,600	1.0990
				18 Jan 2019	21,128	Transfer	17,07,728	1.1128
				25 Jan 2019	84,888	Transfer	17,92,616	1.1681
				08 Feb 2019	1,59,516	Transfer	19,52,132	1.2721
				15 Feb 2019	1,56,455	Transfer	21,08,587	1.3740
				22 Feb 2019	1,13,013	Transfer	22,21,600	1.4477
				08 Mar 2019	7,738	Transfer	22,29,338	1.4527
				15 Mar 2019	68,262	Transfer	22,97,600	1.4972
	At the end of the year						**22,97,600**	**1.4972**

Annexure G to Directors' Report

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Transactions during the year			Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company	Date	Increase / (decrease) in shareholding	Reason	No. of shares held	% of total shares of the Company
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMALL CAP FUND	23,31,874	1.5195	01 Apr 2018			23,31,874	1.5195
				25 May 2018	5,587	Transfer	23,37,461	1.5232
				01 Jun 2018	1,341	Transfer	23,38,802	1.5240
				08 Jun 2018	73,356	Transfer	24,12,158	1.5718
				15 Jun 2018	17,000	Transfer	24,29,158	1.5829
				24 Aug 2018	(89,923)	Transfer	23,39,235	1.5243
				14 Sep 2018	(29,671)	Transfer	23,09,564	1.5050
				21 Sep 2018	(59,198)	Transfer	22,50,366	1.4664
				04 Jan 2019	10,178	Transfer	22,60,544	1.4730
				11 Jan 2019	(3,592)	Transfer	22,56,952	1.4707
				08 Feb 2019	377	Transfer	22,57,329	1.4710
	At the end of the year						**22,57,329**	**1.4710**
9	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	25,04,881	1.6323	01 Apr 2018			25,04,881	1.6323
				06 Apr 2018	(1,31,270)	Transfer	23,73,611	1.5467
				11 May 2018	(1,33,754)	Transfer	22,39,857	1.4596
				15 Mar 2019	(1,14,654)	Transfer	21,25,203	1.3849
				29 Mar 2019	(4,948)	Transfer	21,20,255	1.3816
	At the end of the year						**21,20,255**	**1.3816**
10	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	13,26,290	0.8643	01 Apr 2018			13,26,290	0.8643
				06 Apr 2018	1,17,994	Transfer	14,44,284	0.9411
				25 May 2018	28,327	Transfer	14,72,611	0.9596
				03 Aug 2018	35,000	Transfer	15,07,611	0.9824
				02 Nov 2018	52,231	Transfer	15,59,842	1.0164
				21 Dec 2018	60,700	Transfer	16,20,542	1.0560
				11 Jan 2019	13,420	Transfer	16,33,962	1.0647
				18 Jan 2019	1,855	Transfer	16,35,817	1.0660
	At the end of the year						**16,35,817**	**1.0660**
11	UTI- INFRASTRUCTURE FUND	10,90,000	0.7103	01 Apr 2018			10,90,000	0.7103
				27 Jul 2018	(49,111)	Transfer	10,40,889	0.6783
				03 Aug 2018	(40,889)	Transfer	10,00,000	0.6516
				07 Sep 2018	(45,000)	Transfer	9,55,000	0.6223
				21 Dec 2018	(45,000)	Transfer	9,10,000	0.5930
	At the end of the year						**9,10,000**	**0.5930**

Note:

Shareholding has been consolidated based on Permanent Account Number (PAN) of shareholder

Annexure G to Directors' Report

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2018)		Date	Increase / (decrease) in shareholding	Reason	Cumulative Shareholding during the year (01-04-2018 to 31-03-2019)	
		No. of shares held	% of total shares of the Company				No. of shares held	% of total shares of the Company
	DIRECTORS							
1	Mofatraj Pukharaj Munot	1,14,05,822	7.43%	01-Apr-18	-	-	1,14,05,822	7.43%
	At the end of the year			31-Mar-19	-	-	1,14,05,822	7.43%
2	Parag M. Munot	1,34,63,615	8.77	01-Apr-18	-	-	1,34,63,615	8.77%
	At the end of the year			31-Mar-19	-	-	1,34,63,615	8.77%
3	Sajjanraj Mehta	10,000	0.01	01-Apr-18	-	-	10,000	0.01
	At the end of the year			31-Mar-19	-	-	10,000	0.01
4	Imtiaz Kanga	1,00,000	0.07	01-Apr-18	-	-	1,00,000	0.07
	At the end of the year			31-Mar-19	-	-	1,00,000	0.07
5	Sanjay Dalmia	16,100	0.01	01-Apr-18	-	-	16,100	0.01
	At the end of the year			31-Mar-19	-	-	16,100	0.01
	KMPs							
1	Kamal Kishore Jain*	500	0.00	01-Apr-18	-	-	500	0.00
	At the end of the year			31-Mar-19	-	-	500	0.00

* *Retired as Chief Financial Officer of the Company w.e.f. close of working hours of 31st March, 2019*

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	36,532.26	40,885.58	-	77,417.84
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	19.91	1,992.52	-	2,012.43
Total (i+ii+iii)	**36,552.17**	**42,878.10**	**-**	**79,430.27**
Change in Indebtedness during the financial year				
Addition	-8,290.94	10,000.00	-	1,709.06
Reduction	-3,383.46	-11,152.21	-	-14,535.67
Net Change	**-11,674.40**	**-1,152.21**	**-**	**-12,826.61**
Indebtedness at the end of the financial year				
i) Principal Amount	24,778.34	40,000.00	-	64,778.34
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	99.44	1,725.89	-	1,825.33
Total (i+ii+iii)	**24,877.78**	**41,725.89**	**-**	**66,603.67**

Annexure G to Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Mr. Mofatraj P. Munot, Executive Chairman	Mr. Manish Mohnot, Managing Director & CEO	Mr. Sanjay Dalmia, Executive Director*	Total Amount
1	**Gross Salary**				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	4.00	3.36	1.79	**9.15**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.01	0.01	**0.02**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-
2	**Stock Options**	-	-	-	-
3	**Sweat Equity**	-	-	-	-
4	**Commission**	10.00	8.50	3.50	**22.00**
	- As % profit				
5	**Others, specify**	-	-	-	-
	TOTAL (A)	**14.00**	**11.87**	**5.30**	**31.17**
	CEILING AS PER THE ACT (being 10% of the net profits of the Company calculated as per Section 198 of the Act)				61.27

* *Mr. Sanjay Dalmia was appointed as Executive Director of the Company w.e.f. 8th August, 2018. Previously he was employed with the Company as Director (International Business) and above remuneration is for whole FY 2018-19*

B. Remuneration to other Directors

1. Independent Directors

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr. Sajjanraj Mehta	Mr. Vimal Bhandari	Mr. Narayan K. Seshadri	Ms. Anjali Seth	Mr. K.V. Mani	
1	- Fee for attending Board / Committee meetings	0.05	0.06	0.04	0.03	0.02	**0.20**
2	- Commission	0.54	0.36	0.36	0.18	0.15	**1.59**
3	- Others, please specify	-	-	-	-	-	-
	TOTAL (B1)	**0.59**	**0.42**	**0.40**	**0.21**	**0.17**	**1.79**

Annexure G to Directors' Report

2. Other Non-Executive Directors

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Director		Total Amount
		Mr. Parag M. Munot	Mr. Imtiaz Kanga	
1	- Fee for attending Board / Committee meetings	0.03	0.03	**0.06**
2	- Commission	1.70	0.12	**1.82**
3	- Others, please specify	-	-	-
	TOTAL (B2)	**1.73**	**0.15**	**1.88**
	TOTAL B = B1 + B2			**3.67**
	TOTAL MANAGERIAL REMUNERATION*			**34.84**
	OVERALL CEILING AS PER ACT (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)			6.13

* *Total Remuneration to Executive Directors and other Directors (being the total of A and B)*

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Mr. Kamal Kishore Jain, Chief Financial Officer*	Mr. Rahul Shah Company Secretary**	Total Amount
1	**Gross Salary**			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.63	0.52	**3.15**
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	0.01	0.00	**0.01**
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	**-**
2	**Stock Options**	-	-	**-**
3	**Sweat Equity**	-	-	**-**
4	**Commission**	-	-	**-**
	- As % profit			
	- Others, specify			
5	**Others, please specify**	-	-	**-**
	TOTAL	**2.64**	**0.52**	**3.16**

* *Mr. Kamal Kishore Jain retired as Chief Financial Officer of the Company w.e.f. close of working hours of 31st March, 2019*

** *Mr. Rahul Shah resigned as Company Secretary of the Company w.e.f. close of working hours of 15th February, 2019*

Annexure G to Directors' Report

VII. PENALTIES / PUNISHMENTS / 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			NOT APPLICABLE		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NOT APPLICABLE		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NOT APPLICABLE		
Compounding					

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date: 9th May, 2019

Report on Corporate Governance

I. Company's philosophy on Corporate Governance

Our Corporate Governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values. We believe that Corporate Governance is a voluntary and self-discipline code which means not only ensuring compliance with regulatory requirements but also being responsive to our stakeholders' needs. Focus of the Company has always been to ensure continuing value creation for each of its stakeholder and above all to achieve business excellence with the goal of long-term sustainable development.

A key element of KPTL's success is its strong set of core values i.e. Business Ethics, Customer Centricity and Quality, which inspires all our actions. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

At KPTL, the Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the management serves and protects the long-term interests of our stakeholders.

The Company is in compliance with the requirements stipulated under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable, with regards to Corporate Governance.

II. Board of Directors

A. Composition of the Board

As on 31st March, 2019, the Board of Directors consisted of 10 Directors, out of which 7 are Non-Executive Directors, 1 is Executive Chairman, 1 is Managing Director & CEO and 1 is Executive Director. Out of 7 Non-Executive Directors, 5 are Independent Directors including 1 Woman Director. No Directors are related to each other except Mr. Mofatraj P. Munot and Mr. Parag M. Munot, who are related as Father and Son. The Board structure is in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Mr. Subodh Kumar Jain, Non-Executive Director of the Company resigned from the Board w.e.f. 25th May, 2018. Further, Mr. Sanjay Dalmia was appointed as an Additional Director in the category of Executive Director for a period of 3 years w.e.f. 8th August, 2018.

The Board of Directors at its meeting held on 22nd March, 2019, at the recommendation of Nomination and Remuneration Committee, re-appointed Mr. Sajjanraj Mehta, Mr. Vimal Bhandari, Mr. Narayan Seshadri and Mr. K. V. Mani as Independent Directors of the Company for a second term of 5 consecutive years w.e.f. 1st April, 2019 subject to approval of shareholders of the Company.

None of the Director of the Company is on the Board of more than 8 listed companies and as an Independent Director on the Board of more than 7 listed companies. Further, none of the Director of the Company is acting as a Whole Time Director / Managing Director of any listed Company as well as Independent Director in more than 3 listed companies. None of the Director of Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees across all the public limited companies in which he is a Director. The necessary disclosures regarding Committee positions have been made by all the Directors. For the purpose of determination of limit, Chairpersonship and Membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered.

B. Meetings of Board of Directors

6 Board Meetings were held during the year ended on 31st March, 2019 and the time gap between any two Meetings has not been more than one hundred and twenty days. The dates on which the Board Meetings were held are 25th May, 2018, 7th August, 2018, 31st October, 2018, 7th January, 2019, 1st February, 2019 and 22nd March, 2019.

Report on Corporate Governance

All Information as required under Regulation 17 (7) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were placed before the Board of Directors. The Company has duly complied with the provisions of Secretarial Standards on Board Meetings with respect to convening Board Meetings during the year.

C. Directorship held and Directors' attendance

The names of the other listed entities where the Director of KPTL is a director and the category of directorship held in such listed entity as on 31st March, 2019 are as under:

Name of the Directors	Name of Other Listed Entity where Director of KPTL is a Director	Category of Directorship held in such Listed entity
Mr. Mofatraj P. Munot	Caprihans India Limited	Non-Executive - Non Independent Director
Mr. Parag M. Munot	Nil	-
Mr. Sajjanraj Mehta	Nil	-
Mr. Vimal Bhandari	Bayer Cropscience Limited*	Independent Director
	Bharat Forge Ltd	Independent Director
	JK Tyre & Industries Limited	Independent Director
	DCM Shriram Limited	Independent Director
Mr. Narayan K. Seshadri	PI Industries Limited	Independent Director
	Astrazeneca Pharma India Limited	Independent Director
	TVS Electronics Limited	Non-Executive - Non Independent Director
	Wabco India Limited	Independent Director
	Magma Fincorp Limited	Independent Director
	CG Power and Industrial Solutions Limited	Independent Director
Mr. K. V. Mani	Caprihans India Limited	Independent Director
Ms. Anjali Seth	ADF Foods Limited	Independent Director
	Caprihans India Limited	Independent Director
	Endurance Technologies Limited	Independent Director
	JMC Projects (India) Limited	Independent Director
	Centrum Capital Limited	Independent Director
Mr. Imtiaz I. Kanga	Nil	-
Mr. Manish Mohnot	JMC Projects (India) Limited	Non-Executive - Non Independent Director
Mr. Sanjay Dalmia	Nil	-

**ceased to be Director w.e.f 1st April, 2019.*

Report on Corporate Governance

The name and category of Directors on the Board of KPTL, their attendance at the Board meetings held during the year and also at the last Annual General Meeting, the number of Directorships and Committee Memberships and Chairpersonships held by them in other Indian companies as on March 31, 2019 are given below:

Name of the Directors	Category	Attendance at		No. of		
		Board Meetings	Last AGM	Other Directorship#	Other Committee Chairpersonship*	Other Committee Membership*
Mr. Mofatraj P. Munot	Executive Chairman (Promoter)	6	Yes	13	-	-
Mr. Parag M. Munot	Non – Executive (Promoter)	5	Yes	12	-	1
Mr. Sajjanraj Mehta	Non - Executive (Independent)	5	No	2	1	1
Mr. Vimal Bhandari	Non - Executive (Independent)	6	Yes	6	1	3
Mr. Narayan K. Seshadri	Non - Executive (Independent)	5	Yes	16	4	5
Mr. K. V. Mani	Non – Executive (Independent)	4	No	1	-	1
Ms. Anjali Seth	Non - Executive (Independent) Woman Director	6	Yes	7	2	6
Mr. Subodh Kumar Jain	Non – Executive**	1	NA	NA	NA	NA
Mr. Imtiaz I. Kanga	Non – Executive (Promoter Group)	5	Yes	16	-	-
Mr. Manish Mohnot	Managing Director & CEO	6	Yes	5	-	2
Mr. Sanjay Dalmia	Executive Director***	3	NA	-	-	-

\# *Including Private Limited Companies.*

* *Represents Memberships/Chairpersonships of Audit Committee & Stakeholders' Relationship Committee of public limited companies only.*

** *Resigned as a Non-Executive Director w.e.f. May 25, 2018.*

*** *Appointed as an Additional Director in the category of Executive Director for a period of 3 years w.e.f. 8th August, 2018.*

D. Separate meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013 and the Rules made thereunder and Regulation 25 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all the Independent Directors of the Company met once during the year, without the attendance of Non-Independent Directors and Members of the Management.

The Independent Directors reviewed performance of Non Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Independent Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The feedback of the Meeting was shared with the Chairman of the Company.

E. Confirmation of Independence

In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and are independent of the management.

Report on Corporate Governance

F. Directors' Profile

In case of appointment or re-appointment of Director (s), a brief resume of Director(s), nature of their expertise in specific functional areas and Company names in which they hold Directorships, Memberships/ Chairmanships of Board Committees, and shareholding in the Company are provided in the Notice of the Annual General Meeting annexed to this Annual Report.

G. Code of Conduct

The Board has laid down code of conduct for all Board Members and Senior Managerial Personnel of the Company. The Code of Conduct is available on the website of the Company at www.kalpatarupower.com.

All Board Members and Senior Managerial Personnel have affirmed compliance with the Code of Conduct and a declaration to this effect signed by the Managing Director & CEO confirming the compliance of the Code of Conduct as required under Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been obtained and is given below:

DECLARATION

All Board Members and Senior Management Personnel have, for the year ended March 31, 2019 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For Kalpataru Power Transmission Limited

Place: Mumbai
Date : 9th May, 2019

Manish Mohnot
Managing Director & CEO

III. Audit Committee:

The Audit Committee comprises of 4 Directors out of which 3 are Independent Directors and 1 is Executive Director. The Chairman of the Audit Committee is an Independent Director.

The Company is in compliance with the requirements of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Audit Committee.

The Audit Committee has the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee and the information to be reviewed by the Audit committee as specified in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by them;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013

Report on Corporate Governance

  - Changes, if any, in accounting policies and practices & reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by the management
  - Significant adjustments made in the financial statements arising out of audit findings
  - Compliance with listing and other legal requirements relating to financial statements
  - Disclosure of related party transactions
  - modified opinion(s) in the draft audit report

- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings & follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults, if any, in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Reviewing the utilization of loans and/ or advances from/investment by the holding Company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

Report on Corporate Governance

Additionally, the Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief internal auditor
- Statement of deviations:

  a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

  b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice in terms of Regulation 32(7).

The Committee met 6 times during the year on 25th May, 2018, 7th August, 2018, 31st October, 2018, 7th January, 2019, 1st February, 2019 and 22nd March, 2019 and the attendance of Members at the Meetings were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Sajjanraj Mehta	Non Executive-Independent	Chairman	5/6
Mr. Mofatraj P. Munot	Executive-Promoter	Member	6/6
Mr. Vimal Bhandari	Non Executive-Independent	Member	6/6
Mr. Narayan K. Seshadri	Non Executive-Independent	Member	5/6

The Managing Director & CEO, Chief Financial Officer, representatives of Statutory Auditors and Internal Auditor are the regular invitees to the Committee Meetings. Other executives are invited as and when required. The Cost Auditor is invited to attend the Audit Committee meeting where cost audit report is discussed. The Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee has reviewed management discussion and analysis of financial condition and results of operations, statement of significant related party transactions as submitted by the management, and other information as mentioned in Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Audit Committee member authorized by the Chairman of the Audit Committee was present at the last Annual General Meeting of the Company held on 7th August, 2018.

IV. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee comprises of 3 Directors out of which 2 are Independent Directors and 1 is Executive Director. The Chairman of the Committee is an Independent Director. Accordingly, the Company has complied with the requirements of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Nomination and Remuneration Committee.

The role of the Nomination and Remuneration Committee as specified in Part D of the Schedule II, inter-alia includes following:

1. To formulate criteria for determining qualification, positive attributes & Independence of director and recommend to board a policy relating to remuneration for the Directors, KMP and other employees.

Report on Corporate Governance

NRC shall while formulating policy ensure that,

a) the level & composition of remuneration is reasonable & sufficient to attract, retain & motivate directors of the quality required to run the Company successfully,

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and

c) remuneration to Directors, KMP and senior management involve balance between fixed & incentive pay reflecting short and long-term performance objective appropriate to the working of the Company & its goals.

2. To formulate criteria for evaluation of performance of Independent Directors and Board.

3. To devise a policy on diversity of Board of Directors;

4. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.

5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors

6. recommend to the board, all remuneration, in whatever form, payable to senior management.

7. To perform any other functions as may be assigned to Committee by the Board from time to time.

The Committee met 4 times during the year on 25th May, 2018, 7th August, 2018, 1st February, 2019 and 22nd March, 2019 and the attendance of Members at the Meeting is as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Vimal Bhandari	Non-Executive-Independent	Chairman	4/4
Mr. Mofatraj P. Munot	Executive-Promoter	Member	4/4
Mr. Sajjanraj Mehta	Non-Executive-Independent	Member	3/4

Performance Evaluation

The Board has prepared performance evaluation policy for evaluating performance of Individual Directors including Chairman of the Company, Board as a whole and Committees thereof. The criteria of the Board evaluation includes Board composition, talents, experience and knowledge, presentations and discussions at the Board Meeting, frequency of the Board Meeting, feedback and suggestion given to the management, participation in the discussion, etc.

The performance of Non-Independent Directors including Chairman of the Company and the Board as a whole, after taking views of the Executive and Non-Executive Directors were evaluated by the Independent Directors at their Meeting held on 9th May, 2019.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meeting held on 9th May, 2019 in the manner prescribed in the Performance Evaluation Policy.

The evaluation of the Independent Directors were made on the basis of attendance at the Meeting of the Board, Committee and General Meeting, knowledge about the latest developments, Contribution in the Board development processes, participation in the Meetings and events outside Board Meetings, expression of views in best interest of the Company, assistance given in protecting the legitimate interests of the Company, employees and investors, extending individual proficiency and experience for effective functioning and operation of the Company, etc.

Report on Corporate Governance

Director's Remuneration

During the year under review, your Company has amended Remuneration Policy for Directors, Key Managerial Personnel and other employee and the same is available on the website of your Company www.kalpatarupower.com. The remuneration policy is in consonance with the existing industry practice.

Remuneration paid or payable to Executive Chairman, Managing Director & CEO and Executive Director for the FY 2018-19 is as under:

(₹ in Crores)

Name of Director	Salary	Perquisites	Contribution to PF	Commission / Incentive	Total	Stock Options granted
Mr. Mofatraj P. Munot	4.00	-	-	10.00	14.00	-
Mr. Manish Mohnot	3.20	0.01	0.16	8.50	11.87	-
Mr. Sanjay Dalmia*	1.70	0.01	0.09	3.50	5.30	-

* *Mr. Sanjay Dalmia was appointed as Executive Director of the Company w.e.f. 8th August, 2018. Previously he was employed with the Company as Director (International Business) and above remuneration is for whole year FY 2018-19.*

The contractual agreement with Mr. Manish Mohnot, Managing Director & CEO and Mr. Sanjay Dalmia, Executive Director can be terminated by either party giving 6 months' prior notice.

In terms of agreement/appointment approved / to be approved by members, commission/incentive to Mr. Mofatraj P. Munot, Executive Chairman, Mr. Manish Mohnot, Managing Director & CEO and Mr. Sanjay Dalmia, Executive Director has been decided by Board of Directors on recommendation of Nomination and Remuneration Committee.

Sitting Fees and Commission on net profit paid or payable to Non-Executive Directors for the Financial Year 2018-19 are as under:

(₹ in Crores)

Name of Director	Sitting Fees	Commission	Total
Mr. Parag M. Munot	0.03	1.70	1.73
Mr. Sajjanraj Mehta	0.05	0.54	0.59
Mr. Vimal Bhandari	0.06	0.36	0.42
Mr. Narayan K. Seshadri	0.04	0.36	0.40
Mr. K. V. Mani	0.02	0.15	0.17
Ms. Anjali Seth	0.03	0.18	0.21
Mr. Subodh Jain*	0.01	NA	NA
Mr. Imtiaz Kanga	0.03	0.12	0.15

* *Resigned as Non-Executive Director w.e.f. 25th May, 2018*

Commission is paid to the above mentioned Directors on the basis of qualifications, experience, attendance at the Meetings, Directorship in other companies, time spent on strategic matters and contribution to the Company, financial performance and net worth of the Company, Order book position, track record of operational performance, performance evaluation of Board, etc.

The Board of Directors of the Company approved payment of commission during the year to the Director(s) who were not in Whole-Time employment of the Company in recognition of their performance during the year 2018-19 not exceeding in aggregate 1% of net profits for the financial year 2018-19, calculated under Section 198 of the Companies Act, 2013.

Report on Corporate Governance

Information of Directors as on 31st March, 2019 is as under:-

Name	Age	Designation	Date of initial appointment	Shares held
Mr. Mofatraj P. Munot	74	Executive Chairman	27th June, 1989	1,14,05,822
Mr. Parag M. Munot	49	Director	30th September, 1991	1,34,63,615
Mr. Sajjanraj Mehta	67	Director	25th July, 1998	10,000
Mr. Vimal Bhandari	60	Director	28th June, 2002	Nil
Mr. Narayan K. Seshadri	61	Director	29th January, 2007	Nil
Mr. K. V. Mani	75	Director	19th January, 2014	Nil
Ms. Anjali Seth	60	Director	28th March, 2015	Nil
Mr. Imtiaz Kanga	66	Director	8th March, 2016	1,00,000
Mr. Manish Mohnot	46	Managing Director & CEO	1st November, 2006	Nil
Mr. Sanjay Dalmia	56	Executive Director	8th August, 2018	16,100

There is no pecuniary relationship or transaction of the Company with any Non-Executive Director other than as disclosed above related to sitting fees and remuneration including commission. All related party transactions are disclosed in notes to accounts.

V. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee comprises of 3 Directors out of which Chairman is Non-Executive Independent Director. Accordingly, the Company has complied with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Stakeholders Relationship Committee.

The Stakeholders' Relationship Committee comprises of Mr. K. V. Mani, Mr. Parag M. Munot and Mr. Manish Mohnot.

The role of the committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.

2. Review of measures taken for effective exercise of voting rights by shareholders.

3. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.

4. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

The Committee met four times during the year on 25th May, 2018, 7th August, 2018, 31st October, 2018 and 1st February, 2019 and the attendance of members at the Meetings were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. K. V. Mani	Non-Executive Independent	Chairman	3/4
Mr. Manish Mohnot	Managing Director & CEO	Member	4/4
Mr. Parag M. Munot	Non-Executive –Promoter	Member	3/4

Report on Corporate Governance

Mr. Rahul Shah, Company Secretary of the Company acted as Compliance Officer of the Company upto 15th February, 2019. Consequent to his resignation, Mr. Basant Parasramka, Dy. President (F&A) was designated as an Interim Compliance Officer w.e.f. 16th February, 2019.

During the year, the Company received 2 Complaints from its shareholders and all the Complaints were resolved in due time.

The Board has delegated the powers of approving transfers and transmission of shares, issue of duplicate shares, issue of share certificates after split/consolidation/renewal and transmission of shares, to a Share Transfer Committee comprising of Mr. Parag Munot, Mr. Manish Mohnot and Mr. Kamal Kishore Jain. The Committee met 9 times during the year. There were no transfers pending as on March 31, 2019. The aforesaid functions of Share Transfer Committee were reviewed by Stakeholders' Relationship Committee.

VI. Corporate Social Responsibility (CSR) Committee:

The Corporate Social Responsibility (CSR) Committee comprises of 4 Directors out of which Chairman is a Non-Executive Independent Director.

The terms of reference of Committee broadly comprises following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which includes the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR Projects or Programs or activities undertaken by the Company.

The Committee met Four times during the year on 25th May, 2018, 7th August, 2018, 31st October, 2018 and 1st February, 2019. The composition of the CSR Committee and the attendance of Members at the Meeting were as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Sajjanraj Mehta	Non-Executive Independent	Chairman	3/4
Mr. Mofatraj P. Munot	Executive – Promoter	Member	4/4
Mr. Parag M. Munot	Non-Executive – Promoter	Member	3/4
Mr. Manish Mohnot	Managing Director & CEO	Member	4/4

VII. Risk Management Committee:

Pursuant to amendment to SEBI (LODR) Regulations, 2015 which mandates constitution of Risk Management Committee by top 500 listed entities, determined on the basis of market capitalization, w.e.f. 1st April, 2019, the Board of Directors of the Company at its meeting held on 1st February, 2019 constituted Risk Management Committee with majority of its members being members of Board of Directors. The Chairman of Risk Management Committee is a Board member. Accordingly, the Company has complied with the requirements of Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Risk Management Committee.

The Roles and Responsibilities of Risk Management Committee are as under:

- Review the existing Risk Management Policy, framework, processes, Risk Management Structure and Risk Mitigation Systems and re-frame and modify the same as required from time to time.

Report on Corporate Governance

- To review strategic risks and operational risks and other aspects which impacts the Company and in specific Risk related to Cyber Security.
- Overseeing implementation / monitoring of Risk Management Plan, Framework, Processes and Policy.
- Continually obtaining reasonable assurance from management that all known and emerging risks have been identified and mitigated or managed.
- To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification as may be applicable.

VIII. Subsidiary Companies:

The List of Subsidiary and Associate Companies of the Company, is already provided in Directors' Report.

Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 defines a "material subsidiary" to mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

Under this definition, the Company did not have any unlisted material subsidiary, during the year under review and hence, it is not required to have any Independent Director of the Company on the Board of any of the unlisted Subsidiary Company.

JMC Projects (India) Ltd., is a material subsidiary Company but it is a Listed Company. The minutes of Board Meetings of unlisted Subsidiary Companies are being placed before the Board of Directors of the Company from time to time. The other requirement of Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Corporate Governance requirements for Subsidiary Companies have been complied with.

IX. General Body Meeting:

a. The details of last 3 Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Date	Time	Venue
2017-2018	7th August, 2018	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2016-2017	11th August, 2017	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2015-2016	12th August, 2016	4.30 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar

Special Resolutions in Last 3 AGMs

In AGM held on 7th August, 2018, Two Special Resolution were passed as under:

(i) Issuance of redeemable Non-Convertible Debentures upto ₹ 300 Crores by the Company within a period of 1 year in one or more tranches.

(ii) Approval for continuing the Directorship of Mr. K. V. Mani (DIN: 00533148) as an Independent Non-Executive Director of the Company till his original term upto 31st March, 2019 although he shall attain age of seventy five years

In AGM held on 11th August, 2017, Two Special Resolution were passed as under:

(i) Appointment of Mr. Mofatraj P. Munot as an Executive Chairman for a period of 5 years beginning from 1st April, 2017 to 31st March, 2022 (both days inclusive)

(ii) Issuance of redeemable Non-Convertible Debentures upto ₹ 100 Crores by the Company within a period of 1 year in one or more tranches.

Report on Corporate Governance

In AGM held on 12th August, 2016, One Special Resolution was passed as under:

(i) Issuance of redeemable Non-Convertible Debentures upto ₹ 300 Crores by the Company within a period of 1 year in one or more tranches.

Postal Ballot

No Postal Ballot was conducted during the year. There is no resolution which is proposed to be passed through Postal Ballot.

X. Disclosures:

a) Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussion and Analysis.

b) Related Party Transaction

There were no transactions with related parties, which are not on arm's length basis.

There were no materially significant related party transactions that may have potential conflict with the interests of Company at large, during the year.

The Company has received declarations from Senior Management Personnel that there were no material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

The Company has formulated a policy on dealing with Related Party Transactions, such policy has been disclosed on the Company's website https://www.kalpatarupower.com/corporate-governance/

c) Accounting treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

d) Risk Management

The Committee has constituted mandatory Risk Management Committee to ascertain and minimize risk and to take appropriate decisions for regular assessment and minimization of risks. The working of this Committee is being periodically reviewed by the Board.

e) Neither any non-compliance nor any penalty, strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during last three years.

f) Whistle Blower Policy (Vigil Mechanism)

The Company established the Whistle Blower Policy (Vigil Mechanism) w.e.f. November 15, 2014. In line with the best Corporate Governance practices, the Company has put in place a system through which the Directors or Employees may report concerns about Unethical and Improper Practices or Alleged Wrongful Conduct, without fear of reprisal. The Company has put in place a process by which Employees can raise Unethical and Improper Practices with their supervisor, manager or point of contact. The supervisor, manager or point of contact to whom Unethical and Improper Practices is raised are required to report the same to Whistleblower Investigation Committee (WBIC). In the event a Director wish to raise a complaint or disclosure, he/she shall consult Chairman of the Company and / or Chairman of the Audit Committee. In the exceptional cases, any Employee or Director can reach to the Chairman of the Audit Committee to report any Unethical or Improper Practices. Also no personnel have been denied access to the Audit Committee. The functioning of the vigil mechanism is being monitored by the Audit Committee from time to time.

Report on Corporate Governance

The Whistle Blower Policy has been disclosed on the Company's website https://kalpatarupower.com/corporate-governance/

g) Familiarization programme for Independent Directors

The Company has familiarized its Independent Director's regarding the Company, their roles, rights and responsibilities, etc. Presentations are made by senior personnel of the Company to the Independent Directors covering nature of Industry, business model, business performance and operations, challenges & opportunities available, etc. Certain programmes are merged with the Board/Committee meetings for the convenience of the directors. Separate programs are also conducted for them as per their requirement. Over and above specific Familiarization Programmes, presentations were made at the Board meetings by MD & CEO / CFO covering performance of peers, Operational review of major operating subsidiaries, forex and commodity exposure, updates on capital expenditure, strategic and operational risks and its mitigation plan, business performance, operations, working capital management, major litigations, major achievements, etc.

Further, as a part of Familiarization Programme of 2018-19, a visit to EHS Safety Park of the Company was organized. The Independent Directors were presented with various features of EHS Safety Park. Regular updates on relevant statutory and regulatory changes encompassing important laws are presented to the Directors. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. The Details of Familiarisation programme for Independent Directors has been disclosed on the Company's website https://kalpatarupower.com/corporate-governance/

h) Policy for determining 'material' subsidiaries

The Company has formulated a policy for determining 'material' subsidiaries and such policy has been disclosed on the Company's website https://kalpatarupower.com/corporate-governance/

i) Foreign Exchange Risk and Hedging Activities

The Company's activities expose it to the risk of fluctuations in foreign currency exchange rate. Company has in place a robust risk management framework for monitoring and mitigation of the risk of fluctuations in the currency exchange rates. Such risks are monitored regularly and necessary actions are taken to mitigate them in line with the Risk Management Policy of the Company. Company enters into forward foreign exchange contracts and option contracts to hedge the exchange rate risk. Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2019 are disclosed in Note No. 44 in Notes to the standalone financial statements.

j) Commodity Price Risk and Hedging Activities

The details regarding exposure of the Company to commodity and commodity risks faced throughout the year in terms of SEBI Circular Ref. No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 is as under:

1. Risk management policy of the listed entity with respect to commodities including through hedging

As a part of broader Risk Management Policy, the Company has a dedicated framework to manage commodity risk. The Company's business is significantly dependent on availability, cost and quality of raw materials and fuels for the construction and development of projects undertaken. Prices of commodity items used in the manufacturing and project execution mainly includes steel, zinc, aluminum conductors, etc. Prices of these are varied due to global economic conditions, supply demand mismatch, competition, production levels and taxes, etc. The Company currently manages such risk through the price escalation clause in some of the Contracts whereby the fluctuation in the input cost is passed on to the Client. In case of firm price contracts, Company enters into a Commodity Forward Contract to hedge its price risk or pass on back-to-back firm price contract to its vendor/contractor. The Company addresses the risk of fluctuation in commodities which cannot be hedged by building adequate contingencies based on market trends. Company manages such risk as per its Risk Management Policy and Procedures.

Report on Corporate Governance

2. **Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year**

A. **Total exposure of the listed entity to commodities in ₹: ~ 48,502 Lakhs (only for material commodities)**

B. **Exposure of the listed entity to various commodities:**

Commodity Name (material commodity)	Exposure in towards the particular commodity (in lakhs)	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Aluminum	9,275	MT 7,057	-	-	-	77%	77%
Zinc	9,981	MT 4,810	-	-	-	94%	94%
Steel	29,245	MT 62,592	-	-	-	-	-

* *Above Exposure does not include the Exposure of Variable Price Contracts wherein the fluctuation in the input cost is passed to the Client*

C. **Commodity risks faced by the listed entity during the year and how they have been managed:**

Commodities are a significant part of the Direct cost incurred by the Company for its business activities including fabrication of towers and erection of the transmission lines and substation. Material commodities for the Company are Steel, Aluminium and Zinc. Thus, movement in the prices of these commodities exposes the Company towards the risks of fluctuations on its profitability. The Company has a robust mechanism to monitor such risks and ensure that the risk of major fluctuations are mitigated. Risk Management Committee of the Company based on the exposure of the Company and Risk Management Policy recommends the procurement/treasury team for the hedging strategy. Company uses the future commodities contracts for hedging the prices or passes on back to back firm price contract to its vendors. In case of material commodities which cannot be hedged (viz. Steel), the Company addresses the risk of fluctuation in prices by building adequate contingencies based on market trends.

k) **Matrix containing skills/expertise/competence of the board of directors**

The list of core skills/expertise/competencies identified by the board of directors as required in the context of KPTL business(es) and sector(s) for KPTL to function effectively and those actually available with the board are as under:

Skills/expertise/competence	Whether available with the Board or not?
Industry knowledge/experience (EPC Industry)	
Experience	Yes
Industry knowledge	Yes
Understanding of relevant laws, rules, regulation and policy	Yes
International Experience	Yes
Contract management	Yes
Technical skills/experience	
Accounting and finance	Yes
Marketing	Yes

Report on Corporate Governance

Skills/expertise/competence	Whether available with the Board or not?
Information Technology	Yes
Talent Management	Yes
Leadership	Yes
Compliance and risk	Yes
Legal	Yes
Business Strategy	Yes
Behavioral Competencies	
Integrity and ethical standards	Yes
Mentoring abilities	Yes
Interpersonal relations	Yes

l) Credit ratings

Instrument/Facilities	Ratings	
	CRISIL	CARE Ratings
Long term facilities	AA/Stable	AA; Stable
Short term facilities	A1+	A1+

There have been no revisions in the Credit ratings for all debt instruments of the Company during the year under review.

m) Certificate from a Company Secretary in practice

The Company has obtained a certificate from Mr. Urmil Ved, Practicing Company Secretary that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE PURSUANT TO CLAUSE 10(i) OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Members of
Kalpataru Power Transmission Limited

I, Urmil Ved, Practicing Company Secretary, has examined the relevant records, forms, returns and disclosures received from the directors of **KALPATARU POWER TRANSMISSION LIMITED** having CIN: L40100GJ1981PLC004281 and having registered office at 101, Part-III G.I.D.C Estate, Sector-28, Gandhinagar-382028, Gujarat (hereinafter referred to as 'the Company'), produced before me for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In my opinion and best of my information and according to the verifications, I hereby certify that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA) or any such statutory authority during the year ended 31st March, 2019.

Urmil Ved
Practicing Company Secretary
FCS No. 8094, CP No. 2521

Date: 9th May, 2019
Place: Gandhinagar

Report on Corporate Governance

n) Fees paid to Statutory Auditors and network firm/entities

The details of total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to B S R & Co. LLP, Statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part is as under:

Fees paid to	Amount (₹ in Crores)
B S R & Co. LLP (includes Audit fee, certification fees and reimbursement of expenses)	1.84
Other network entities	Nil

o) Disclosure in relation to Sexual Harassment

The disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is as under:

Number of complaints filed during the financial year	0
Number of complaints disposed of during the financial year	0
Number of complaints pending as on end of the financial year	0

XI. Means of Communication:

a. Financial Results

The Company has furnished Financial Results on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company publishes its Quarterly Results normally in Economic Times – English & Gujarati, Business Standard – English, Jai Hind – Gujarati and Gandhinagar Samachar - Gujarati.

The results of the Company were displayed on its website www.kalpatarupower.com. The official news releases are being placed on Company's website and simultaneously sent to Stock Exchanges where the shares of the Company are listed.

b. News, Release, Presentations etc.

Official news, Press releases, Analyst / Investor presentation, conference call transcript etc. are displayed on the website of the Company www.kalpatarupower.com

c. Compliance

The Company has regularly submitted its quarterly compliance report to the Stock Exchanges for compliance of requirements of corporate governance under Regulation 27 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all the applicable mandatory requirements under various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a certificate from its Statutory Auditors M/s. B S R & Co. LLP, Chartered Accountants to this effect and the same is annexed to this Report. The Company has also complied with certain non-mandatory requirements prescribed in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 such as the Company's Financial Statements for the year ended March 31, 2019 are with unmodified audit opinion, etc.

Report on Corporate Governance

d. Website

The Company maintains a functional website www.kalpatarupower.com which depicts detailed information about the business activities of the Company. It contains a separate dedicated section namely "Investors" where all information relevant to members is available. The achievements and important events taking place in the Company like receipt of major orders are announced through electronic media and posted on the Company's website also. The Company's other press coverage and Analyst / Investor / Corporate presentation is also made available on the website. All the submissions made by the Company to Stock Exchanges are also disclosed on the website of the Company. The Annual Report of the Company is also available on the website of the Company www.kalpatarupower.com in a downloadable form.

XII.General Shareholder Information:

- **Annual General Meeting and Book Closure**

Date, time and venue of Annual General Meeting	: Tuesday, 30th July, 2019 at 4:00 p.m. Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate, Sector-25, Gandhinagar
Dates of Book closure	: Wednesday, 24th July, 2019 to Tuesday, 30th July, 2019 (both days inclusive)
Dividend Payment Date	: Before 29th August, 2019

- **Financial Calendar**

Financial Year: April 01 to March 31

- **Financial Results:**

First Quarter Results	: by August 14
Half Year Results	: by November 14
Third Quarter Results	: by February 14
Annual Results	: by May 30

- **Listing**

At present, the equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE). The Non-Convertible Debentures issued by the Company are listed on BSE Limited.

Name of Stock Exchange	Stock Code	Address
BSE Limited	522287	Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400 001, Maharashtra, India
National Stock Exchange of India Limited	KALPATPOWR	'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India

The Company has already paid the listing fees for the year 2019-20 to both the Stock Exchanges.

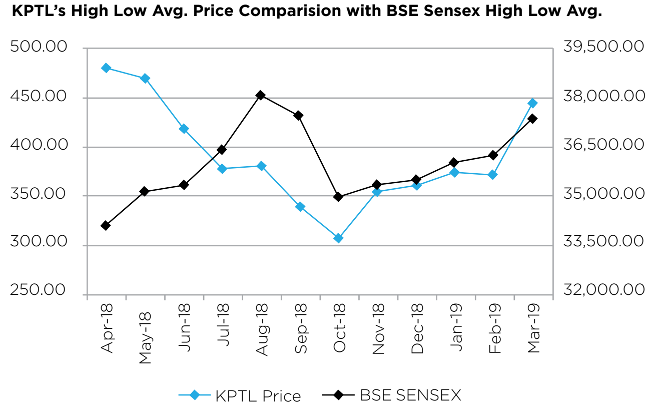
Report on Corporate Governance

- **Stock Market Data**

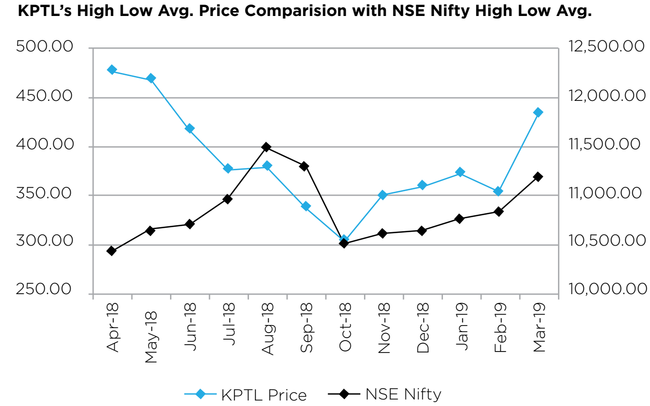
Monthly High and Low price of the Company's shares with a face value of ₹ 2 each for financial year 2018-2019 on BSE and NSE are as under:

Month	BSE Ltd.				National Stock Exchange of India Ltd.			
	High Share Price ₹	Low Share Price ₹	S&P BSE Sensex during the Month		High Share Price ₹	Low Share Price ₹	Nifty 50 during the Month	
			High	Low			High	Low
Apr-18	497.90	462.00	35,213.30	32,972.56	492.50	462.55	10,759.00	10,111.30
May-18	507.00	433.45	35,993.53	34,302.89	508.00	434.10	10,929.20	10,417.80
Jun-18	452.90	384.20	35,877.41	34,784.68	455.00	383.20	10,893.25	10,550.90
Jul-18	419.75	334.60	37,644.59	35,106.57	420.50	336.45	11,366.00	10,604.65
Aug-18	408.60	353.00	38,989.65	37,128.99	411.70	351.50	11,760.20	11,234.95
Sep-18	369.00	309.80	38,934.35	35,985.63	369.00	305.15	11,751.80	10,850.30
Oct-18	345.00	268.50	36,616.64	33,291.58	341.80	267.00	11,035.65	10,004.55
Nov-18	377.95	332.05	36,389.22	34,303.38	374.00	329.25	10,922.45	10,341.90
Dec-18	398.20	323.10	36,554.99	34,426.29	397.10	321.40	10,985.15	10,333.85
Jan-19	397.90	352.00	36,701.03	35,375.51	395.15	350.35	10,987.45	10,583.65
Feb-19	416.15	327.40	37,172.18	35,287.16	410.00	300.20	11,118.10	10,585.65
Mar-19	499.00	389.15	38,748.54	35,926.94	486.00	388.05	11,630.35	10,817.00

KPTL's High Low Avg. Price Comparision with BSE Sensex High Low Avg.



KPTL's High Low Avg. Price Comparision with NSE Nifty High Low Avg.



- **Registrar & Transfer Agent (RTA)**

Link Intime India Private Limited
506-508, Amarnath Business Centre -1
Beside Gala Business Centre,
Near St. Xavier's College Corner,
Off C. G. Road,
Navrangpura, Ahmedabad – 380009
Email: ahmedabad@linkintime.co.in
Tel. & Fax: +91 79 26465179

- **Share Transfer System**

As per direction of Securities and Exchange Board of India, except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with a depository. This measure has come into effect from 1st April, 2019. The transfer deed(s) once lodged prior to deadline and returned due to deficiency in the document may be re-lodged for transfer even after the deadline of 1st April, 2019.

Report on Corporate Governance

The Company has obtained the half yearly certificates from a Company Secretary in Practice for due compliance of share transfer formalities as per the requirement of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These certificates have been submitted to the Stock Exchanges.

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

- **Distribution of Shareholding: (As on 31st March, 2019)**

No. of Shares of ₹ 2 each	Members		No. of Share Held	
	Number	% of Total	Number	% of Total
Upto 500	21,627	84.55	18,97,706	1.24
501 - 1,000	1,896	7.41	16,14,912	1.05
1,001 - 2,000	808	3.16	11,98,199	0.78
2,001 - 3,000	340	1.33	8,46,597	0.55
3,001 - 4,000	186	0.73	6,70,342	0.44
4,001 - 5,000	137	0.54	6,29,807	0.41
5,001 - 10,000	248	0.97	17,57,846	1.14
10,001 and Above	334	1.31	14,48,45,161	94.39
Total	**25,576**	**100.00**	**15,34,60,570**	**100.00**

- **Shareholding Pattern as on 31st March, 2019**

Sr. No.	Category	No. of Shares held	% of Shares held
A	**Promoter & Promoter Group Holding :**		
1	Promoter	2,48,69,437	16.21%
2	Promoter Group	6,61,65,226	43.11%
B	**Non Promoters' Holding :**		
1	**Institutions**		
	Mutual Funds	3,33,39,556	21.73%
	Alternate Investment Funds	44,090	0.03%
	Foreign Portfolio Investor	66,90,391	4.36%
	Financial Institutions & Banks	28,044	0.02%
	Insurance Companies	53,83,227	3.51%
2	**Non-Institutions**		
	Individuals	98,74,817	6.43%
	NBFCs registered with RBI	43,024	0.03%
	Bodies Corporate	51,12,858	3.33%
	NRIs	13,94,463	0.91%
	Others	5,15,437	0.33%
	Total	**15,34,60,570**	**100%**

* *Out of above, Promoters & Promoter group have pledged 3,98,17,601 Equity Shares constituting 43.74% of their holding in the Company and 25.95% of total equity of the Company.*

Report on Corporate Governance

- **Unclaimed Shares**

  There are no unclaimed shares lying with the Company in Demat Suspense account / Unclaimed Suspense account.

- **Dematerialization of Shares and Liquidity**

  99.67% Shares are in demat form as on 31st March, 2019

  ISIN No. (For Dematerialized Shares) INE220B01022

  The shares of the Company are frequently traded on both the stock exchanges and hence the shares of the Company are liquid.

- **Outstanding GDRs/ADRs/Warrants/Convertible Instruments**

  The Company has no GDRs/ADRs/Warrants/Convertible Instruments outstanding as on 31st March, 2019

- **Transfer of Unpaid / Unclaimed amounts to Investor Education and Protection Fund (IEPF)**

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

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

Dividend for the year	Date of Declaration of Dividend	Last date upto which members are entitled to claim the dividend
2011-12	4th August, 2012	6th September, 2019
2012-13	25th July, 2013	28th August, 2020
2013-14	27th September, 2014	27th October, 2021
2014-15	29th September, 2015	2nd November, 2022
Interim Dividend 2015-16	14th March, 2016	14th April, 2023
2016-17	11th August, 2017	13th September, 2024
2017-18	7th August, 2018	8th September, 2025

  During the year under review, the Company has credited ₹ 4.73 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to applicable provisions of the Companies Act, 2013.

  During the year under review, in accordance with the provisions of the Companies Act, 2013, the Company has transferred 8,956 equity shares of ₹ 2/- each, to the credit of IEPF Authority, in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more.

  The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 7th August, 2018 (date of last Annual General Meeting) on the Company's website (www.kalpatarupower.com), as also on the website of IEPF Authority (www.iepf.gov.in).

Report on Corporate Governance

- **Debenture Trustees**

7.90%, 8.45% and 8.11% Unsecured Redeemable NCDs of ₹ 100 Crores each	Zero Coupon Unsecured Taxable Rated Redeemable Non-Convertible Debenture of ₹ 100 Crores
Vistra ITCL (India) Limited The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai 400051 Tel:- + 91 22 2659 3535 Fax:- + 91 22 2653 3297 Website: www.vistraitcl.com	Axis Trustee Services Limited The Ruby, 2nd Floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai – 400028 Tel No : +91-22-62260054 Fax : +91-22-43253000 Website: www.axistrustee.com

- **Plant Location**

Main Plant
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000
Fax : 079- 23211966

2nd Plant at Gandhinagar
Plot No. A-4/1, A-4/2, A-5
G.I.D.C. Electronic Estate,
Sector – 25
Gandhinagar – 382 025
Tel.: 079-23214400
Fax : 079-23287215

Raipur Plant:
Khasra No.1778, 1779
Old Dhamtari Road,
Village : Khorpa
Tehsil : Abhanpur
Dist : Raipur, Chhattisgarh
Tel. : 0771 2772700
Fax : 0771 2446988

Biomass Energy Division (Power Plant)

27BB, Tehsil Padampur
Dist. Sri Ganganagar
Rajasthan - 335041
Tel. : 0154 - 2473725
Fax : 0154 -2473724

Near Village Khatoli
Tehsil Uniara, Dist. Tonk
Rajasthan - 304 024
Tel.: 01436 – 260665
Fax.: 01436 – 260666

R&D Tower Drawing & Design Centre
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000
Fax : 079- 23211966

R & D Proto Tower Development & Validation Centre
At Punadara Village(PIN: 387610)
Near Talod Dam
Taluka – Prantij
Dist. Sabarkatha (Gujarat)
Tel : 02770- 255414

Registered Office (Address for Correspondence)
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000
Fax : 079- 23211966

Corporate Office
"Kalpataru Synergy"
7th Floor, Opp. Grand Hyatt Hotel
Vakola, Santa Cruz (East),
Mumbai – 400 055
Tel.: 022 – 30645000
Fax: 022 – 30643131

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date : 9th May, 2019

Report on Corporate Governance

CEO/CFO Certificate

Board of Directors
Kalpataru Power Transmission Limited

We, Manish Mohnot, Managing Director & CEO and Ram Patodia, Chief Financial Officer, to the best of our knowledge and belief, hereby certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 and that to the best of our knowledge and belief:

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

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

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

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

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

(i) That there are no significant changes in internal control over financial reporting during the year;

(ii) That there are no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) That there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : 9th May, 2019

Manish Mohnot
Managing Director & CEO

Ram Patodia
Chief Financial Officer

Independent Auditor's Certificate on Corporate Governance

To the Members of Kalpataru Power Transmission Limited

1. This certificate is issued in accordance with the terms of our agreement dated 01 February 2019.

2. This report contains details of compliance of conditions of Corporate Governance by Kalpataru Power Transmission Limited ('the Company'), for the year ended on 31 March 2019, as stipulated in regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), pursuant to the Listing Agreement of the Company with Stock exchanges.

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the conditions of the Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedure to ensure the compliance with conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2019.

6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("the ICAI") and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanation given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as specified in Regulation 17 to 27, clauses (b) to (i) of Regulation 46(2) and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317
ICAI UDIN: 19105317AAAABA1870

Mumbai
09 May 2019

Business Responsibility Report

KPTL views sustainability as being socially responsible and believes that the foundations of economic growth can be strengthened if the entire society is a part of the growth story. Sustainable growth is imbibed in our culture.

In accordance with Regulations 34(2)(f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015, this Business Responsibility Report (BRR) has been prepared and is in alignment with the National Voluntary Guidelines (NVGs) on Social, Environmental & Economic Responsibilities of Business released by Ministry of Corporate Affairs, Government of India. This Report provides a broad overview of the activities carried out by KPTL against the nine principles outlined in the NVGs.

Section A: General Information about the Company

1. Corporate Identity Number (CIN)	:	L40100GJ1981PLC004281
2. Name of the Company	:	Kalpataru Power Transmission Limited
3. Registered Address	:	Plot No. 101, Part – III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382028, Gujarat, India
4. Website	:	www.kalpatarupower.com
5. Email ID	:	cs@kalpatarupower.com
6. Financial year reported	:	April 1, 2018 to March 31, 2019

7. Sector(s) that the Company is engaged in (industrial activity code-wise):

Kalpataru Power Transmission Limited (KPTL) is engaged in the business of power transmission and infrastructure EPC space executing projects that deliver complete solutions covering design, testing, manufacturing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis. The Company is also engaged in High voltage substation business both in air insulated (AIS) and gas insulated (GIS) segment in domestic as well as international market. The Company has also set up two Biomass power generation plants in Rajasthan.

Industrial Group	Description
422	Construction of utility projects
421	Construction of roads and railways
351	Electricity power generation, transmission and distribution

As per National Industrial Classification – The Ministry of Statistics and Programme Implementation

8. List three key products/services that the Company manufactures/provides (as in balance sheet):

1. Design, Testing, Fabrication and Manufacturing of Transmission Line Towers and erection, procurement and construction of transmission lines and sub-station on a turnkey basis
2. Railways EPC services for executing civil infrastructure, bridges, new track laying, track rehabilitation, gauge conversion, signaling & telecommunication, over-head electrification, traction sub-station projects for Railways and manufacturing of Railway Structures.
3. EPC contracting services for cross-country pipelines, terminals and gas gathering stations across diverse territories

9. Total number of locations where business activity is undertaken by the Company:

(a) Number of International Locations (Provide details of major 5) –

KPTL has undertaken business activity in 29 international locations. The major locations include Mauritania, Afghanistan, Senegal, Sierra Leone and Nepal.

Business Responsibility Report

(b) Number of National Locations

KPTL is undertaking business activity in more than 140 national locations. The Company's manufacturing plants are situated at Gandhinagar and Raipur.

10. Markets served by the Company: Local/State/National/International: All

Section B: Financial Details of the Company

1. Paid up capital (₹)	:	₹ 30.69 Crores
2. Total turnover (₹)	:	₹ 7,115.12 Crores
3. Total profit after taxes (₹)	:	₹ 401.29 Crores

4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: 0.93%

In terms of Section 135 of the Companies Act 2013, the Company has spent more than 2% of its average Net Profit of the previous three financial years on Corporate Social Responsibility.

5. List of activities in which expenditure in 4 above has been incurred:

The Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. During the year under review, the major CSR activities were carried out in the field of Health, Education including Special Education for specially abled, Empowering Women and Disaster Relief.

The major activities are running of multi specialty dispensary Kalp-Seva Arogya Kendra at Gandhinagar and Mumbai, Project Rashtriya Netra Yagna for curing avoidable blindness, Various Education and Infrastructure development Projects in Rural Schools like Construction of Two Storey Dormitory Building for Girls Students, Distribution of books, Construction of Boundary walls of School, Installation of Deep well Hand Pumps for safe drinking water, Mini Science Centre's, Toilet Rehabilitation etc., Rural Infrastructure Development through Construction of Public Toilets and Urinals, all round development of Specially abled marginalized section through Education and Vocational training, Flood Relief activities in Assam and Kerala, support for the families of martyred soldiers, etc.

For detailed information regarding CSR Activities of the Company, you may refer ***Annexure A*** to Directors' Report.

Section C: Other Details

1. Does the Company have any subsidiary Company / Companies?

Yes, the Company has 21 subsidiary companies (including step-down subsidiaries) in India and abroad as on March 31, 2019.

2. Do the subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the parent Company? If yes, then indicate the number of such subsidiary Company(s).

The subsidiaries have their own BR initiatives which are influenced by the Company. The Company encourages all its subsidiary companies to participate in group wide BR initiatives to the extent that they are material in relation to the business activities of the subsidiaries.

3. Do any other entity / entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]

Yes. KPTL engages with relevant stakeholders for sustainability initiatives. The suppliers, contractors and vendors are sensitized on sustainability through various KPTL Policies and Programs. KPTL actively engages with several stakeholders' like local communities, government and other entities in the value chain and promote BR initiatives in its value chain. At present, the number of entities which directly participate in the BR initiatives would be less than 30%.

Business Responsibility Report

Section D: BR Information

1. Details of Director / Directors responsible for BR:

a) Details of the Director / Directors responsible for implementation of the BR policy/ policies:

DIN Number : 01229696

Name : Mr. Manish Mohnot

Designation : Managing Director &CEO

b) Details of the BR head:

BR head upto 31st March, 2019

Name : Mr. Kamal Kishor Jain

Designation : Director (Finance) & CFO

Telephone Number : +91 79 232 14 109

Email id : kkj@kalpatarupower.com

BR head w.e.f. 1st April, 2019

Name : Mr. Ram Patodia

Designation : Chief Financial Officer

Telephone Number : +91 22 3064 3978

Email id : ram.patodia@kalpatarupower.com

2. Principle-wise (as per NVGs) BR Policy / policies

(a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Ethics, Transparency and Accountability P1	Sustainable & safe Goods and Services P2	Well-being of all employees P3	Interests of disadvantaged and marginalized Stakeholders P4	Promote human rights P5	Protection of Environment P6	Policy Advocacy P7	Inclusive growth and equitable development P8	Provide value to their customers and consumers P9
1	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	All the policies are compliant of respective principles of NVG guidelines, the Companies Act, 2013 and confirm to International standards of ISO 9001, ISO 14001 and OHSAS 18001 as applicable to respective policies.								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	-	Y	Y	Y	-	Y	Y	-

Business Responsibility Report

Sr. No.	Questions	P1 Ethics, Transparency and Accountability	P2 Sustainable & safe Goods and Services	P3 Well-being of all employees	P4 Interests of disadvantaged and marginalized Stakeholders	P5 Promote human rights	P6 Protection of Environment	P7 Policy Advocacy	P8 Inclusive growth and equitable development	P9 Provide value to their customers and consumers
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	All the policies except HR Policies can be viewed at www.kalpatarupower.com. HR Policies are restricted to employees of the Company and uploaded on the Company's Intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal Stakeholders. The communication is an ongoing process to cover all internal and external stakeholders.								
8	Does the Company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	-	Y	-	Y	Y

Business Responsibility Report

(b) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle	Not Applicable								
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

3. Governance related to BR:

(i) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year:

The Company's Business Responsibility performance is assessed annually.

(ii) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

This report comprises the Company's 3rd Business Responsibility Report as per the NVGs and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report. The Company publishes BR Report annually. The Company currently does not publish a separate Sustainability Report.

The Hyperlink for viewing this report is www.kalpatarupower.com.

Business Responsibility Report

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group /Joint Ventures /Suppliers /Contractors /NGOs / Others?**

   At KPTL, a value system has been built that serves as a moral compass which guides the Company and its stakeholders in their business practices. It is the KPTL's Policy to conduct all its business activities with honesty, integrity and highest ethical standards. KPTL has adopted Code of Conduct ("KCoC") and framed Anti Bribery and Corruption policy to remain consistently vigilant and ensure ethical conduct of its operations. All employees are required to comply with KCoC and provide declaration of its adherence from time to time. This enhances the understanding of KCoC amongst employees as well as infuses in them a sense of ownership for their actions. The Company also conducts KCoC awareness programs to educate its workforce and related stakeholder's on continuous basis for ethical business practices.

   The Anti Bribery and Corruption Policy is extended to the KPTL workforce, subsidiaries and affiliates of KPTL and all other individuals or entities with which KPTL deals or enters into Transactions in India or abroad.

2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

   During the year under review, the Company has received two complaints from its shareholders. All the complaint's received from shareholders were satisfactorily resolved by the management. Further, the Company also strongly emphasizes on adherence of Business Ethics by its Suppliers and during the year under review, the Company did not receive any complaints from its Suppliers / Vendors. Further, a vigilance mechanism is in place for Directors and employees to report their concerns about actual or suspected fraud, unethical behavior or violation of the Company's ethics and Code of Conduct. This is ensured through the Whistle-Blower policy. During the year under review, one complaint was received, which was under review at the end of financial year.

Principle 2: Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities. For each such product, provide the following details in respect of resource use (energy, water, raw material etc) per unit of product (optional):**

   I. **Reduction during sourcing / production / distribution achieved since the previous year through the value chain?**

   II. **Reduction during usage by consumers (energy, water) achieved since the previous year?**

   At KPTL, its management ensures that environment, health and safety aspects are taken into consideration at the inception stage itself, while manufacturing products or providing services to customers.

   The state-of-the-art manufacturing facilities deploy leading manufacturing practices such as Lean Manufacturing Techniques etc. to ensure continuous reduction in consumption of various resources and material. Lean Manufacturing is employed for the incessant removal of various wastes in the manufacturing to improve the efficiency and productivity. The Company has modified and automated the Effluent Treatment Plant (ETP) at its main plant leading to savings in energy consumption, chemical consumption apart from economic benefit and labor and maintenance cost savings. Further, the Company has introduced Goliath Crane for handling of Steel & reduce the use of Hydra Cranes which leads to saving in Diesel consumption. The Company carried out scientific mixture of respective chemicals in its manufacturing mechanism which lead to reduction in consumption of Rinsing water by approx. 25%. The Company carried out re-mapping of value stream and re-layout of machines to eliminate non-value added activities and weed out consumption of resources involved in such activities. The Company deployed Flux re-generation Plant in the galvanizing process which reduces ash & dross formation and ultimately reduces Zinc consumption. The Company

Business Responsibility Report

has twelve Rain water harvesting points at its Plants to conserve rain water and increase water levels. In an ever-changing technological landscape, all our efforts are directed towards achieving sustainable development. As a part of Operation Excellence journey, KPTL has also launched Kaizen monthly R&R (Reward & Recognition) initiative. Kaizen is an improvement suggested by the person / team which has led to environmental or safety or resource consumption benefit in the operations of plants. This initiative has reaped very positive results while implementing suggestions on safety and environmental aspects during manufacturing process.

The Company executes Transmission Line Projects on EPC basis which requires the Company to carry out range of Project execution activities majorly in pre-construction phase and during the construction phase. These Project execution activities have environmental as well as social risks and impact. Therefore, as required from case to case basis, the Company prepares Environmental and Social Management Plan (ESMP) in consultation with Project Engineers to address the anticipated negative environmental and social impacts of the project. The Environmental aspects which are taken care of includes impacts on Drainage, Surface Waters and Water Resources, Land Excavation, Access Roads Construction and Camp Sites, Soil Erosion, Noise Pollution, Solid Waste etc. whereas Social aspects includes Cultural things like preventing any damage to historical, archeological and cultural sites, creating positive opportunities for the project affected persons in the form of temporary employment etc. Further, Transmission lines/Substation designed, supplied & installed by KPTL meets the highest standard of safety & has a lifecycle of more than 30 years in several Projects.

The Company is also engaged in the business of EPC contracting services for laying Oil and Gas pipelines which by their very basic nature result in reduction of road & rail transportation of oil & petroleum products, thereby reducing pollution (noise as well as air pollution), reducing pilferage and minimizing road accidents. Use of gas transported by pipelines reduces pollution caused by other fuels like wood, coal etc. While executing such Pipelines Projects, Environment Management Plan is put in place to provide a framework for identifying, assessing, addressing and managing the potential environmental impacts associated with project activities on sensitive environmental resources and receptors. Project execution activities are carried out by ensuring effective waste handling, spill prevention, water conservation and reuse, Air and noise emission control etc.

With the natural resources of the planet running out at such alarming rates, the Railway Overhead Electrification plan by the Railways is a massive stance towards the sustainable development. To implement this initiative, KPTL has played a very instrumental role by doing its share of work for the country. Rail electrification is an important part for De-carbonization. Electric trains generally perform better than equivalent diesel vehicles and contribute in pollution free atmosphere and reduced noise and air pollution. By doing Railway Electrification work, the Company is committed to reduction in carbon footprint in train operations and are working in synchronization with Indian Railways vision of De-carbonization – “Mission Electrification”. All Railways EPC Business services are screened for environmental and social risks. The Company ensures that sustainability aspects, environmental concerns, risks and opportunities are duly integrated into our engineering and design of Railway Projects.

The Company also has two dedicated Biomass power generation plants of 7.8 and 8.0 MW respectively which generate carbon neutral renewable form of energy which in its entirety contribute positively to a greener environment by converting waste materials into clean energy and Carbon Emission reductions. This plants use agriculture waste and crop residues as inputs and generate power. Both the plants are registered with UNFCCC and have achieved Gold Standard Certification. The Company actively works on minimum Auxiliary Consumption, Minimum Water Consumption and minimum raw material consumption per unit of power generation by adopting latest technology and equipment’s.

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, the Company conforms to responsible sourcing with respect to emissions, safety, human rights and ethics, apart from the economic considerations as part of the sourcing procedure. Conformance to labour principles and related laws are mandatory qualification requirements for all supply and services. The Company encourages use of environment friendly goods & services. The respective policies of KPTL extends to suppliers/vendors/sub-

Business Responsibility Report

contractors and lays down the requirements on various aspects of sustainability such as ethics & compliance, bribery & corruption, Human Rights, Health & Safety and environment protection which the respective party needs to comply with in all dealing with the Company. The major suppliers of the Company have obtained national and international certifications with respect to environment management systems etc.

3. **Has the Company undertaken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve the capacity and capability of local and small vendors?**

   As a proud Indian Company, KPTL's ambition is to create more societal value through creating more and more opportunities – directly and indirectly by building the competitiveness of India and its local industry by encouraging procurement of material / services / transportation from local and small vendors thereby creating indirect economic impact in the regions surrounding its manufacturing plants at Gandhinagar and Raipur. These steps have led to creation of employment opportunities and skill development of the local population.

   Many of KPTL's infrastructure projects are at remote locations, and therefore goods and services majorly in the form of hiring equipment and labour services, as well as minor raw materials etc. are procured from local producers and surrounding areas as far as possible. The neighborhood community in operation sites vicinity are engaged as indirect workforce through Contractors under different categories based on their skill set.

   The Biomass power generation plants procure the bio waste from surrounding Farmers, thereby leading to economic upliftment of local community. Further, a lot number of local workers get employment benefit in relation to logistics of the Biomass. More than 6000 farmers and 30,000 logistics workers were benefitted from additional income, created by Biomass power generation plants by purchasing their bio wastes every year.

   However, being EPC Company, project procurement involves Technology Oriented supplies and has to be done from client approved vendors, out of which most of them are not located near place of work of the Company. However, the Company encourages new and small size vendors and also represents from time to time to get such vendors approved from client.

4. **Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste? (Separately as < 5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

   The Company promotes recycling and the use of alternative materials. Our products are 'engineered to order' based on specific customer requirements, limiting the scope for material recycling. The Company has installed MZR (Zinc recovery system). Zinc recovery system is designed to process dross and recover viable zinc metal that can be reused. It separates free zinc from material mixtures and top drosses. It is a highly efficient in-house industrial system that recovers non-ferrous metal from industrial process wastes and top drosses, including "rich wet" drosses, ash, dust and high-low melting metal mixes. The recovered zinc is reused in the process. Further, Zinc Ash and Zinc Dross generated through manufacturing process is sold to authorized recyclers / reusers who recycle it for value materials available in it. The Steel wastage is sold to the recyclers for re-using the material. As a part of our sustainability roadmap, the Company has increased its focus on recycling of waste. The Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies.

   Further, Bed Ash and Fly Ash generated from burning Agriculture waste at Biomass power plant is used for manure additives in the fields & for land filling and in Cement industries respectively. Further waste water generated at Biomass plants is treated in ETP and then re-used in ash quenching and dust suppression.

Principle 3: Business should promote the wellbeing of all employees

1. **Please indicate total number of employees:**

   The Company has a total of 3,295 employees as on March 31, 2019.

Business Responsibility Report

2. Please indicate total number of employees hired on temporary/contractual/casual basis:

The Company has a total of more than 10,000 employees hired on temporary/contractual/casual basis as on March 31, 2019.

3. Please indicate the number of permanent women employees:

The Company has 87 permanent women employees as on March 31, 2019.

4. Please indicate the number of permanent employees with disabilities:

The Company has 12 permanent employees with disabilities as on March 31, 2019.

5. Do you have an employee association that is recognized by the Management?

No there is no employee association which is recognized by the management of the Company.

6. What percentage of permanent employees are members of this recognized employee association?

Not Applicable

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

(a) Permanent employees

(b) Permanent women employees

(c) Causal / subcontracted employees

(d) Employees with disabilities.

To meet the growing demand of skilled employees, KPTL manages the in-house training centre named "**Kalpataru Learning Centre**" with state-of-the-art facilities. To add essential Leadership development skills, the Company nominates its employees to undergo Executive education programs through reputed B Schools like ISB, IIM, HBS, AMA, etc.

The Company has its own Learning Management System ("**LMS**"), an e-learning platform, which each individual can access. Various Technical & Behavioural modules are available on LMS, to name few – Tower Erection, Open Foundation, Cube Testing, Pile Testing, Stringing Activity, POSH, Negotiation Skills, Kalpataru Code of Conduct, PMS guidelines, Advance Excel and around other 30 other technical and soft skill modules.

Business Responsibility Report

Major programs / initiatives in FY2018-19 conducted for employee skill upgradation are as under:

- Project Management Certification Course with objective of migration from Construction Management to Project management
- Organized more than 8 batches of various leadership development program covering approx. 200 participants under 3 Tier Leadership Plan
- Launched Mentoring program across organization
- Conducted more than 90 focused trainings across India and overseas locations internally covering 1500+ participants
- Sponsored specific training programs, Coaching, Job Rotation, Programs on Team Building, Collaboration & Effective Communication Skills
- Spiritual / Motivational Training Programs for employees at Gandhinagar, Mumbai, Noida and Raipur
- Trainings on Positive Attitude, Personality Development, Wellness etc.

During FY 2018-19, KPTL conducted 522 Programs in various fields for skill up-gradation of its workforce spanning over 6,954 mandays and in total 6,752 participants participated in such programs from time to time. Approx. 90% of the permanent employees while 90% of permanent women employees received skill up-gradation trainings during FY 2018-19.

The employees and labourers of the Company were also imparted various types of Safety awareness trainings like in house first aid & CPR awareness trainings, EHS Alerts, Emergency response training, Hazard Identification and Risk assessment training, Job specific trainings (working at height, Fire, Crane Safety/Heavy Lifting Operation, Excavation, Erection, stringing etc.), Tool Box Talk (before start of work) at its plants and project sites. The Company also conducted Safety mock drills and Fall & PPE Demonstrations for imparting practical experience to its workforce. To create awareness about safety related matters, the Company undertook special campaigns by celebrating Fire Safety Day, Environment Day, National Safety Day / week, Road Safety week, World Earth day etc.

During FY 2018-19, 100% of permanent employees including permanent women employees and employees with disabilities and 100% of Casual / Subcontracted employees were imparted safety trainings on continuous basis.

The efforts of the Company towards skill upgradation of its employees and overall safety culture was recognized and Company was conferred upon with various Awards in this regards, details of which are provided under “Human Resource” section and “Environment, Health and Safety” section of Management Discussion and Analysis Report.

Principle 4: Business should respect the interest of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

1. **Has the Company mapped its internal and external stakeholders? Yes/No**

   Yes, the Company has mapped its internal and external stakeholders along with vulnerable, marginalized and disadvantaged stakeholders. This enables KPTL to understand that its stakeholder’s comprise a large and mixed community with varied expectations and KPTL always strives to match their expectations to foster strong relationships with them. We conduct business professionally to create value for all stakeholders ensuring that we are a responsible partner that serves the wider interests of society.

Business Responsibility Report

The key categories and their modes of engagements are as below:

Stakeholders	Medium of Engagement
Investors and shareholders	Investor meetings, Investor Conferences, Conference Calls, Annual General meetings, Press Releases, Investor Presentations, Annual Report etc.
Government and Regulatory Authorities	Industry associations, forums and Statutory filings etc.
Employees	Employee Engagement Surveys, Meetings, newsletters, Circulars, notices, Corporate policies, trainings, Welfare / social initiatives including Annual get-together for employees and their families, Employee family engagement Programs, town hall meetings etc.
Clients / Customers	Client meetings, monthly / quarterly Project review meetings, Performance Reports etc.
Local community	Visits, Camps, CSR initiatives, meetings with villagers, farmers etc.
Bankers / Lenders	Regular review meetings, Pre-defined Reports etc.
Suppliers	Site visits, Supplier's visit, personal / telephonic interactions etc.
Contractors	Review meetings, Training to contractor workers etc.

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. The Company acknowledges that it is very important to engage proactively with marginalized stakeholders to demonstrate a sincere commitment as it can take a long time to build trust with these stakeholders. The Company runs specific programs under Corporate Social Responsibility (CSR) umbrella focused on benefitting the disadvantaged, vulnerable and marginalized communities.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so

Yes, the CSR initiatives of the Company are aimed at improving lives of weaker sections of society and contribute to sustainable living of communities. Few such activities are listed below:

Disadvantaged, vulnerable and marginalized stakeholder group	Initiatives
Poor and economically underprivileged section of society (including Rural & Tribal Poor and Urban Slum Dwellers)	- Medical services (consultation and treatment) at subsidized rates at Kalpa Seva Arogya Kendra, Gandhinagar, Gujarat and Mumbai, Maharashtra - Free Eye Surgeries
Poor and Needy Students	- Infrastructural Development in and around and at government schools - Books Distribution - Educational Support - Interactive Mathematics & Science working models based Mini Science laboratories to learn science and mathematics in more effective and interesting way - Musical Instruments and Clean water at Primary Schools - Rehabilitation of Toilets at Government School
Needy Girl children	- Dormitory Building
Specially abled individuals	- Medical and educational support - Counselling - Workshops for Vocational training - Assistance of aids and appliances, research activity and camps
Flood Victims	- Clothes, Utensils, Mosquito net, food items etc. for flood relief activities

An Annual Report on such activities carried out by the Company for well-being of community at large is annexed as **Annexure A** to the Director's Report.

Business Responsibility Report

Principle 5: Business should respect and promote human rights

1. **Does the Company's policy on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   KPTL is committed for 'Protection of Human Rights' across its value chain including of its employees, workers, and other key stakeholders involved in its operations and has established system and practices for maintaining transparency, fairness and equity. KPTL's Corporate Human Rights Policy specifies guidelines, which the parties should observe while doing business with KPTL like comply and adhere to all the applicable human rights laws and national laws, avoid human rights abuses, respect the rights of people in communities impacted by the business activities, Treat everyone fairly and without discrimination etc. The Corporate Human Rights Policy extends to subsidiaries and Joint Ventures of KPTL and Suppliers, Vendors, Contractors etc. of KPTL.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?**

   The Company has not received any stakeholder complaints in the past financial year.

Principle 6: Business should respect, protect, and make effort to restore the environment

1. **Does the policy pertaining to this Principle cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   KPTL is committed to conserving of natural resources and minimizing potential harmful environmental effects resulting from its manufacturing and construction activities. The Environmental, Occupational Health & Safety Policy (EOHS Policy) of the Company covers the Company and its Contractors & all other relevant stakeholders. The EOHS Policy encourages the Company to consolidate and improve environmental performance through formulation and implementation of environment protection procedures and practices in its Operations. Environment protection and the conservation of natural resources are part of KPTL's business philosophy.

2. **Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.**

   Yes, as a responsible Company, KPTL carries out initiatives to address global long-term challenges such as climate change and diminishing resources in a socially, ecologically and economically responsible manner. The Company has embedded environmental concerns such as global warming in its manufacturing process and therefore, as a continuous ongoing activity it introduces energy efficient machineries and processes in plant and project sites optimizing the use of natural resources on an ongoing basis. The details of such initiatives undertaken by the Company are provided in "***Annexure E***" - Conservation of Energy & Technology absorption" to the Director's Report. The management system of all our manufacturing plants are ISO 14001:2015 certified which provides reasonable assurance that the outputs from the system will have minimal negative environmental impact and improved environmental performance due to resource efficiency, reduction in wastage and assurance that environmental impact is measured and mitigated appropriately. The Company also carries out Tree Plantation activities from time to time to develop green belt and organized Green-a-thon to create awareness about conservation of environment during the year under review.

   Further, in order to contribute to sustainable development and renewable energy, the Company has two Biomass power generation plants and both the plants have been registered with UNFCC under the Clean Development mechanism and both the projects has contributed to a great extent over years in reducing carbon intensity of emissions and have earned Gold Standard Certifications.

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, the Company does identifies and assess potential environmental risks and adopts a formal approach to mitigate and minimize any potential damage to the environment. In respect of selective projects, before initiating the Project

Business Responsibility Report

Execution, the Company prepares Environmental Plan as per the need of the Project, which identifies the possible impacts on Environment from Project Execution and based on same an Impact Control Plan is prepared which specifies the mitigation measures to reduce the negative impact and to define and establish the Environmental Management system for execution of said Project.

4. Does the Company have any project related to Clean Development Mechanism (CDM)? If so provide details thereof, in about 50 words or so. Also, If Yes, whether any environmental compliance report is filed?

Yes, the Company has two projects registered as Clean Development Mechanism (CDM) projects under United Nations Framework Convention on Climate Change (UNFCCC), the details of which are as under:

(a) Biomass Power Generation Project at Ganganagar, Rajasthan registered under fixed crediting period (10 Years) from 1st August 2003 to 31st July 2013. The project Registration Number is 0058. The link of the project at UNFCCC is https://cdm.unfccc.int/Projects/DB/TUEV-SUED1112801052.32/view. The total number of Carbon Emission Reductions approved by UNFCCC during aforesaid 10 years' period were 339755/t CERs. Further, since the fixed crediting period has expired, the Company is exploring other avenues for offsetting Carbon credits generated at Ganganagar plant in the International market.

(b) Biomass Plant Project at Tonk registered under renewable crediting period (7 years x 3). First crediting period was 7th October 2008 to 6th October 2015. The project registration number is 1774. The renewal of second crediting period has been granted by UNFCCC and the crediting period is 7th October 2015 to 6th October 2022. The link of the project at UNFCCC is https://cdm.unfccc.int/Projects/DB/TUEV-SUED1207570579.37/view. The total number of Carbon Emission Reductions approved by UNFCCC during said first 7 years period were 276281/t CERs. In the Second Crediting Period the number of Carbon Emission Reduction approved by UNFCCC during 7th October 2015 to 31st March 2017 were 57229/t CERs. For the next period of 1st April 2017 to 30th Sept 2018, the number of Carbon Emission Reduction approved by UNFCCC are 70028/t CERs which is under process of gold standard labelling.

Both the above projects have achieved Gold Standard Certification. Gold Standard is the only premium quality standard for carbon emission reduction projects with added sustainable development benefits and guaranteed environmental integrity.

Gold Standard Organization hosted a competition, where an independent panel of judges evaluated the projects based on their impact, innovation & visualization. Our Biomass Project was rated as one of the best 3 CDM Projects globally. The link of Gold Standard is https://www.goldstandard.org/our-story/innovation-and-impact.

Periodical Compliance Reports, as applicable are submitted to CPCB and SPCB from time to time.

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.

The Company installed 303.3 KWp roof top solar plant at Gandhinagar factory (Main Plant) which generated renewable solar energy of approx. 3.50 lakhs units during FY 18-19. The Company also has four windmills installed to generate renewable energy for captive consumption. The four windmills generated renewable energy of more than 14 lakhs units during FY 18-19. The Company is continuously working for improving energy efficiency either through improved operations or through adoption of better technologies. The Company is focused on maximizing energy-efficiency and reducing greenhouse gas (GHG) emission intensity. At various office locations and manufacturing locations, the Company has replaced conventional light fittings with energy efficient LED Lights.

6. Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?

Yes, the emissions / waste generated are within the permissible limits given by CPCB/SPCB.

Business Responsibility Report

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your Company a member of any trade and chambers of association? If yes, name only those major ones that your business deals with.**

   Yes, the Company is a member of the following key associations:

   - Confederation of Indian Industry
   - Federation of Indian Chamber of Commerce and Industry
   - The Associated Chambers of Commerce and Industry of India
   - Indian Electrical & Electronics Manufacturers' Association (IEEMA)
   - Gujarat Chamber of Commerce and Industry
   - Exim Club (Association of Exporters & Importers)
   - Project Exports Promotion Council of India
   - EEPC India
   - International Pipeline & Offshore Contractors Association
   - Central Board of Irrigation and Power

2. **Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Polices, Energy security, Water, Food Security, Sustainable Business Principles, Others):**

   KPTL doesn't engage in any form of lobbying activities. The government is an important stakeholder in the business of the Company and the Company therefore engages with it through multiple business forums and trade associations. Advocacy policy is in place to enhance competitiveness, effectiveness and positively contribute to the development of the Power sector. KPTL is broadly involved in Governance and Administration, Economic Reform and Energy security areas for advocating public good.

Principle 8: Business should support inclusive growth and equitable development

1. **Does the Company have specified programme / initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   KPTL has always been at forefront in fulfilling its Social Responsibilities. "**Kalp - Seva Arogya Kendra**" functioning through Kalpataru Welfare Trust provides medical services to economically underprivileged sections of the society. The Trust supports multi-specialty dispensary and pathological laboratory with ultra-modern infrastructure and facilities viz. X- Ray, Sonography, Dental etc. and organizes regular visits by MD Physician, ENT, Dentistry, Gynecology, Orthopedics and Child specialists with check-up camps from the medical fraternity of Gandhinagar at very nominal cost where free medicines are also distributed. The "Kalp - Seva Arogya Kendra - Gandhinagar" has been operational for approx. 10 years since 2009 benefitting on an average approx. 100 patients per day and till date, in total more than 2,75,000 patients got benefitted from it.

   As part of furthering its CSR outreach, KPTL started Kalpa Seva Arogya Kendra in Mumbai, which is also operated through Kalpataru Welfare Trust and it collaborates with well-meaning NGOs and individuals to provide specialized healthcare (consultation and treatment) at subsidized rates. During the year under review, various Osteopathy Camps and Health Awareness Camps were organized. During such camps, the Specialized Doctor's provide treatment to patients suffering from arthritis, back pain, joints, muscles, frozen shoulder, spine and postural problems. On an average, more than 400 patients are benefitted every month through this Camps and till date more than 5,900 patients have availed services of this Camps. The Company has provided free eye surgeries to more than 2,500 patients till date through its CSR Partner Vision Foundation of India.

Business Responsibility Report

Apart from such long term ongoing projects, the Company has also undertaken various other programme and projects under its CSR Policy in the field of Healthcare, Rural Development, Promoting Education, Flood Relief activities, livelihood enhancement projects for specially abled etc.

2. Are the programmes/projects undertaken through in-house team / own foundation /external NGO/Govt. structure /any other organisation?

The Company follows multiple models for implementing its CSR initiatives. Kalpataru Welfare Trust is a registered trust established by the Company and runs Kalpa-Seva Arogya Kendra in Gandhinagar and Mumbai which provides medical services. These initiative has a huge coverage both in terms of scale as well as impacts. The Company has also undertaken Projects through External Registered Trusts and Societies.

3. Have you done any impact assessment of your initiative?

The Company undertakes impact assessment on continuous basis and assess the benefits gained to the community through its CSR initiatives. Also the External Registered Trusts and Societies through which Company carries out its CSR initiatives have done Impact assessment of the CSR Projects/Programmes.

4. What is the Company's direct monetary contribution to community development projects - Amount in ₹ and the details of projects undertaken?

The Company's direct monetary contribution to community development projects in FY 2018-19 was ₹ 373.29 lakhs. An Annual Report on details of projects undertaken as CSR activities is annexed as ***Annexure A*** to the Director's Report.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words or so.

A 360 degree project implementation approach is adopted by the Company to implement CSR Projects across its locations which includes need assessment, Participatory planning / collaboration formation, collaborative implementation, monitoring, project evaluation and learning and redesigning the Project. This approach paves way for successful adoption of CSR initiatives by the beneficiary community. This also ensures large scale participation by target audience for whose benefit the Projects are designed. External Trusts / Societies through which Company undertakes some of its initiatives have a track record of various years in performing such activities and based on ongoing feedback received by them from beneficiaries of its existing Programs, KPTL carries its initiatives through such Trust / Society which leads to a successful adoption by the beneficiary Community and sustained outcomes.

Principle 9: Business should engage with and provide value to their customers and consumers in a responsible manner

1. What Percentage of customer complaints / consumer cases are pending as on the end of financial year 2018-19?

There are no customer complaints / consumer cases pending as of end of financial year 2018-19. Also the Company is not providing / selling its services / products to end consumers. The product and services supplied / provided by KPTL are generally industrial inputs which are used for commercial purposes and not by end consumers.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

The Towers manufactured by KPTL carry adequate labelling and codes thereby providing adequate information to Clients.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as of end of Financial year? If so, provide details thereof, in about 50 words or so

There are no cases filed against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

Business Responsibility Report

4. Did your Company carry out any consumer survey / consumer satisfaction trends?

Customer Centricity and Quality are the core values of KPTL, which are integrated into DNA of KPTL. KPTL is committed to provide products and services which consistently comply with agreed specifications and contractual requirements and in a manner that results in high degree of customer satisfaction. Various Clients and customers of the Company has repeatedly recognized satisfactory professional performance of KPTL, quality of work, Project Execution skills and ethical business dealings. KPTL's unremitting effort is to deliver project completion ahead of time with best quality in each of our business. KPTL also seeks feedback from its Clients on completion of project in the form of a questionnaire on various aspects of materials and services supplied by KPTL.

PGCIL conferred to KPTL Certificate for appreciation in recognition of significant achievement of "One Million safe man hours" and maintaining improved EHS standards at '765 Kv D/C Ajmer – Bikaner Transmission Line Project associated with Green Energy Corridors. KPTL received Appreciation letter from PGCIL for Drass – Kargil Transmission Line Project recognizing Company's overall approach towards Environment, Health & Safety. KPTL also received Special Appreciation from PGCIL for 'excellence in new work' for Mansi- Madhepura Railway Project. Our Clients like ONGC and Indian Oil Corporation Limited have appreciated the attitude and commitment of KPTL's Project teams for accomplishing Project. ONGC also conferred to KPTL certificate of appreciation on achieving Four million safe man hours during execution of a Pipeline Project. Various other national and international clients have issued satisfactory Project completion reports to KPTL from time to time appreciating KPTL's commitment in accomplishing Project.

KPTL have also won various other accolades from its clientele at both domestic and international front for execution of well-planned strategy and deftly laid out business processes. This clearly depicts the satisfaction trends amongst the customers of KPTL.

On behalf of the Board of Directors

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Place: Mumbai
Date : 9th May, 2019

Standalone Financial Statements

INDEPENDENT AUDITOR'S REPORT

To The Members of
Kalpataru Power Transmission Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Kalpataru Power Transmission Limited (the "Company"), which comprise the standalone balance sheet as at March 31, 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information, in which are incorporated the financial statement of one joint operation (hereinafter referred to as 'standalone financial statements).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and evidence obtained by the other auditor in terms of their reports referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Sr. No.	The key audit matter	How the matter was addressed in our audit
1	**Recognition of contract revenue, margin and related receivables:** The Company enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. The accounting standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognized and measured as provisions.	Our procedures included the following: • We selected a sample of contracts to test, using a risk based criteria which included individual contracts with: - significant revenue recognised during the year; - significant unbilled work in progress (WIP) balances held at the year end; or - low profit margins. • Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.

Sr. No.	The key audit matter	How the matter was addressed in our audit
	The Company is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard which relies on management's estimates of the final outcome of each contract, and involves the exercise of significant management judgment, particularly in forecasting the cost to complete a contract, in valuing contract variations, claims and liquidated damages. We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract for the reporting period. Refer note 23 to the standalone Financial Statements.	• Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, re-performance and inspection of evidence in respect of operations of these controls. • Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. • Evaluating the outturn of previous estimates and agreeing the actual cost after the year end to the forecasted costs for the period. • Evaluating the status of each of the material trade receivables past due as at year end, the Company's on-going business relationship with customer and past payment history of the customers through discussion with management.
2	**Recoverability of carrying value of investment** The assessment of recoverable amount of the Company's investment in and loans receivable from certain subsidiaries involves significant judgement in respect of assumptions such as discount rates, current work in hand, future contract wins/ future business plan and the recoverability of certain receivables as well as economic assumption such as growth rate. We focused on this area as a key audit matter due to judgement involved in forecasting future cash flows and the selection of assumptions. Refer note 6 and 8 to the standalone Financial Statements.	Our procedures included the following: • Evaluated net worth and past performance of the Company to whom loans given or investment made. • Compared the carrying amount of the investment with the expected value of the business based on the discounted cash flow analysis. • Assessed the key assumptions for independent valuation obtained by management applied by comparing them with historical performance to assess the Company's ability to forecast accurately. • Performing sensitivity analysis on Key assumptions including discount rates and estimated future growth. • Assessed the appropriateness of the relevant disclosures in the financial statements.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on work done / audit report of other auditor, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

(a) We did not audit the financial statements of one joint operation included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 4,808 lakhs as at March 31, 2019 and total revenue of ₹ 1,419 lakhs for the year ended on that date, as considered in the standalone annual financial statements. The said annual financial statements and other financial information has been audited by the other auditor whose report has been furnished to us, and our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of joint operation, is based solely on the report of such other auditor.

(b) The said joint operation is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the country in which it is incorporated and which has been audited by other auditor under generally accepted auditing standards applicable in that country. The Company's Management has converted the financial statements of such joint operation located outside India from accounting principles generally accepted in the country in which it is incorporated to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion in so far as it relates to the balances and affairs of such joint operation located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Company and audited by us.

(c) The financial information of the Company for the year ended March 31, 2018 included in these financial statements had been audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon as per their reports dated 25 May 2018 which has been furnished to us by the Management and has been relied upon by us for the purpose of our audit.

Our opinion on the standalone financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 (the "Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

   (A) As required by Section 143(3) of the Act, we report that:

      a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

      b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in 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 as at March 31, 2019 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts- Refer Note 33 to the standalone financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosure in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2019.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317

Mumbai
May 9, 2019

Annexure A to the Independent Auditors' Report – March 31, 2019

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2019, we report the following:

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

b) The Company has a regular programme of physical verification of its fixed assets and by which all the fixed assets are verified in phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with the policy, the Company has physically verified its fixed assets during the year and we are informed that no material discrepancies were noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties as disclosed in Note 5(i) to the standalone financial statements, are held in the name of the Company.

Immovable properties of land and buildings whose title deeds have been pledged as security for loans are held in the name of the Company based on the confirmations directly received by us from lenders. In respect of immovable properties been taken on lease and disclosed as property, plant and equipment in the standalone financial statements, the lease arrangements are in the name of the Company.

(ii) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.

(iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

(iv) According to the information and explanations given to us, the Company has not given any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act. Accordingly, compliance under Section 185 of the Act is not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has made investment referred in Section 186(1) of the Act and have complied with the provisions of Section 186 of the Act, to the extent applicable.

(v) According to the information and explanations given to us, the Company has not accepted deposits during the year as per the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3 (v) of the Order is not applicable to the Company.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for the maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other material statutory dues have been regularly deposited during the year with the appropriate authorities.

According to the information and explanations given to us, no material undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

Also refer note 30.1 to the standalone financial statements.

b) According to the information and explanations given to us, there are no dues of service tax, duty of custom, income tax, value added tax, goods and service tax and other material statutory dues have not been deposited with the appropriate authorities on account of any dispute, except as stated below:

Name of Statute	Nature of Dues	Amount (₹ in lakhs)*	Period to which it relates	Forum where dispute is pending	Amount paid under protest / refund withheld by department (₹ in lakhs)
Sales Tax and Value Added Tax Laws	Sales Tax and Value Added Tax	3.34	2007-08	Additional Commissioner (Appeals)	-
		2,266.39	2007-08 & 2010-11	Deputy Commissioner (Appeals)	171.73
		346.50	2009-10 to 2013-14	High Court	175.10
		970.10	Various years from 2006-07 to 2013-14	Joint Commissioner (Appeals)	290.00
		394.09	Various years from 2005-06 to 2013-14	Tribunal	227.04
The Customs Act, 1962	Customs Duty	36.72	Various years from 2010-11 to 2014-15	Tribunal	1.10
The Finance Act, 1994	Service Tax	3,245.54	Various years from 2003-04 to 2014-15	Tribunal	477.03
The Madhya Pradesh Sthaniya Kshetra Me Mal Ke Pravesh Par Kar Adhiniyam, 1976	Entry Tax	17.50	2011-12	Commercial Tax Appellate Board	110.00
The Odisha Entry Tax Act, 1999	Entry Tax	17.97	2009-10 to 2013-14	Joint Commissioner (Appeals)	-
Income Tax Act, 1961	Income Tax	182.59	2017-18	Commissioner Income Tax (Appeals)	45.65
Algerian Tax Laws	I.B.S., I.R.G., T.A.P. and T.V.A.	2,311.05	2008 to 2016	Ministry of Finance, General Directorate of Taxes, Algeria	920.95
Senegal Tax Laws	Tax on income	8,472.24	2016	General Directorate of Taxes and Domains, Dakar, Senegal	-

* net of amount paid under protest / refund withheld by department

(viii) According to the information and explanations given to us, the Company has not defaulted in repayment of loans and borrowings to the banks, financial institutions and dues to debenture holders. The Company did not have any outstanding loans and borrowings to Government.

(ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company during the year have been applied for the purpose for which they are raised.

(x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.

(xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.

(xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317

Mumbai
May 9, 2019

Annexure B to the Independent Auditors' report

on the standalone financial statements of Kalpataru Power Transmission Limited for the year ended March 31, 2019.

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to standalone financial statements of Kalpataru Power Transmission Limited (the "Company") as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317

Mumbai
May 9, 2019

Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5 (i)	55,886.44	52,026.66
(b) Capital Work in Progress		774.13	1,665.94
(c) Intangible Assets	5 (ii)	1,180.82	650.68
(d) Financial Assets			
(i) Investments	6	64,856.26	78,493.04
(ii) Trade Receivables	7 (i)	9,037.57	8,847.79
(iii) Loans	8 (i)	28,378.82	54,614.45
(iv) Others	9 (i)	1,876.72	-
(e) Deferred Tax Assets (net)	10	1,565.71	3,124.01
(f) Other Non-Current Assets	11 (i)	4,324.83	4,154.26
		1,67,881.30	**2,03,576.83**
Current Assets			
(a) Inventories	12	62,209.91	48,283.14
(b) Financial Assets			
(i) Trade Receivables	7 (ii)	3,28,125.45	3,29,197.78
(ii) Cash and Cash Equivalents	13	13,650.91	7,483.11
(iii) Bank Balances other than (ii) above	14	897.58	679.96
(iv) Loans	8 (ii)	15,509.13	3,584.02
(v) Others	9 (ii)	2,244.93	1,489.94
(c) Current Tax Assets (net)	15	1,519.85	-
(d) Other Current Assets	11 (ii)	1,96,452.39	1,33,474.26
		6,20,610.15	**5,24,192.21**
Assets classified as held for sale	6.2	36,695.51	-
TOTAL ASSETS		**8,25,186.96**	**7,27,769.04**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	3,069.21	3,069.21
(b) Other Equity	17	3,12,146.86	2,73,935.00
		3,15,216.07	**2,77,004.21**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18 (i)	45,421.22	39,026.57
(ii) Trade Payable	19 (i)		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		17,153.69	8,988.44
(iii) Other financial Liabilities	20 (i)	1,323.76	489.85
(b) Provisions	21 (i)	2,629.78	2,644.89
(c) Other Non-Current Liabilities	22 (i)	4,603.90	5,381.11
		71,132.35	**56,530.86**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18 (ii)	15,370.21	24,973.02
(ii) Trade Payables	19 (ii)		
(a) total outstanding dues of micro enterprises and small enterprises		3,176.43	3,196.87
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2,02,808.86	1,87,367.89
(iii) Other Financial Liabilities	20 (ii)	17,106.62	23,815.42
(b) Provisions	21 (ii)	30,383.41	26,390.62
(c) Other Current Liabilities	22 (ii)	1,68,347.06	1,26,841.71
(d) Current Tax Liabilities (net)	15	1,645.95	1,648.44
		4,38,838.54	**3,94,233.97**
TOTAL EQUITY AND LIABILITIES		**8,25,186.96**	**7,27,769.04**
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 52		

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Basant Kumar Parasramka
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note	2018-19	2017-18
Revenue from Operations	23	7,11,511.90	5,77,850.32
Other Income	24	5,119.64	4,800.88
TOTAL INCOME		**7,16,631.54**	**5,82,651.20**
EXPENSES			
Cost of Materials Consumed	25	2,94,855.28	2,64,159.87
Changes in Inventories of Finished goods and Work in progress	26	461.10	(2,063.31)
Excise Duty on Sale of Goods		-	3,730.53
Erection, Sub-Contracting and other Project Expenses	35	2,29,656.82	1,50,057.67
Employee Benefits Expense	27	45,409.78	34,874.08
Finance Costs	28	11,901.19	10,328.53
Depreciation and Amortization Expenses	5	8,598.80	7,659.74
Other Expenses	29	63,310.00	63,970.43
TOTAL EXPENSES		**6,54,192.97**	**5,32,717.54**
Profit Before Exceptional Items and Tax		62,438.57	49,933.66
Exceptional Items		-	-
Profit Before Tax		**62,438.57**	**49,933.66**
Tax Expenses			
Current Tax		22,130.00	17,050.00
Deferred Tax		179.00	683.73
Profit for the year		**40,129.57**	**32,199.93**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Gain /(Loss) on Defined Plan Liability		237.44	141.31
Income tax on Actuarial Gain /(Loss)		(82.96)	(48.91)
		154.48	**92.40**
Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating foreign operation		860.55	1,599.73
Gain/(Loss) on hedging instruments		1,905.56	(887.43)
Income tax on above items		(966.48)	(246.53)
		1,799.63	**465.77**
Total Comprehensive Income for the year		**42,083.68**	**32,758.10**
Earnings per Equity Share (of ₹ 2 each)			
Basic and Diluted (₹)	34	26.15	20.98
Significant Accounting Policies and			
Notes forming part of the Financial Statements	1 to 52		

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Statement of Changes in Equity

for the year ended March 31, 2019

A : Equity Share Capital

(₹ in Lakhs)

Particulars	Amount
Balance as at April 1, 2017	3,069.21
Changes in equity share capital during financial year 2017-18	-
Balance as at March 31, 2018	3,069.21
Changes in equity share capital during financial year 2018-19	-
Balance as at March 31, 2019	3,069.21

B : Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus				Other Comprehensive Income / (Loss)			Total
	Debentures Redemption Reserve	Securities Premium	General Reserve	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences of foreign operations	Actuarial Loss on Defined Plan Liability	
Balance as at April 1, 2017	**7,500.00**	**77,942.17**	**29,308.74**	**1,31,496.59**	**191.32**	**(1,506.93)**	**(129.86)**	**2,44,802.03**
Profit for the year 2017-18	-	-	-	32,199.93	-	-	-	32,199.93
Other Comprehensive income/(Loss) for the year (net of tax)	-	-	-	-	(580.29)	1,046.06	92.40	558.17
Dividends Paid including tax thereon	-	-	-	(3,625.13)	-	-	-	(3,625.13)
Transfer to General Reserve from Retained Earnings	-	-	1,000.00	(1,000.00)	-	-	-	-
Transfer to Debenture Redemption Reserve from Retained Earnings	5,000.00	-	-	(5,000.00)	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(2,500.00)	-	2,500.00	-	-	-	-	-
Balance as at March 31, 2018	**10,000.00**	**77,942.17**	**32,808.74**	**1,54,071.39**	**(388.97)**	**(460.87)**	**(37.46)**	**2,73,935.00**
Profit for the year 2018-19	-	-	-	40,129.57	-	-	-	40,129.57
Other Comprehensive income for the year (net of tax)	-	-	-	-	1,239.76	559.87	154.48	1,954.11
Impact of Ind AS 115 (net of taxes)				614.16				614.16
Dividends Paid including tax thereon	-	-		(4,485.98)	-	-	-	(4,485.98)
Transfer to General Reserve from Retained Earnings	-	-	1,000.00	(1,000.00)	-	-	-	-
Transfer to Debenture Redemption Reserve from Retained Earnings	2,500.00	-	-	(2,500.00)	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(2,500.00)	-	2,500.00	-	-	-	-	-
Balance as at March 31, 2019	**10,000.00**	**77,942.17**	**36,308.74**	**1,86,829.14**	**850.79**	**99.00**	**117.02**	**3,12,146.86**

(i) Securities premium is used to record the premium on issue of shares. This can be utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. General Reserve is created by the transfer from one component of equity to another and is not an items of other comprehensive income. This can be utilised in accordance with the provisions of companies Act, 2013.

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Basant Kumar Parasramka
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	**40,129.57**	**32,199.93**
Adjustments for :		
Income Tax Expense	22,309.00	17,733.73
Depreciation and Amortization Expense	8,598.80	7,659.74
Finance Cost	11,901.19	10,328.53
Dividend Income	(684.86)	(341.25)
Interest Income	(4,402.22)	(4,314.83)
(Profit) / Loss on sale of Property, Plant and Equipment (net)	250.31	63.14
Bad Debt written off	-	788.01
Provision for Expected Credit Loss	1,780.71	1,420.17
Unrealised Foreign Exchange(gain)/ Loss (net)	(1,195.65)	(2,700.87)
Net (gain)/ loss arising on financial assets	227.47	212.10
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**78,914.32**	**63,048.40**
Adjustments for:		
Trade and other Receivables	(61,966.77)	(1,12,215.26)
Inventories	(13,771.40)	(2,646.35)
Trade and other Payables	72,844.56	76,292.32
CASH GENERATED FROM OPERATIONS	76,020.71	24,479.11
Income Tax Paid	(23,486.36)	(14,131.34)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**52,534.35**	**10,347.77**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for Property, Plant and Equipment and Intagible assets	(12,187.42)	(10,889.07)
Proceeds from disposal of Property, Plant and Equipment	347.85	254.49
Investment in Subsidiaries and Joint Ventures	(23,804.88)	(7,007.00)
Loans Repayment by/ (given to) Subsidiaries and Joint Ventures	18,351.30	(1,834.31)
Interest Received	1,357.43	606.11
Dividend Received	684.86	341.25
Deposits with Banks	(2,003.92)	(226.82)
CASH GENERATED/ (USED IN) INVESTING ACTIVITIES	**(17,254.78)**	**(18,755.35)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	326.85	373.67
Proceeds from Issue of Non Convertible Debentures	10,000.00	20,000.00
Redemption of Non Convertible Debentures	(10,000.00)	(10,000.00)
Repayment of Long Term Loan Borrowings	(3,363.55)	(4,325.41)
Short Term Borrowings (net)	(9,542.09)	1,789.87
Finance Cost Paid	(12,088.30)	(9,094.94)
Dividend Paid including tax thereon	(4,485.98)	(3,625.13)
CASH GENERATED/ (USED IN) FINANCING ACTIVITIES	**(29,153.06)**	**(4,881.94)**
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	41.30	125.82
D. NET INCREASE/[DECREASE] IN CASH AND CASH EQUIVALENTS	**6,167.80**	**(13,163.70)**
E. Opening Cash and Cash Equivalents	**7,483.11**	**20,646.81**
F. Closing Cash and Cash Equivalents	**13,650.91**	**7,483.11**

Cash Flow Statement

for the year ended March 31, 2019

NOTES:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	201.54	160.31
(b) Cheques on hand	3,466.14	-
(c) Balance with Banks		
(i) In current accounts	8,468.86	5,686.62
(ii) In Fixed Deposit Accounts	1,514.37	1,636.18
Cash and Cash Equivalents as per Cash flow statement	**13,650.91**	**7,483.11**

(ii) Reconciliation of liabilities arising from financing activities:

(₹ in Lakhs)

Particulars	As at 31st March, 2018	Cash Flow	Non-Cash Changes	As at 31st March, 2019
Borrowings	77,324.49	(12,578.79)	(80.80)	64,664.90

(iii) The Cash Flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Cash Flow Statements.

For and on behalf of the Board

In terms of our report attached
For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Significant Accounting Policies

for the year ended March 31, 2019

1. Corporate Information

Kalpataru Power Transmission Limited (referred to as the “Company”) is a global EPC player with diversified interest in power transmission and distribution, oil and gas pipeline, railways and biomass based power generation.

The company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India

2. Basis of Preparation of Financial Statement

The Standalone or Separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These Standalone Ind AS financial statements are presented in Indian Rupees (INR), which is Company’s presentation currency. All financial information have been prepared in Indian rupees (INR). All amounts have been rounded-off to the nearest Lakhs, unless otherwise stated.

These standalone or separate financial statements were approved by the Company’s Board of Directors and authorised for issue on May 9, 2019.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. Use of Estimates

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful Lives of Property, Plant and Equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Policy for the same has been explained under Note 4(O).

Impairment of Investments

The Company reviews its carrying value of investments carried at cost, annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Significant Accounting Policies

for the year ended March 31, 2019

Valuation of Deferred Tax Assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 5(E).

4. Significant Accounting Policies

A. Revenue Recognition

(i) Revenue from construction contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations/ escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors.

(ii) Revenue from other contracts

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

(iii) Others

Revenue from Bio Mass division is recognized on supply of electricity generated to the customer.

Dividend are recognized when right to receive payment is established. Interest income is recognized on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

B. Onerous contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

C. Operating cycle

Operating cycle for the business activities of the company (i.e supply/ construction contracts) covers the duration of the specific project/ contract including the defect liability period, wherever applicable and extends up to the realization of receivables (including retention monies) within the agreed credit period normally applicable to the respective project/ contract.

Assets and liabilities other than those relating to long-term contracts are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

D. Lease

Company's leasing arrangements where risk and rewards incidental to ownership of assets substantially vest to lessor are classified as operating lease. Operating lease payments are recognised on straight line basis over the lease term in the statement of profit and loss unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases

E. Foreign currency

In preparing the financial statements, transaction in foreign currencies i.e. other than the company's functional currency are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Significant Accounting Policies

for the year ended March 31, 2019

Foreign currency monetary assets and liabilities, remaining unsettled at the reporting date are translated at the exchange rate prevailing at reporting date and differences are recognised in statement of profit and loss. Foreign currency non-monetary assets and liabilities, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference are recognized in other comprehensive income.

F. Income taxes

Income tax expense comprises current tax expense and net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in the statement of profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

G. Inventories

Raw materials, fuel, semi-finished goods, finished goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. The cost of inventories is computed on weighted average basis. Manufacturing overheads are absorbed on the basis of normal/ actual capacity of production.

H. Employee Benefits

a) Defined benefit Plan

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Company's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

b) Defined contribution Plan

Contribution to Provident Fund, a defined contribution plan is charged to the Statement of Profit and Loss.

c) Compensated absence

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

Significant Accounting Policies

for the year ended March 31, 2019

I. Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

J. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the period in which they are incurred.

K. Provisions and Contingent Asset /Liabilities

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a **contingent liability** is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but are disclosed in the notes to Financial Statements when economic inflow is probable.

L. Interests in Joint Operations

A joint operation is a jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets.

Transactions with the Joint operation by Company are recognized in the financial statements only to the extent of other parties' interests in the joint operation.

M. Financial Instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Significant Accounting Policies

for the year ended March 31, 2019

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The

Significant Accounting Policies

for the year ended March 31, 2019

difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Company enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

N. Property, Plant and Equipment & Intangible assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to Property, Plant and Equipment till assets are put to use, are capitalized.

O. Depreciation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in CERC and RERC Regulations.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is also in accordance with requirement of laws of respective foreign countries as detailed below:

Plant & Machineries	: 10% - 25%
Furniture & Fixtures, Office Equipment	: 10 % - 33%
Computers	: 10% - 50%
Vehicles	: 15% - 38%

c) Depreciation on Furniture & Fixtures at construction sites is provided considering the useful life of 3 years based on past experience.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre and one Unit (erstwhile Export Oriented Unit) is provided on the basis of written down value method.

Intangible assets are amortized over a period of five years on straight line basis.

P. Impairment

a) *Financial asset*

Company applies as per Ind AS 109 expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

b) *Non-Financial asset*

The carrying values of assets / cash generating units at each balance sheet date are reviewed for

Significant Accounting Policies

for the year ended March 31, 2019

impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

Q. Earnings Per share

Basic earnings per share are computed by dividing profit or loss of the Company by dividing weighted average number of equity shares outstanding during the period. The company did not have any potential to dilutive securities in any period presented.

R. Exemptions on first time adoption of Ind AS

(a) The Company has opted to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

(b) The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

S. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), on March 30, 2019 notified Ind AS 116, "Leases" as part of Companies (Indian Accounting Standards) Amendment Rule, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2019. The Company is evaluating the disclosure requirements of the amendments and its effect on the financial statements.

Notes on Financial Statement

for the year ended March 31, 2019

5. PROPERTY, PLANT, EQUIPMENTS AND INTANGIBLE ASSETS.

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	As at 1st April, 2018	Additions	Deductions	FCTR	As at 31st March, 2019	As at 1st April, 2018	For the Year	Deductions	FCTR	As at 31st March, 2019	As at 31st March, 2019
(i) PROPERTY, PLANT AND EQUIPMENTS											
Leasehold Land	2,492.30	-	-	-	2,492.30	-	-	-	-	-	2,492.30
Freehold Land	4,662.19	-	-	-	4,662.19	-	-	-	-	-	4,662.19
Buildings	15,059.54	1,000.87	167.53	-	15,892.88	1,692.08	762.54	12.05	-	2,442.57	13,450.31
Plant and Equipment	39,800.22	7,833.58	1,016.66	239.18	46,856.32	15,072.37	5,656.89	781.22	144.26	20,092.30	26,764.03
Electric Installation	726.61	153.10	-	-	879.71	236.28	84.25	-	-	320.53	559.18
Furniture and Fixtures	1,421.98	188.66	8.11	4.84	1,607.37	519.48	158.56	4.87	3.96	677.13	930.24
Office Equipments	2,288.08	1,045.47	15.08	(4.24)	3,314.23	971.02	600.45	10.19	3.49	1,564.77	1,749.46
Vehicles	5,782.69	1,792.06	390.67	(11.65)	7,172.43	2,137.03	1,036.55	191.55	11.43	2,993.46	4,178.97
Research & Development Assets											
Leasehold Land	46.83	-	-	-	46.83	-	-	-	-	-	46.83
Buildings	65.64	-	-	-	65.64	9.84	3.35	-	-	13.19	52.45
Plant & Equipment	370.05	744.68	-	-	1,114.73	129.91	57.42	-	-	187.33	927.40
Electric Installation	14.57	-	-	-	14.57	1.94	2.85	-	-	4.79	9.78
Furniture and Fixtures	24.73	3.49	-	-	28.22	3.45	5.94	-	-	9.39	18.83
Office Equipments	48.14	13.12	-	-	61.26	37.29	8.70	-	-	45.99	15.27
Vehicle	38.59	-	-	-	38.59	4.81	4.58	-	-	9.39	29.20
Total (i)	**72,842.16**	**12,775.03**	**1,598.05**	**228.13**	**84,247.27**	**20,815.50**	**8,382.08**	**999.88**	**163.14**	**28,360.84**	**55,886.44**
(ii)INTANGIBLE ASSETS											
Software											
(Other than internally generated)											
R&D Assets	4.41	-	-	-	4.41	2.70	0.90	-	-	3.60	0.81
Others	1,095.13	746.86	-	-	1,841.99	446.16	215.82	-	-	661.98	1,180.01
Total (ii)	**1,099.54**	**746.86**	**-**	**-**	**1,846.40**	**448.86**	**216.72**	**-**	**-**	**665.58**	**1,180.82**
Total (I + ii)	**73,941.70**	**13,521.89**	**1,598.05**	**228.13**	**86,093.67**	**21,264.36**	**8,598.80**	**999.88**	**163.14**	**29,026.42**	**57,067.26**

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION/AMORTISATION					NET BLOCK
	As at 1st April, 2017	Additions	Deductions	FCTR	As at 31st March, 2018	As at 1st April, 2017	For the Year	Deductions	FCTR	As at 31st March, 2018	As at 31st March, 2018
(i) PROPERTY, PLANT AND EQUIPMENTS											
Leasehold Land	2,491.58	0.72	-	-	2,492.30	-	-	-	-	-	2,492.30
Freehold Land	4,662.19	-	-	-	4,662.19	-	-	-	-	-	4,662.19
Buildings	14,042.24	1,017.30	-	-	15,059.54	1,070.21	621.87	-	-	1,692.08	13,367.46
Plant and Equipment	35,875.51	3,625.43	303.08	602.36	39,800.22	9,854.33	5,132.44	158.62	244.22	15,072.37	24,727.85
Electric Installation	601.10	126.78	1.27	-	726.61	161.26	75.02	-	-	236.28	490.33
Furniture and Fixtures	1,027.48	402.24	6.98	(0.76)	1,421.98	380.29	145.86	4.98	(1.69)	519.48	902.50
Office Equipments	1,517.36	796.41	29.31	3.62	2,288.08	593.78	396.09	17.35	(1.50)	971.02	1,317.06
Vehicles	4,380.05	1,686.20	446.38	162.82	5,782.69	1,400.31	1,030.31	288.50	(5.09)	2,137.03	3,645.66
Research & Development Assets											
Leasehold Land	46.83	-	-	-	46.83	-	-	-	-	-	46.83
Buildings	31.76	33.88	-	-	65.64	7.07	2.77	-	-	9.84	55.80
Plant & Equipment	364.33	5.72	-	-	370.05	80.72	49.19	-	-	129.91	240.14
Electric Installation	1.80	12.77	-	-	14.57	0.13	1.81	-	-	1.94	12.63
Furniture and Fixtures	0.01	24.72	-	-	24.73	-	3.45	-	-	3.45	21.28
Office Equipments	43.05	5.15	0.06	-	48.14	29.17	8.12	-	-	37.29	10.85
Vehicle	24.50	14.09	-	-	38.59	0.96	3.85	-	-	4.81	33.78
Total (i)	**65,109.79**	**7,751.41**	**787.08**	**768.04**	**72,842.16**	**13,578.23**	**7,470.78**	**469.45**	**235.94**	**20,815.50**	**52,026.66**
(ii) INTANGIBLE ASSETS											
Software											
(Other than internally generated)											
R&D Assets	4.41	-	-	-	4.41	1.80	0.90	-	-	2.70	1.71
Others	824.80	270.33	-	-	1,095.13	258.10	188.06	-	-	446.16	648.97
Total (ii)	**829.21**	**270.33**	**-**	**-**	**1,099.54**	**259.90**	**188.96**	**-**	**-**	**448.86**	**650.68**
Total (I + ii)	**65,939.00**	**8,021.74**	**787.08**	**768.04**	**73,941.70**	**13,838.13**	**7,659.74**	**469.45**	**235.94**	**21,264.36**	**52,677.34**

Notes :

(a) Please refer note 45 for security created on property plant & equipments.

(b) Buildings includes ₹ 0.11 Lakhs (Previous year ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies.w

Notes on Financial Statement

for the year ended March 31, 2019

6. INVESTMENTS - NON CURRENT

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A. Investments - carried at cost						
(a) In Equity Instruments of Subsidiaries						
Quoted,						
JMC Projects (India) Limited [refer note 6.1 (a)]	INR	2	11,28,14,405	11,28,14,405	32,086.97	32,086.97
Unquoted,						
Shree Shubham Logistics Limited [refer note 6.1(b)]	INR	10	5,87,86,660	5,25,16,660	12,296.83	11,631.34
Energylink (India) Limited	INR	10	15,39,59,607	5,20,00,000	15,395.96	5,200.00
Amber Real Estate Limited	INR	10	9,90,000	9,90,000	99.00	99.00
Adeshwar Infrabuild Limited	INR	10	50,000	50,000	5.00	5.00
Kalpataru Satpura Transco Private Limited (Refer Note 6.2)	INR	10	1,61,90,000	1,61,90,000	-	5,654.00
Kalpataru Metfab Private Limited	INR	10	3,00,10,000	3,00,10,000	2,604.87	2,604.87
Alipurduar Transmission Limited (Refer Note 6.2)	INR	10	5,56,31,020	4,14,69,986	-	14,502.00
Kohima-Mariani Transmission Limited (Refer Note 6.2)	INR	10	-	10,000	-	1.00
Kalpataru Power Transmission (Mauritius) Limited	USD	1	5,75,000	5,75,000	290.33	290.33
Kalpataru Power Transmission USA, Inc.	USD	1	5,00,000	5,00,000	228.17	228.17
LLC Kalpataru Power Transmission Ukraine	UAH	1	3,99,650	3,99,650	27.32	27.32
Kalpataru Power Transmission Sweden AB	SEK	50	1,000	-	4.05	-
Kalpataru IBN Omairah Company Limited	SAR	1,000	325	325	55.02	55.02
Less: Provision for diminution in the value of Investments in Kalpataru Metfab Private Limited					(408.00)	(408.00)
Total of Unquoted Investments in Subsidiaries					**30,598.55**	**39,890.05**
Total of Investments in Equity of Subsidiaries					**62,685.52**	**71,977.02**
(b) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited (Refer Note 6.2)	INR	10	1,12,64,286	1,12,64,286	-	3,815.00
Kohima-Mariani Transmission Limited (subsidiary upto May 1, 2018)	INR	10	2,22,00,000	-	-	-
Total of Investments in Equity of Joint Venture					**-**	**3,815.00**
Total of Investments in Equity instruments carried at cost					**62,685.52**	**75,792.02**

Notes on Financial Statement

for the year ended March 31, 2019

6. INVESTMENTS - NON CURRENT (Contd..)

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
B. Investment - Carried at amortised cost						
Unquoted,						
Investments in Non-Convertible Preference Shares of a Subsidiary,						
Shree Shubham Logistics Limited	INR	10	1,58,80,000	1,35,00,000	1,440.36	1,166.18
Equity instruments						
Transpower Engineering Limited	INR	10	100	100	-	-
Total of Investments Carried at amortised cost					**1,440.36**	**1,166.18**
C. Investment - Carried at fair value through profit or loss (FVTPL)						
Quoted,						
Mutual Fund,						
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	INR	10	5,00,000	5,00,000	50.00	50.00
Equity instruments,						
Power Grid Corporation of India Limited	INR	10	48,366	48,366	95.81	93.93
Total of Investments Carried at fair value through profit or loss (FVTPL)					**145.81**	**143.93**
D. Interest Free Loans to Subsidiaries in the nature of Equity Support carried at cost					584.57	1,390.91
Grand Total					**64,856.26**	**78,493.04**
Aggregate carrying amount of Quoted Investments					32,232.79	32,230.90
Market Value of Quoted Investments					1,34,676.99	1,23,652.97
Aggregate amount of Unquoted Investments					32,623.47	45,095.96

6.1 (a) Investment in equity instrument in JMC Projects (India) Limited includes ₹ 85.49 Lakhs arising on initial recognition of financial guarantee, given by the Company on behalf of JMC Projects (India) Limited, at fair value. Face value of each equity share was subdivided from ₹ 10 per share to ₹ 2 per share with effective from on October 4, 2018.

(b) Investment in equity instrument of Shree Shubham Logistics Limited includes ₹ 625.71 Lakhs arising on initial recognition of investment in 4% redeemable preference shares at fair value and ₹ 420.64 Lakhs arising on initial recognition of financial guarantee, given by the Company on behalf of Shree Shubham Logistics Limited, at fair value.

(c) 30,04,337 (Previous Year - 30,04,337) Equity Shares of Jhajjar KT Transco Private Limited, 42,09,400 (Previous Year - 42,09,400) Equity Shares of Kalpataru Satpura Transco Private Limited, 2,69,87,832 (Previous Year - 1,09,39,500) shares of Alipurduar Transmission Limited and 1,13,22,000 (Previous Year - Nil) shares of Kohima-Mariani Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.

(d) 55,64,069 (Previous Year - 55,64,069) Equity Shares of Shree Shubham Logistics Limited has been pledged with a Bank.

Notes on Financial Statement

for the year ended March 31, 2019

6. INVESTMENTS - NON CURRENT (Contd..)

6.2 Assets Classified as held for sales

In the quarter ended March 31, 2019, the Company initiated identification and evaluation of potential buyer for its subsidiaries Kalpataru Satpura Transco Private Limited, Alipurduar Transmission Limited and joint ventures Jhajjar KT Transco Private Limited, Kohima Mariani Transmission Limited. Accordingly, investments amounting to ₹ 36,695.51 lakhs have been classified as held for sale. On reclassification, these investments have been measured at the lower of carrying amount and its fair value.

7. TRADE RECEIVABLES

(Unsecured Considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current	10,527.78	10,158.30
Less : Allowance for expected credit loss	(1,490.21)	(1,310.51)
TOTAL	**9,037.57**	**8,847.79**
(ii) Current	3,32,299.94	3,33,328.74
Less : Allowance for expected credit loss	(4,174.49)	(4,130.96)
TOTAL	**3,28,125.45**	**3,29,197.78**

8. LOANS

(Unsecured Considered good)

(i) Non Current		
Loan to related parties (Refer Note 42)		
to Subsidiaries	24,927.54	51,029.68
to Joint Venture Company	-	365.25
Security Deposits	3,451.28	3,219.52
TOTAL	**28,378.82**	**54,614.45**
(ii) Current		
Loan to related parties (Refer Note 42)		
to Subsidiaries	11,087.98	2,507.56
to Joint Venture Companies	3,116.25	-
Security Deposits	1,304.90	1,076.46
TOTAL	**15,509.13**	**3,584.02**

9. OTHER FINACIALS ASSETS

(i) Non Current		
Accrued Income	88.45	-
Fixed Deposit with Banks *	1,788.27	-
TOTAL	**1,876.72**	**-**
* Held as margin money and towards other commitments.		
(ii) Current		
Accrued Income	678.87	673.60
Others	1,566.06	816.34
TOTAL	**2,244.93**	**1,489.94**

Notes on Financial Statement

for the year ended March 31, 2019

10. DEFERRED TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earning	As at 31st March, 2019
2018-19					
Deferred tax assets / (liabilities) in relation to:					
Property, Plant and Equipment and on intangible assets	(1,342.05)	57.11			(1,284.94)
Expenses deductible / income taxable in other tax accounting period and change in fair value	2,562.77	(496.79)	(966.48)	(329.86)	769.64
Provision for Expected Credit Loss	1,883.46	260.68			2,144.14
Employee benefits	19.83		(82.96)		(63.13)
Total	**3,124.01**	**(179.00)**	**(1,049.44)**	**(329.86)**	**1,565.71**

Particulars	As at 1st April, 2017	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earning	As at 31st March, 2018
2017-18					
Deferred tax assets / (liabilities) in relation to:					
Property, Plant and Equipment	(1,661.00)	318.95	-	-	(1,342.05)
Expenses deductible / income taxable in other tax accounting period and change in fair value	4,219.55	(1,410.25)	(246.53)	-	2,562.77
Provision for Expected Credit Loss	1,475.89	407.57	-	-	1,883.46
Employee benefits	68.74	-	(48.91)	-	19.83
Total	**4,103.18**	**(683.73)**	**(295.44)**	**-**	**3,124.01**

Notes on Financial Statement

for the year ended March 31, 2019

11. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Capital Advances	3,292.17	2,945.47
Advance Rental	255.98	420.97
Prepaid Expenses	226.04	74.16
VAT Credit and WCT Receivable	434.16	713.66
Taxes Paid Under Protest	116.48	-
TOTAL	**4,324.83**	**4,154.26**
(ii) Current		
Taxes and duties Recoverable	4,869.43	958.83
VAT Credit and WCT Receivable	10,078.58	11,596.35
GST Receivable	18,679.88	17,646.51
Export Benefits Receivable	2,099.98	3,407.00
Taxes Paid Under Protest	491.86	1,118.14
Advance to Suppliers	11,566.48	9,784.70
Prepaid Expenses	3,874.87	3,882.10
Amount Due from Customers under Construction and other Contracts (Contract assets)	1,44,561.85	84,831.44
Advance Rental	229.36	210.48
Others	0.10	38.71
TOTAL	**1,96,452.39**	**1,33,474.26**

11.1 Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period		
Recognised as amounts due:		
from Customers under Construction Contract	1,45,033.10	84,831.44
to Customers under Construction Contract (Refer Note 22)	(36,767.66)	(23,308.00)
Less: Allowance for expected credit loss	(471.25)	-
	1,07,794.19	**61,523.44**

11.2 The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achievement of contractual milestone. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate invoice raised on customer on achivement of milestone for which revenue to be recognised over the period of time.

11.3 Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestones not achieved. During the year ended March 31, 2019, ₹ 81,247.88 Lakhs of contract assets as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones. .

11.4 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestone in the contract.

11.5 Revenue recognised for the current period includes ₹ 23,308 Lakhs, that was classified as amount due to customer at the beginning of the year.

Notes on Financial Statement

for the year ended March 31, 2019

12. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials and Components	26,239.27	19,231.55
(including goods in transit ₹ 870.25 Lakhs)(Previous Year ₹ 491.66 Lakhs)		
Work-in-progress	3,145.87	3,218.67
Finished goods	9,095.91	9,498.41
Store, Spares, Construction Materials and Tools	23,342.03	15,625.31
Construction Work-in-Progress	-	336.57
Scrap	386.83	372.63
TOTAL	**62,209.91**	**48,283.14**

12.1 Amount of ₹ 372.32 Lakhs (Previous Year ₹ 60.12 Lakhs) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Refer accounting policy 4 G for valuation of inventories

13. CASH AND CASH EQUIVALENTS

Balance With Banks		
In Current Accounts	8,468.86	5,686.62
In Fixed Deposit Account* (with original maturity of less than 3 months)	1,514.37	1,636.18
Cheques on hand	3,466.14	-
Cash on Hand	201.54	160.31
TOTAL	**13,650.91**	**7,483.11**

* Includes ₹ Nil (Previous Year ₹ 111.60 Lakhs) held as margin money and towards other commitments

14. OTHER BALANCES WITH BANKS

Unpaid Dividend Accounts	37.11	35.14
Deposits with original maturity more than 3 months but less than 12 months**	860.47	644.82
TOTAL	**897.58**	**679.96**

** Includes ₹ 344.04 Lakhs (Previous Year ₹ 12.59 Lakhs) held as margin money and towards other commitments

15. CURRENT TAX

Net current tax assets/(liability)	(126.10)	(1,648.44)
Comprising of:		
Current Tax Assets	1,519.85	-
Current Tax Liability	1,645.95	1,648.44

Notes on Financial Statement

for the year ended March 31, 2019

16. EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	3,500.00	3,500.00
TOTAL	**3,500.00**	**3,500.00**
ISSUED, SUBSCRIBED and PAID-UP:		
15,34,60,570 (Previous year 15,34,60,570) Equity Shares of ₹ 2 each fully paid up	3,069.21	3,069.21
TOTAL	**3,069.21**	**3,069.21**

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Shares outstanding at the beginning of the year	15,34,60,570	3,069.21	15,34,60,570	3,069.21
Shares outstanding at the end of the year	15,34,60,570	3,069.21	15,34,60,570	3,069.21

16.2 The Company has only one class of Equity Shares having par value of ₹ 2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholder.

16.3 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,14,05,822	7.43	1,14,05,822	7.43
Mr. Parag M. Munot	1,34,63,615	8.77	1,34,63,615	8.77
Kalpataru Construction Private Limited	2,33,50,000	15.22	2,33,50,000	15.22
K. C. Holdings Private Limited	2,11,42,600	13.78	2,11,42,600	13.78
Kalpataru Properties Private Limited	1,36,46,196	8.89	1,36,46,196	8.89
HDFC Trustee Company Limited	1,33,48,217	8.70	1,21,62,067	7.93

Notes on Financial Statement
for the year ended March 31, 2019

17. OTHER EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Securities Premium :		
As per last Balance Sheet	77,942.17	77,942.17
Debentures Redemption Reserve :		
At the beginning of the year	10,000.00	7,500.00
Add : Transferred from Retained Earnings	2,500.00	5,000.00
Less : Transferred to General Reserve	2,500.00	2,500.00
	10,000.00	**10,000.00**
General Reserve :		
At the beginning of the year	32,808.74	29,308.74
Add : Transferred from Debenture Redemption Reserve	2,500.00	2,500.00
Add : Transferred from Retained Earnings	1,000.00	1,000.00
	36,308.74	**32,808.74**
Retained Earnings :		
At the beginning of the year	1,54,071.39	1,31,496.59
Add : Impact of Ind As 115 (net of taxes)	614.16	-
Add : Profit for the year	40,129.57	32,199.93
Less : Dividend on Equity Shares		
[Dividend per Share ₹ 2.50 (Previous Year ₹ 2.00)]	3,836.51	3,069.21
Less : Corporate Tax on Dividend	649.47	555.92
Less : Transfer to Debenture Redemption Reserve	2,500.00	5,000.00
Less : Transfer to General Reserve	1,000.00	1,000.00
	1,86,829.14	**1,54,071.39**
Other Comprehensive Income / (Loss)		
At the beginning of the year	(887.30)	(1,445.47)
Add: Other comprehensive income / (loss) for the year	1,954.11	558.17
	1,066.81	**(887.30)**
TOTAL	**3,12,146.86**	**2,73,935.00**

Notes on Financial Statement

for the year ended March 31, 2019

18. (i) NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non-Current	Current	Non-Current	Current
Secured - At amortised cost				
Rupee Term Loans				
From Banks	5,534.66	3,873.47	9,119.92	3,324.90
Unsecured - At amortised cost				
Non-Convertible Redeemable Debentures	40,000.00	-	30,000.00	10,000.00
Amount disclosed under the head "Other Financial Liabilities" (Refer Note 20)	-	(3,873.47)		(13,324.90)
Less : Unamortised Transaction Cost of Borrowings	(113.44)		(93.35)	-
TOTAL	**45,421.22**	**-**	**39,026.57**	**-**

18.1 Details of Unsecured Non-Convertible Redeemable Debentures :

(₹ in Lakhs)

Redemption Profile	As at 31st March, 2019	As at 31st March, 2018	Interest rate (payable annually)	Date of Allotment
Redeemable at premium on September 12, 2022	5,000.00	-	Zero	September 12, 2018
Redeemable at premium on March 11, 2022	5,000.00	-	Zero	September 12, 2018
Redeemable at face value in 2 equal annual instalments starting from September 27, 2021	10,000.00	10,000.00	8.11% p.a.	September 27, 2017
Redeemable at face value in 3 equal annual instalments starting from May 25, 2020	10,000.00	10,000.00	8.45% p.a.	May 25, 2017
Redeemable at face value on May 15, 2020	10,000.00	10,000.00	7.90% p.a.	March 17, 2017
Redeemable at face value on May 20, 2018	-	10,000.00	9.55% p.a.	March 26, 2015

18.2 Rupee Loans from Banks

(a) ₹ 558.13 Lakhs (Previous Year ₹ 494.82 Lakhs) carries interest in range of 8.00% - 9.52% p.a. and is repayable in 36 equal monthly instalments along with interest. The Loan is secured by hypothecation of specific Vehicles.

(b) ₹ 1,500.00 Lakhs (Previous Year ₹ 2,500 Lakhs) carries interest of 8.30% -8.95% p.a.,secured by hypothecation of specific moveable fixed assets and is repayable in 22 equal quarterly instalment ending on December 31, 2019.

(c) ₹ 7,350.00 Lakhs (Previous Year ₹ 9,450.00 Lakhs) carries interest of 8.5% -9.00% p.a, secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and infrastructure division of the company to the extent of 1.25 times of outstanding facility and pledge of 5,564,069 number of equity shares in Shree Shubham Logistics Limited. It is repayable in 20 Equal quarterly instalments ending on September 30, 2022.

18. (ii) CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured		
Working Capital Facilities from Banks	15,370.21	24,087.44
Unsecured		
Short Term Loans from Banks	-	885.58
TOTAL	**15,370.21**	**24,973.02**

Working Capital Facilities from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, book debts, bills receivable and all other movable assets on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and infrastructure division of company.

Short term loan from Bank represents discounted trade receivable. As the company has not transferred the significant risks and rewards relating to these trade receivables, it continue to recognize the full carrying amount of the trade receivables and has recognized the cash received as a unsecured borrowing.

Notes on Financial Statement

for the year ended March 31, 2019

19. TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Others	17,153.69	8,988.44
TOTAL	**17,153.69**	**8,988.44**
(ii) Current		
Total outstanding dues of Micro and Small enterprises	3,176.43	3,196.87
Others	2,02,808.86	1,87,367.89
TOTAL	**2,05,985.29**	**1,90,564.76**

All Current trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

20. OTHER FINANCIAL LIABILITIES

(i) Non Current		
Interest accrued but not due on borrowings	560.25	-
Others	763.51	489.85
TOTAL	**1,323.76**	**489.85**
(ii) Current		
Current maturities of long term debt (Refer Note 18)	3,873.47	13,324.90
Creditors for capital expenditure	2,200.46	1,410.46
Deposit from Vendors	2,693.11	-
Interest accrued but not due on borrowings	1,265.07	2,012.43
Unpaid Dividend	37.11	35.14
Others	7,037.40	7,032.49
TOTAL	**17,106.62**	**23,815.42**

21. PROVISIONS

(i) Non Current		
Provision for employee benefits	969.24	881.96
Provision for Performance Warranties (Refer Note 33)	1,660.54	1,762.93
TOTAL	**2,629.78**	**2,644.89**
(ii) Current		
Provision for employee benefits	215.40	151.09
Provision for Performance Warranties (Refer Note 33)	23,252.45	21,344.51
Provision for Expected Loss on Long Term Contracts (Refer Note 33)	6,915.56	4,895.02
TOTAL	**30,383.41**	**26,390.62**

Notes on Financial Statement

for the year ended March 31, 2019

22. OTHER LIABILITIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Deposit from Customer	4,282.67	5,125.15
Other Payable	321.23	255.96
TOTAL	**4,603.90**	**5,381.11**
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	36,767.66	23,308.00
Advance from Customers	1,20,576.80	95,774.86
Statutory Liabilities	10,774.80	7,471.85
Deferred Income	227.80	287.00
TOTAL	**1,68,347.06**	**1,26,841.71**

23. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from Contract with Customer		
Sale of Products		
Tower Parts & Components	35,071.32	73,985.26
Others	6,486.27	7,208.37
Income from EPC contracts	6,58,293.15	4,87,539.16
Income from Services	550.00	116.18
Other Operating Income		
Sale of Scrap	7,373.85	5,616.44
Certified Emission Reduction Receipts	-	157.55
Export Benefits	3,737.31	3,227.36
TOTAL	**7,11,511.90**	**5,77,850.32**

Revenue as per geographical segment is disclosed in Note 47

Notes on Financial Statement

for the year ended March 31, 2019

24. OTHER INCOME

(₹ in Lakhs)

Particulars	2018-19	2017-18
Interest Income		
On financial assets carried at amortised cost		
On Loans	3,705.52	3,933.73
On bank deposits	157.55	58.95
Others	539.15	322.15
Dividend Income		
Dividend from investment in subsidiaries	676.89	338.44
Dividend from investment measured at FVTPL	7.97	2.81
Other non operating income		
Rent Income	154.70	112.20
Grant Received	18.00	-
Insurance Claims	48.95	19.09
Liabilities Written Back	-	0.36
Miscellaneous Income	-	5.05
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	1.89	(1.62)
Gain / (Loss) on disposal of PPE (net)	(250.31)	(63.14)
Others	59.33	72.86
TOTAL	**5,119.64**	**4,800.88**

25. COST OF MATERIAL CONSUMED

Raw Materials		
Steel	76,324.17	70,383.89
Zinc	13,433.14	15,054.81
Components & Accessories, etc	2,01,305.10	1,75,050.19
Agricultural Residues	3,792.87	3,670.98
TOTAL	**2,94,855.28**	**2,64,159.87**

26. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

STOCK AT BEGINNING OF THE YEAR		
Finished Goods	9,498.41	7,658.63
Work-in-progress	3,218.67	3,188.07
Scrap	372.63	179.70
	13,089.71	**11,026.40**
STOCK AT CLOSE OF THE YEAR		
Finished Goods	9,095.91	9,498.41
Work-in-progress	3,145.87	3,218.67
Scrap	386.83	372.63
	12,628.61	**13,089.71**
TOTAL	**461.10**	**(2,063.31)**

27. EMPLOYEE BENEFITS EXPENSES

Salaries, Wages, Bonus	42,944.91	32,246.55
Contributions to Provident and Other Funds	1,836.79	1,845.06
Employees' Welfare Expenses	628.08	782.47
TOTAL	**45,409.78**	**34,874.08**

Notes on Financial Statement

for the year ended March 31, 2019

28. FINANCE COSTS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Interest Expense	11,325.26	9,526.47
Other Borrowing Costs	430.84	785.69
Exchange Rate variation	145.09	16.37
TOTAL	**11,901.19**	**10,328.53**

29. OTHER EXPENSES

Job Charges	5,433.95	5,759.91
Power and Fuel	2,006.05	1,817.81
Excise Duty	-	(456.73)
Repairs and Maintenance:		
Plant and Machinery	379.34	278.94
Building	347.71	297.84
Others	59.77	55.56
Freight and Forwarding Expenses	15,126.06	13,187.26
Stores, Spares and Tools Consumed	1,441.58	1,368.36
Vehicle/ Equipment Running and Hire Charges	360.14	323.98
Testing Expenses	183.57	128.63
Pollution Control Expenses	192.38	188.81
Insurance	3,160.94	2,265.28
Rent	4,412.76	3,688.13
Rates, Taxes and Duties	4,768.81	3,847.07
Stationery, Printing and Drawing Expenses	543.07	416.23
Telecommunication Expenses	439.35	434.16
Travelling Expenses	5,475.75	4,309.19
Legal and Professional Expenses	3,254.55	3,376.67
Service Charges	1,192.30	2,774.46
Auditor's Remuneration		
Audit Fees	80.00	75.00
Other Services & Reports	23.13	24.66
Reimbursement of Expenses	11.81	2.93
Bank Commission and Charges (including ECGC Premium)	6,828.17	8,337.28
Allowance for Expected Credit Losses	1,780.71	1,420.17
Performance Warranties Expenses	3,462.11	1,172.13
Expenses towards Contractual Deductions	-	2,210.12
Bad Debt Written Off	-	788.01
Loss on Material Damaged / Lost / Fire	75.04	47.89
Loss / (Gain) on Exchange Rate Variation	(1,931.83)	828.85
Sitting Fees & Commission to Non-Executive Directors	365.25	433.30
Corporate Social Responsibility Expenses	373.29	223.44
Carbon Credit Expenses	36.59	30.04
Miscellaneous Expenses	3,427.65	4,315.05
TOTAL	**63,310.00**	**63,970.43**

Notes on Financial Statement

for the year ended March 31, 2019

30. CONTINGENT LIABILITIES IN RESPECT OF

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Bank guarantees given by the Company	262.16	765.69
(b) Claims against Company not acknowledged as debt	1,815.64	1,416.25
(c) Demands by Service Tax/Stamp Duty and other Tax/ Revenue Authorities, disputed by the company	1,965.42	1,965.42
(d) VAT/WCT/ Entry Tax demands disputed by Company	5,501.44	6,743.95
(e) Corporate Guarantee / Letter of Comfort given for loan to subsidiaries	23,000.00	23,000.00
(f) Bank Guarantee given on behalf of subsidiaries	6,026.50	1,126.50

30.1 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending for disposal.

In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a Contingent liability in the financial statements.

31. CAPITAL & OTHER COMMITMENTS

(a) Capital Commitments		
Estimated amount of contracts remaining to be executed for Tangible capital Assets and not provided for (Net of advances)	3,748.53	4,282.76

(b) Company has given undertakings to the term lenders of Alipurduar Transmission Limited and Kohima Mariani Transmission Limited to meet cost overrun of the Project.

(c) Company's wholly owned subsidiary in Sweden has acquired 85% equity stake in Linjemontage I Grastorp AB, Sweden on April 29, 2019, which is engaged in similar business.

32. CSR EXPENDITURE

(a) Gross amount required to be spent by the company during the year	366.19	212.41
(b) Amount spent on purposes other than construction/ acquisition of any assets	373.29	223.44

Notes on Financial Statement

for the year ended March 31, 2019

33. THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 " PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
A DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES		
Carrying amount at the beginning of the year	23,107.44	22,306.17
Add: Provision/Expenses during the year	8,368.90	8,144.26
Less : Reversal of Provision on finality of Warrantee & Guarantee	4,573.40	6,037.70
Less : Utilisation during the year	1,661.96	407.75
Less : Discounting	327.99	897.54
Carrying amount at the close of the year	**24,912.99**	**23,107.44**
B PROVISION FOR EXPECTED LOSS ON LONG TERM CONTRACT		
Carrying amount at the beginning of the year	4,895.02	8,529.00
Add: Provision/Expenses during the year	7,317.77	2,819.62
Less : Reversal/ Utilisation during the year	4,911.39	6,453.60
Less : Discounting	385.84	-
Carrying amount at the close of the year	**6,915.56**	**4,895.02**

34. EARNINGS PER SHARE

No. of Equity Shares at the end of the year	153460570	153460570
Weighted Average No. of Equity Shares	153460570	153460570
Profit for calculation of EPS (₹ in Lakhs)	40,129.57	32,199.93
Basic and Diluted Earnings Per Share (₹)	26.15	20.98
Nominal value of Equity Share (₹)	2.00	2.00

35. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF

(₹ in Lakhs)

Particulars	2018-19	2017-18
Subcontracting expenses	1,13,582.19	87,700.25
Construction material, stores and spares consumed	51,762.79	26,180.18
Power and fuel	5,542.06	3,969.10
Freight and Forwarding Expenses	8,740.60	4,615.53
Vehicle and Equipment Hire Charges	17,781.39	8,823.91
Custom Duty, Clearing & Handling Charges	7,093.05	7,695.61
Service Charges	937.78	1,112.49
Others	24,216.95	9,960.60
Total	**2,29,656.82**	**1,50,057.67**

Notes on Financial Statement

for the year ended March 31, 2019

36. RESEARCH AND DEVELOPMENT EXPENSES

(₹ in Lakhs)

Particulars	2018-19	2017-18
(a) Research and Development Income and Expenses included in the Statement of Profit and Loss under various heads are given below:		
(i) Revenue from Operations		
Income from Design validation and Sale of scrap	639.68	705.64
(ii) Revenue Expenditure		
Cost of Materials Consumed	618.92	457.14
Employee Benefits Expenses	484.43	555.10
Depreciation	83.47	68.14
Excise Duty / GST	99.79	72.47
Other Expenses	181.81	254.17
(b) Capital Expenditure	761.29	96.33

37. The Company's significant leasing/ licensing arrangements are mainly in respect of residential / office premises and equipments, which are operating leases. The aggregate lease rental payable on these leasing arrangements accounted as rent and equipment hire charges is ₹ 13,009.90 Lakhs (previous year ₹ 6,886.49 Lakhs). These leasing arrangements are for a period not exceeding 9 years and are in most cases renewable by mutual consent, on mutually agreeable terms. Future lease rental payable in respect of assets on lease for not later than 1 year is ₹ 3,073.17 Lakhs (previous year ₹ 2,805.05 Lakhs), for later than 1 year but not later than 5 years is ₹ 1,646.74 Lakhs (previous year ₹ 2,924.81 Lakhs) and for later than 5 years but not later than 9 years is ₹ 558.64 Lakhs (previous year ₹ 934.71 Lakhs).

38. Disclosure under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

38.1 Details of loans given :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	Maximum Balance during the year 2018-19	As at 31st March, 2018	Maximum Balance during the year 2017-18
Shree Shubham Logistics Limited	6,926.45	6,926.45	6,386.18	6,386.18
Amber Real Estate Limited	6,318.19	15,987.23	14,127.23	15,273.63
Kalpataru Power Transmission (Mauritius) Limited	561.97	769.11	769.11	769.11
Adeshwar Infrabuild Limited	22.60	22.60	21.80	21.80
Kalpataru Satpura Transco Private Limited	-	600.00	600.00	767.00
Saicharan Properties Limited	18,001.09	27,221.72	26,961.72	26,961.72
Alipurduar Transmission Limited	4,769.79	4,769.79	3,554.55	3,554.55
Kohima Mariani Transmission Limited	2,751.00	2,797.18	2,507.56	2,507.56
Jhajjar KT Transco Private Limited	365.25	365.25	365.25	365.25
Priyanka Finance Private Limited	-	1,500.00	-	1,500.00
	39,716.34		**55,293.40**	

Notes on Financial Statement
for the year ended March 31, 2019

38.2 Investment by above entities in their Subsidiaries :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Shree Shubham Logistics Limited	1,988.10	1,988.10
Energy Link (India) Limited	15,115.09	5,005.00
Kalpataru Power Transmission (Mauritius) Limited	139.30	139.30

38.3 Details of Investments made by the company are given in Note 6 . Details of guarantees provided are given in Note 30.

38.4 All loans given and guarantees provided are for the purposes of the business.

39. A sum of ₹ Nil Lakhs received (Previous Year ₹157.55 Lakhs) towards eligible Gold Standard Certified Emission Reduction (GSCERs) from Atmosfair GmbH of Germany, on account of generation of electricity from agricultural residues like mustard crop residue and other agricultural crop residue at Tonk Power Plant under the Clean Development Mechanism (CDM) of Kyoto Protocol for preventing environmental degradation.

During the financial year 2018-19, UNFCCC has issued 70,028 CER's for the period April 1, 2017 to September 30, 2018 on account of generation of electricity from agricultural residues like mustard crop residue and other agricultural crop residue at Tonk Power Plant under the Clean Development Mechanism (CDM) of Kyoto Protocol for preventing environmental degradation. These issued CER's are now under process of Gold Standard Labeling.

40.DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS

(a). Defined contribution Plans

The Company made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Company recognized ₹ 1,223.06 Lakhs (Previous Year ₹ 1,113.23 Lakhs) for provident fund contributions in the Statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

The Company makes contribution towards Employees State Insurance scheme operated by ESIC corporation. The Company recognized ₹ 19.95 Lakhs (Previous Year ₹ 22.30 Lakhs) for ESIC contribution in statement of Profit and Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees

(i) Gratuity

The company made annual contributions to the Employee's Group Gratuity cash accumulation scheme's of IRDA approved agencies, a funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972

(ii) Leave Encashment-

The Scheme is non-funded.

Notes on Financial Statement
for the year ended March 31, 2019

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.

(i) Expenses recognised During the Year

(₹ in Lakhs)

Particulars	2018-19	2017-18
In Statement of Profit & Loss	309.36	595.01
In Other Comprehensive Income	(237.44)	(141.31)
Total	**71.92**	**453.70**

(ii) Expenses recognised in the Statement of Profit & Loss

Current Service Cost	312.04	603.19
Net Interest Cost	(2.68)	(8.18)
Total	**309.36**	**595.01**

(iii) Expenses Recognised in other Comprehensive Income

Actuarial (gains) / losses on account of		
change in demographic assumptions	37.71	-
change in financial assumptions	(19.78)	(88.14)
experience adjustments	(253.17)	(62.60)
Return on plan assets	(2.20)	9.43
Total	**(237.44)**	**(141.31)**

(iv) Net Liability Recognised in the Balance Sheet

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Present value of obligation	2,514.86	2,398.23
Closing Fair value of plan assets	2,481.65	2,436.94
Assets/ (Liability) Recognized in Balance Sheet	**(33.21)**	**38.71**

(v) Changes in Present Value of Obligations

Present value of obligation at the beginning of the year	2,398.23	1,987.64
Current service cost	312.04	603.19
Interest cost	166.14	129.68
Actuarial (gains) / losses arising from:		
changes in financial assumptions	(19.78)	(88.14)
changes in demographic assumptions	37.71	-
changes in experience assumptions	(253.17)	(62.60)
Benefits paid	(126.31)	(171.54)
Present value of obligation at the end of the year	**2,514.86**	**2,398.23**

(vi) Changes in Fair Value of Plan Assets

Fair value of Plan Assets at the beginning of the year	2,436.94	1,946.17
Interest Income	168.82	137.86
Return on Plan Assets	2.20	(9.44)
Contributions by Employer	-	533.88
Benefits paid	(126.31)	(171.53)
Fair Value of Plan assets at the end of the year	**2,481.65**	**2,436.94**

Notes on Financial Statement

for the year ended March 31, 2019

(vii) Bifurcation of Present Value of Obligations into Current and Non-Current (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current Assets / (Liability)	(33.21)	38.71
(viii) Actuarial Assumptions Used in Determining the Obligation are		
Discount rate	7.70%	7.60%
Salary Escalation Rate	6.00%	6.00%
Mortality Rate	As per Indian Assured Lives Mortality (2006-08) Table	
Withdrawal Rate	2% to 11%	2% to 6%
Retirement Age	58 years	58 years
Expected Return on Plan Assets	7.93%	7.51%
(ix) Maturity Profile of Defined Benefit Obligation		
1 year	379.72	501.97
2 year	324.75	215.03
3 year	285.04	246.10
4 year	244.36	192.14
5 year	262.36	212.95
after 5 years	3,377.61	943.02
(x) Quantitative Sensitivity Analysis for Significant Assumptions		
Defined Benefits Obligation (Base) (₹ in Lakhs)	2,514.86	2,398.23
Impact of change in discount rate		
Revised obligation at the end of the year		
due to increase of 0.50%	2,432.10	2,315.98
due to decrease of 0.50%	2,602.94	2,486.38
Impact of change in salary increase		
Revised obligation at the end of the year		
due to increase of 0.50%	2,597.62	2,468.75
due to decrease of 0.50%	2,435.85	2,327.69

Sensitivities due to mortality and rate of withdrawals are insignificant and therefore, ignored.

(d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

(i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

(ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(iii) Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(iv) Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

Notes on Financial Statement

for the year ended March 31, 2019

41. (1) The Company has entered into consortium with

	Particulars	Nature of entity's relationship	Principle place of business	Proportion of Participating share held
a	JSC Zangas, Russia separately for four gas pipeline projects (i) Vijaipur to Kota, (ii) Panvel to Dabhol (iii) Vijaipur to Dadari and (iv) Dadari-Panipat,	Member	India	96%
b	JMC Projects (India) Limited and G.B. Yadav & Co. Pvt. Ltd. for railway projects as "KPTL-JMC-Yadav JV".	Member	India	60%
c	GPT Infrastructure Limited for railway projects as "GPT-KPTL JV".	Member	Bangladesh	49%
d	Cimechel Electric Co. for railway projects as "CIMECHEL-KPTL JV"	Member	India	49%
e	CHC Engineering Co. Ltd. for transmission line projects as "The Consortium of Kalpataru and CHC"	Member	Thailand	87%
f	Techno Electric & Engineering Co. Ltd. for transmission line projects as "Kalpataru - Techno"	Member	Uganda	63%
g	Henan Electric Power Survey & Design Institute for transmission line projects as " Joint Venture of HEPSDI & KPTL"	Member	Uganda	95%
h	Jyoti Structure Ltd. for transmission line projects as "Kalpataru - Jyoti Consortium"	Member	Tajikistan	78%
i	AER Construction and Development Co. Inc. for transmission line projects as "KPTL and AER Consortium"	Member	Philippines	60%
j	JMC Projects (India) Limited and Stroytech Services LLC (STS) for railway projects as "JMC- KPTL-STS JV".	Member	India	39%
k	Stroytech Services LLC (STS) for railway projects as "STS- KPTL JV".	Member	India	49%
l	Kalpataru Power Transmission RGM International LLC.	Member	Afghanistan	76%
m	Mirador Commercial Pvt. Ltd. For railway projects as "MCPL-KPTL JV"	Member	India	49%
n	Stroytech Services LLC (STS) for railway projects as "STS- KPTL JV" (KRCL)	Member	India	45%
o	JMC Projects (India) Limited and Eldyne Electro Systems Pvt. Ltd. for railway projects as "JMC- KPTL-ESSPL JV"	Member	India	40%
p	JMC Projects (India) Ltd. and Stroytech Services LLP (STS) for Railway projects as "JMC-KPTL-STS JV"	Member	India	21%
q	Eldyne Electro Systems Pvt. Ltd. for Railway projects as "KPTL-EESPL JV"	Member	India	88%
r	JMC Projects (India) Ltd. and Eldyne Electro Systems Pvt. Ltd. for Railway projects as "JMC-KPTL-EESPL JV"	Member	India	38%
s	The Consortium of Kalpataru & Precise system project company LTD & TSEC	Member	Thailand	50%

Revenue, expenses, assets and liabilities for contracts awarded to aforesaid consortiums and executed by the Company under work sharing arrangements are recognized on the same basis as similar contracts independently executed by the Company.

(2) The Company has entered in to arrangement with Afcon Infrastructure Limited which is in the nature of Joint Operation as defined in Ind AS 111 " Joint Arrangement". The participation interest of the Company in the joint arrangement is 49%.

Notes on Financial Statement

for the year ended March 31, 2019

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW:

List of Related Parties

(a) Subsidiaries

JMC Projects (India) Limited
Shree Shubham Logistics Limited
Energy Link (India) Limited
Amber Real Estate Limited
Kalpataru Power Transmission (Mauritius) Limited
Kalpataru Power Transmission USA Inc
Adeshwar Infrabuild Limited
Kalpataru Satpura Transco Private Limited
LLC Kalpataru Power Transmission Ukraine
Kalpataru Metfab Private Limited
Kalpataru IBN Omairah Company Limited
Alipurduar Transmission Limited
Kalpataru Power Transmission Sweden AB

(b) Indirect Subsidiaries

JMC Mining and Quarries Limited
Saicharan Properties Limited
Brij Bhoomi Expressway Private Limited
Wainganga Expressway Private Limited
Vindhyachal Expressway Private Limited
Punarvasu Financial Services Private Limited
Kalpataru Power DMCC

(c) Enterprises under significant influence, which are having transaction with the Company

Kalpataru Properties Private Limited
Kalpataru Retail Ventures Private Limited
Gurukrupa Developers
Property Solution (India) Private Limited
Kalpataru Enterprises
Kalpataru Limited
Kalpataru Construction Private Limited
K C Holdings Private Limited
Kalpataru Viniyog LLP
Kalpataru Holdings Private Limited
Argos International Marketing Private Limited
Argos Arkaya Power Solutions LLP

(d) Key Management Personnel:

Mofatraj P. Munot	Promoter Director & Executive Chairman
Manish Mohnot	Managing Director and CEO

(e) Individuals having significant influence and their relatives:

Parag Munot	Promoter Director
Sunita Choraria	Relative of Promoter Director
Sudha Golechha	Relative of Promoter Director

(f) Joint Ventures :

Jhajjar KT Transco Private Limited
Kohima-Mariani Transmission Limited (Subsidiary upto May 1, 2018)

Notes on Financial Statement

for the year ended March 31, 2019

42. RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 ARE GIVEN BELOW: (Contd..)

Transactions with Related Parties in ordinary course of business are: (₹ in Lakhs)

Particulars	Relationship	2018-19	2017-18
1 Investment in Equity Shares			
Alipurduar Transmission Limited	Subsidiary	4,956.36	7,007.00
Energy Link (India) Limited	Subsidiary	10,195.96	-
Kohima-Mariani Transmission Limited	Joint Venture	7,767.41	-
Kalpataru Power Transmission Sweden AB	Subsidiary	4.05	-
2 Net Loans and advances given/(returned)			
Amber Real Estate Limited	Subsidiary	(8,433.40)	(1,765.00)
Alipurduar Transmission Limited	Subsidiary	925.00	707.00
Kalpataru Satpura Transco Private Limited	Subsidiary	(600.00)	(167.00)
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	(254.75)	-
Adeshwar Infrabuild Limited	Subsidiary	0.80	0.30
Kohima-Mariani Transmission Limited	Joint Venture	(133.20)	1,204.00
Saicharan Properties Limited	Indirect Subsidiary	(10,280.00)	1,855.00
3 Advance For Capex			
Gurukrupa Developers	Enterprises having significant influence	305.22	248.59
Shree Shubham Logistics Limited	Subsidiary	-	2,525.00
4 Revenue from Operations			
JMC Projects (India) Limited	Subsidiary	1,044.13	2,059.40
Kalpataru IBN Omairah Company Limited	Subsidiary	-	206.30
Jhajjar KT Transco Private Limited	Joint Venture	146.19	146.19
Alipurduar Transmission Limited	Subsidiary	17,968.07	51,808.56
Kohima-Mariani Transmission Limited	Joint Venture	31,012.19	95.08
Kalpataru Metfab Private Limited	Subsidiary	-	0.48
Kalpataru Satpura Transco Private Limited	Subsidiary	7.42	-
5 Other Income			
Amber Real Estate Limited	Subsidiary	693.72	1,092.89
Shree Shubham Logistics Limited	Subsidiary	739.56	706.16
JMC Projects (India) Limited	Subsidiary	798.37	399.55
Kalpataru Satpura Transco Private Limited	Subsidiary	0.12	0.12
Kalpataru Metfab Private Limited	Subsidiary	0.12	0.12
Saicharan Properties Limited	Indirect Subsidiary	1,465.97	1,821.93
Jhajjar KT Transco Private Limited	Joint Venture	34.64	34.76
Alipurduar Transmission Limited	Subsidiary	322.55	238.75
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	208.53	225.39
Kohima-Mariani Transmission Limited	Joint Venture	433.00	16.77
Punarvasu Financial Services Private Limited	Indirect Subsidiary	6.89	0.89
6 Reimbursement of Expenses (Receivable)			
Kalpataru Satpura Transco Private Limited	Subsidiary	-	5.04
Kalpataru IBN Omairah Company Limited	Subsidiary	14.31	89.98
Shree Shubham Logistics Limited	Subsidiary	0.96	0.90
JMC Projects (India) Limited	Subsidiary	-	6.59
Kohima-Mariani Transmission Limited	Joint Venture	-	1.79
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	0.05
7 Job Charges			
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	136.13	124.66
Kalpataru Metfab Private Limited	Subsidiary	21.46	-

Notes on Financial Statement

for the year ended March 31, 2019

Transactions with Related Parties in ordinary course of business are: (Contd..)

(₹ in Lakhs)

Particulars	Relationship	2018-19	2017-18
8 Rent Expenses			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	1,037.36	878.94
Kalpataru Limited	Enterprises having significant influence	123.75	112.47
JMC Projects (India) Limited	Subsidiary	121.77	
9 Service Charges			
Kalpataru Power Transmission USA Inc.	Subsidiary	87.97	75.13
Argos International Marketing Private Limited	Enterprises having significant influence	-	0.95
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	4.38	-
10 Equipment Hire Charges			
Energy Link (India) Limited	Subsidiary	28.32	27.48
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	2.10	0.22
11 Reimbursement of Expenses (Payable)			
Property Solutions (I) Private Limited	Enterprises having significant influence	235.10	139.23
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	38.82	35.96
Kalpataru Limited	Enterprises having significant influence	9.18	8.23
Shree Shubham Logistics Limited	Subsidiary	0.17	-
Jhajjar KT Transco Private Limited	Joint Venture	50.24	56.28
Kohima-Mariani Transmission Limited	Joint Venture	-	1.79
Kalpataru IBN Omairah Company Limited	Subsidiary	8.28	5.63
JMC Projects (India) Limited	Subsidiary	5.80	-
12 Sale of Property, Plant and Equipments			
Kalpataru Satpura Transco Pvt. Limited	Subsidiary	-	0.17
Kalpataru Metfab Private Limited	Subsidiary	-	6.96
13 Purchase of Property, Plant and Equipments			
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	7.19
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	52.82	5.80
Kalpataru IBN Omairah Company Limited	Subsidiary	0.32	24.20
14 Purchase of Materials			
Kalpataru IBN Omairah Company Limited	Subsidiary	7.84	-
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	-	157.25
15 Salary & Commission*			
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	1,400.00	1,010.15
Mr. Manish Mohnot	Key Managerial Personnel	1,180.00	950.40
Mr. Parag Munot	Promoter Director	170.00	240.00
*Break up of compensations to key managerial personnel			
short term employment benefits		2,580.00	1,960.55
16 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	341.15	272.92
Kalpataru Construction Private Limited	Enterprises having significant influence	583.75	467.00
K C Holdings Private Limited	Enterprises having significant influence	528.56	422.85
Kalpataru Viniyog LLP	Enterprises having significant influence	33.00	26.40
Kalpataru Holdings Private Limited	Enterprises having significant influence	8.33	6.66
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	285.15	228.12
Mr. Parag Munot	Promoter Director	336.59	269.27
Ms. Sudha Golechha	Relative of Promoter Director	21.79	17.43
Ms. Sunita Choraria	Relative of Promoter Director	21.79	17.43

Notes on Financial Statement

for the year ended March 31, 2019

Transactions with Related Parties in ordinary course of business are: (Contd..)

(₹ in Lakhs)

Particulars	Relationship	2018-19	2017-18
17 Security Deposit Received			
JMC Projects (India) Limited	Subsidiary	-	23.26
18 Security Deposit Received back			
Kalpataru Enterprises	Enterprises having significant influence	-	0.75
19 Security Deposit Paid			
Kalpataru Limited	Enterprises having significant influence	52.44	-
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	20.64	-
20 Advance from Customers received/ (adjusted) (net)			
Alipurduar Transmission Limited	Subsidiary	(2,753.26)	(5,446.47)
Kohima-Mariani Transmission Limited	Joint Venture	5,525.80	-

Balance with Related Parties

(₹ in Lakhs)

Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
1 Loans Given			
Amber Real Estate Limited	Subsidiary	6,318.19	14,127.23
Shree Shubham Logistics Limited	Subsidiary	6,926.45	6,386.18
Alipurduar Transmission Limited	Subsidiary	4,769.79	3,554.55
Adeshwar Infrabuild Limited	Subsidiary	22.60	21.80
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	561.97	769.11
Kalpataru Satpura Transco Private Limited	Subsidiary	-	600.00
Kohima Mariani Transmission Limited	Joint Venture	2,751.00	2,507.56
Saicharan Properties Limited	Indirect Subsidiary	18,001.09	26,961.72
Jhajjar KT Transco Private Limited	Joint Venture	365.25	365.25
2 Trade Receivable			
JMC Projects (India) Limited	Subsidiary	1,572.71	1,667.72
Jhajjar KT Transco Private Limited	Joint Venture	37.05	32.55
Kalpataru IBN Omairah Company Limited	Subsidiary	-	934.50
Alipurduar Transmission Limited	Subsidiary	5,543.63	12,494.31
Shree Shubham Logistics Limited	Subsidiary	1.09	-
Kohima Mariani Transmission Limited	Joint Venture	11,799.92	95.08
3 Advances given			
Shree Shubham Logistics Limited	Subsidiary	2,525.00	2,525.00
Gurukrupa Developers	Enterprises having significant influence	697.23	389.22
Kalpataru Satpura Transco Private Limited	Subsidiary	-	5.04
JMC Projects (India) Limited	Subsidiary	-	88.43
4 Security Deposit Given			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	3,951.88	3,466.68
Kalpataru Enterprises	Enterprises having significant influence	52.44	-
5 Security Deposit Received			
JMC Projects (India) Limited	Subsidiary	26.46	26.46

Notes on Financial Statement
for the year ended March 31, 2019

Balance with Related Parties (Contd..)

(₹ in Lakhs)

Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
6 Advances From Customers			
Alipurduar Transmission Limited	Subsidiary	656.50	3,409.76
Kohima-Mariani Transmission Limited	Joint Venture	5,525.80	-
7 Trade and Other Payable			
Kalpataru IBN Omairah Company Limited	Subsidiary	19.42	-
Kalpataru Power Transmission USA Inc.	Subsidiary	6.22	70.82
Energylink (India) Limited	Subsidiary	-	2.32
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	6.92	1.95
Property Solutions (I) Private Limited	Enterprises having significant influence	25.81	33.73
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	3.14	24.71
Kalpataru Limited	Enterprises having significant influence	0.73	12.56
Mr. Manish Mohnot	Key Managerial Personnel	850.00	664.29
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	1,000.00	669.75
Mr. Parag Munot	Promoter Director	170.00	240.00
8 Guarantee Commission Receivable			
Shree Shubham Logistics Limited	Subsidiary	23.64	4.03
Kohima-Mariani Transmission Limited	Joint Venture	-	19.78
Punarvasu Financial Services Private Limited	Indirect Subsidiary	-	0.89
9 Guarantee/ Letter of Comforts Outstanding			
Shree Shubham Logistics Limited	Subsidiary	21,500.00	21,500.00
Kalpataru Satpura Transco Private Limited	Subsidiary	1,000.00	1,712.25
Saicharan Properties Limited	Subsidiary	126.50	126.50
Punarvasu Financial Services Private Limited	Indirect Subsidiary	1,500.00	1,500.00
Alipurduar Transmission Limited	Subsidiary	4,900.00	-

Note : Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash. Guarantee given on behalf of subsidiaries are disclosed in Note 30. No expenses has been recognised in the current year or previous year for bad or doubtful debts in respect of the amount owed by related parties.

43. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Profit before tax	62,438.57	49,933.66
Income tax calculated at 34.944% (Previous Year 34.61%)	21,818.53	17,282.12
Differential tax of overseas operation	130.99	-
Tax effect of adjustment to reconcile reported income tax expenses		
Income exempt from taxation	(238.40)	(105.91)
Tax Impact of Permanent allowances / disallowances	338.86	452.36
Tax concessions	(387.54)	(456.84)
Impact of foreign Taxes	646.56	562.00
Income tax expenses recognised in the statement of profit and loss	**22,309.00**	**17,733.73**

Notes on Financial Statement

for the year ended March 31, 2019

44. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Capital Management

The company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Debt*	64,778.34	77,417.84
Cash and cash equivalent	(13,650.91)	(7,483.11)
Net debt	**51,127.43**	**69,934.73**
Total Equity	**3,15,216.07**	**2,77,004.21**
Net debt to equity ratio	**0.16**	**0.25**

* Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt.

Financial Instrument by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Company consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

Financial assets		
Measured at Fair Value through Profit and Loss		
Investments - (Level-I)	145.81	143.93
Measured at Amortised Cost		
Investments	1,440.36	1,166.18
Measured At Cost		
Investments	64,710.45	77,182.93
Measured at Amortised Cost		
(i) Trade receivables	3,37,163.02	3,38,045.57
(ii) Loans	43,887.95	58,198.47
(iii) Cash and cash equivalents	13,650.91	7,483.11
(iv) Other balances with Bank	897.58	679.96
(v) Others	4,121.65	1,489.94
Financial liabilities		
Measured at Amortised Cost		
(i) Borrowings	60,791.43	63,999.59
(ii) Trade payables	2,23,138.98	1,99,553.20
(iii) Other financial liabilities	18,430.38	24,305.27

Financial Risk Management

Financial Risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Notes on Financial Statement

for the year ended March 31, 2019

44.FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Market Risk

The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as of March 31, 2019 (₹ in Lakhs)

Particulars	USD	Euro	Others	Total
Loan	-	-	-	-
Cash & Cash Equivalents	598.52	-	3,980.69	4,579.21
Trade Receivable	1,14,885.01	9,181.81	35,189.54	1,59,256.37
Other Financials Assets	81.72	0.67	510.03	592.42
Total Asset	**1,15,565.25**	**9,182.48**	**39,680.26**	**1,64,427.99**
Borrowing	-	-	-	-
Trade Payable	51,966.00	1,572.57	16,381.20	69,919.78
Other Financials Liabilities	1,073.87	207.02	46.62	1,327.50
Total Liabilities	**53,039.87**	**1,779.59**	**16,427.83**	**71,247.28**
Net Assets / (Liabilities)	**62,525.39**	**7,402.89**	**23,252.43**	**93,180.71**

The following table analyses foreign currency risk from financial instruments as of March 31, 2018

Loan	769.11	-	-	769.11
Cash & Cash Equivalents	2,949.86	172.10	958.36	4,080.32
Trade Receivable	1,11,966.30	18,552.33	39,115.30	1,69,633.93
Other Financials Assets	-	-	320.82	320.82
Total Asset	**1,15,685.27**	**18,724.43**	**40,394.48**	**1,74,804.18**
Borrowing	6,504.41	-	885.58	7,389.99
Trade Payable	34,174.15	2,827.77	12,593.53	49,595.45
Other Financials Liabilities	305.85	796.73	14.89	1,117.47
Total Liabilities	**40,984.41**	**3,624.50**	**13,494.00**	**58,102.91**
Net Assets / (Liabilities)	**74,700.86**	**15,099.93**	**26,900.48**	**1,16,701.27**

Note : The company is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

Sensitivity Analysis

For the year ended March 31, 2019 and March 31, 2018, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/EURO would impact company's profit before tax by approximately 0.95% and 1.53% respectively.

Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

Derivative Financial Instruments

The Company holds derivative financial instruments such as foreign currency forward contracts and commodity future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally a multinational bank, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities

Notes on Financial Statement

for the year ended March 31, 2019

44.FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

As at 31st March, 2019

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Lakhs)	Nominal Amount (₹ in Lakhs)	MTM Value (₹ in Lakhs)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	68.47	USD 79.90	5,470.86	(106.47)
Maturing in 3 months to 6 months	70.03	USD 134.03	9,385.81	(41.46)
Maturing in 6 months to 9 months	71.57	USD 171.16	12,250.42	97.36
Maturing in 9 months to 12 months	72.67	USD 176.73	12,842.52	189.67
Maturing more than 12 months	72.18	USD 230.00	16,601.08	(184.56)
Total/Average	**71.42**	**USD 791.82**	**56,550.68**	**(45.46)**
Sell EUR Buy USD				
Maturing less than 3 months	81.40	EUR 36.70	2,987.43	120.85
Maturing in 3months to 6 months	83.28	EUR 26.50	2,206.84	121.73
Maturing in 6 months to 9 months	83.87	EUR 21.10	1,769.60	96.47
Maturing in 9 months to 12 months	83.75	EUR 15.60	1,306.46	61.44
Total/Average	**82.79**	**EUR 99.90**	**8,270.33**	**400.49**
Buy USD Sell INR				
Maturing less than 3 months	68.87	USD 41.00	2,823.58	18.18
Maturing in 3 months to 6 months	70.31	USD 20.79	1,461.40	1.43
Total/Average	**69.35**	**USD 61.79**	**4,284.98**	**19.62**
Buy EUR Sell USD				
Maturing less than 3 months	77.94	EUR 1.05	81.99	(0.06)
Maturing in 6 months to 9 months	80.16	EUR 4.44	355.84	(2.84)
Maturing in 9 months to 12 months	80.50	EUR 5.02	404.37	(3.74)
Total/Average	**80.13**	**EUR 10.51**	**842.20**	**(6.64)**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	70.85	USD 150.23	10,643.34	177.42
Maturing in 3 months to 6 months	72.30	USD 144.27	10,430.96	276.78
Maturing in 6 months to 9 months	69.38	USD 22.84	1,584.95	(32.01)
Maturing in 9 months to 12 months	68.95	USD 53.27	3,672.99	(135.07)
More than 12 Months	72.57	USD 110.00	7,983.03	3.89
Total/Average	**71.40**	**USD 480.61**	**34,315.26**	**291.00**
Sell EUR Buy USD				
Maturing less than 3 months	80.29	EUR 32.20	2,585.32	70.04
Maturing in 3 months to 6 months	80.81	EUR 42.83	3,460.77	91.20
Maturing in 6 months to 9 months	79.63	EUR 37.30	2,970.22	10.27
Maturing in 9 months to 12 months	-	-	-	-
Total/Average	**80.26**	**EUR 112.33**	**9,016.31**	**171.50**
Buy USD Sell INR				
Maturing less than 3 months	69.03	USD 16.16	1,115.47	4.44
Maturing in 3 months to 6 months	75.27	USD 185.40	13,955.71	(873.02)
Maturing in 9 months to 12 months	71.71	USD 62.40	4,474.95	3.91
Total/Average	**74.05**	**USD 263.96**	**19,546.13**	**(864.66)**
Buy EUR Sell USD				
Maturing in 3 months to 6 months	78.67	EUR 5.92	465.55	(4.62)
Maturing in 6 months to 9 months	80.16	EUR 0.60	47.97	(0.72)
Total/Average	**78.76**	**EUR 6.52**	**513.52**	**(5.33)**

Notes on Financial Statement

for the year ended March 31, 2019

44.FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

As at 31st March, 2018

Outstanding Contracts	Average Exchange Rate (In equivalent ₹)	Amount in Foreign currency (In Lakhs)	Nominal Amount (₹ in Lakhs)	MTM Value (₹ in Lakhs)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	67.93	USD 60.00	4,076.09	139.39
Maturing in 3 months to 6 months	65.95	USD 20.00	1,318.93	(11.02)
Maturing in 6 months to 9 months	66.73	USD 60.00	4,003.78	(22.27)
Maturing in 9 months to 12 months	67.68	USD 260.00	17,595.89	40.25
Maturing more than 12 months	69.31	USD 740.00	51,292.17	(284.24)
Total/Average	**68.67**	**USD 1,140.00**	**78,286.85**	**(137.89)**
Sell EUR Buy USD				
Maturing in 9 months to 12 months	81.54	EUR 22.31	1,819.20	(25.00)
Total/Average	**81.54**	**EUR 22.31**	**1,819.20**	**(25.00)**
Sell PLN Buy USD				
Maturing in 3 months to 6 months	17.92	PLN 21.60	387.08	(25.27)
Total/Average	**17.92**	**PLN 21.60**	**387.08**	**(25.27)**
Buy USD Sell INR				
Maturing less than 3 months	64.95	USD 45.72	2,969.30	16.15
Maturing in 3 months to 6 months	66.07	USD 183.58	12,129.37	66.71
Total/Average	**65.85**	**USD 229.30**	**15,098.67**	**82.86**
Buy EUR Sell USD				
Maturing less than 3 months	80.52	EUR 17.50	1,409.18	11.75
Maturing in 3 months to 6 months	81.19	EUR 17.50	1,420.76	4.97
Total/Average	**80.86**	**EUR 35.00**	**2,829.94**	**16.71**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	65.38	USD 48.70	3,184.14	0.75
Maturing in 3 months to 6 months	68.41	USD 50.00	3,420.25	101.75
Maturing in 6 months to 9 months	68.55	USD 90.00	6,169.66	143.91
Maturing in 9 months to 12 months	69.22	USD 80.00	5,538.11	132.83
Total/Average	**68.15**	**USD 268.70**	**18,312.16**	**379.23**
Sell USD Buy INR (Option)				
Maturing less than 3 months	65.80	USD 5.00	329.00	3.05
Total/Average	**65.80**	**USD 5.00**	**329.00**	**3.05**
Sell EUR Buy USD				
Maturing less than 3 months	78.47	EUR 69.31	5,438.46	(179.00)
Maturing in 3 months to 6 months	80.71	EUR 47.16	3,806.65	(42.01)
Maturing in 6 months to 9 months	81.51	EUR 50.25	4,095.55	(36.12)
Maturing in 9 months to 12 months	82.86	EUR 37.69	3,122.92	1.39
Total/Average	**80.54**	**EUR 204.41**	**16,463.58**	**(255.75)**
Sell PLN Buy USD				
Maturing less than 3 months	17.84	PLN 32.40	577.95	(39.59)
Maturing in 3months to 6 months	17.92	PLN 42.68	764.83	(49.93)
Total/Average	**17.88**	**PLN 75.08**	**1,342.78**	**(89.52)**
Buy USD Sell INR				
Maturing less than 3 months	65.07	USD 4.68	304.63	1.00
Maturing in 3 months to 6 months	66.46	USD 100.00	6,646.00	0.79
Total/Average	**66.40**	**USD 104.68**	**6,950.63**	**1.79**
Buy EUR Sell USD				
Maturing in 3 months to 6 months	80.38	EUR 3.82	307.22	2.14
Total/Average	**80.38**	**EUR 3.82**	**307.22**	**2.14**

Notes on Financial Statement

for the year ended March 31, 2019

44.FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Reconciliation of Hedge Reserve

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2019 and March 31, 2018:

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	(593.92)	293.51
Gain/(Loss) recognised in OCI during the year (net)	1,905.56	(887.43)
Tax impact on above	460.85	(204.95)
Balance at the end of the year (Gross)	1,311.64	(593.92)
Balance at the end of the year (Net of Tax)	850.79	(388.97)

Loan and Borrowings: Financial Covenants

The company is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers , investment securities and other receivables . Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the Company, by way of assessing financial condition, current economic trends and ageing of other receivables . The Company considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on financial assets as on the reporting date.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Lakhs)

Particulars	Carrying amount as on	
	31st March, 2019	31st March, 2018
Not Due	3,03,309.74	3,14,938.55
Past due up to 1 years	6,200.72	11,109.96
From 1 year to 2 years	15,868.14	4,984.54
From 2 year to 3 years	3,626.30	1,569.05
Above 3 years	13,822.82	10,884.93
	3,42,827.72	**3,43,487.03**

Notes on Financial Statement

for the year ended March 31, 2019

44.FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

Expected credit loss assessment for customers

Most of customers are PSU and as per past experience, there has been no credit loss on account of customer's inability to pay i.e. there has been no material bad debts in past and therefore, no provision is generally made on this account. Provision for expected delay in realisation of trade receivables beyond contractual terms. The company has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix. The expected credit loss on the aging of the days the receivables are due and the rates as given in the provision matrix.

On the above basis, the company estimates the following provision matrix at the reporting date:

Particulars	Expected Credit Loss %	
	31st March, 2019	31st March, 2018
From 181 days to 1 year	6.24%	6.24%
From 1 year to 2 years	12.04%	12.04%
From 2 year to 3 years	19.31%	19.31%
Above 3 years	25.97%	25.97%

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Lakhs)

Particulars	2018-19 Trade receivable	2018-19 Contract Assets
Balance as at March 31, 2018	**5,441.47**	**-**
Impairment loss recognised (net)	223.23	471.25
Balance as at March 31, 2019	**5,664.70**	**471.25**

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

In addition, company is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the company. The company's exposure in this respect has been disclosed in Note 30.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant financial liabilities.

(₹ in Lakhs)

Particulars	As at 31st March, 2019		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	2,05,985.29	17,153.69	2,23,138.98
(ii) Borrowings	15,370.21	45,534.66	60,904.87
(iii) Other financial liabilities	17,106.62	1,323.76	18,430.38
Total			**3,02,474.23**

Particulars	As at 31st March, 2018		
	Less than 1 year	More than 1 year	Total
(i) Trade Payable	1,97,879.95	8,988.44	2,06,868.39
(ii) Borrowings	24,973.02	39,119.92	64,092.94
(iii) Other financial liabilities	23,815.42	489.85	24,305.27
Total			**2,95,266.60**

Notes on Financial Statement

for the year ended March 31, 2019

44.FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT (Contd..)

The above table does not include liability on account of future interest obligation.

The company had undrawn borrowing facilities from banks amounting to ₹ 62,129.79 Lakhs (Previous year ₹ 53,412.56 Lakhs), which may be drawn at any time.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity Analysis

For the year ended March 31, 2019 and March 31, 2018, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact company's profit before tax by approximately 0.40 % and 0.75 % respectively.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities like Steel, Zinc and Aluminium. Its operating activities require the on-going purchase or continuous supply of these materials. The Company holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc and Aluminium prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the company's profit before tax is 2.56% for FY 2018-19 and 8.22% for FY 2017-18.

(₹ in Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Exposure as on March 31, 2019				
Aluminium	Fixed Price Contracts	2,112.36	105.62	(105.62)
Zinc	Fixed Price Contracts	643.33	32.17	(32.17)
Steel	Fixed Price Contracts	29,245.22	1,462.26	(1,462.26)
Total		**32,000.91**	**1,600.05**	**(1,600.05)**
Exposure as on March 31, 2018				
Aluminium	Fixed Price Contracts	1,798.07	89.90	(89.90)
Zinc	Fixed Price Contracts	8,144.08	407.20	(407.20)
Steel	Fixed Price Contracts	72,127.67	3,606.38	(3,606.38)
Total		**82,069.82**	**4,103.48**	**(4,103.48)**

Notes on Financial Statement

for the year ended March 31, 2019

45. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE COMPANY AGAINST BORROWINGS.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Property, Plant and Equipments	42,235.82	49,140.37
Inventories	61,135.92	46,654.94
Financial Assets		
Receivables	3,37,163.02	3,29,197.78
Loans	43,887.95	2,507.56
Cash & cash equivalents	13,586.88	7,169.26
Other Balances with Banks	897.58	679.96
Total	**4,98,907.17**	**4,35,349.87**

46. The amount outstanding to Micro, Small and Medium Enterprises is based on the information received and available with the company. There are no overdue amount.

47. The company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure comprising of power transmission & distribution, railway track laying & electrification, oil & gas pipelines laying, etc. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108 'Segment Information', there is no separate reportable segment.

Further, The company operates in Geographical Segment- India (Country of Domicile) and Outside India.

Segment Information

(a) Revenue from Operations

(₹ in Lakhs)

Particulars	2018-19	2017-18
within India	4,38,441.79	3,40,574.03
Outside India	2,73,070.11	2,37,276.29
Total	**7,11,511.90**	**5,77,850.32**

(b) Non Current Assets *

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
within India	53,096.68	51,639.05
Outside India	7,888.73	6,858.49
Total	**60,985.40**	**58,497.54**

* Excludes Financial Assets and Deferred tax Asset.

Notes on Financial Statement

for the year ended March 31, 2019

47.1 Revenue from major customers - Public sector undertakings in India, is ₹ 2,69,076.24 Lakhs (Previous year ₹ 2,18,709.58 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

48. The Company has applied Ind AS 115 using the cumulative effect method i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity as at April 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under earlier Ind AS.

49 Performance obligations unsatisfied or partially satisfied amounts to ₹ 14,068 crores as at March 31, 2019 for which revenue is expected to be recognized in future over the period of 1 to 4 years

50 Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

51 The Board of Directors have recommended a dividend of ₹ 3 per equity share for the financial year 2018-19, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 5,387.82 Lakhs including Dividend distribution tax of ₹ 784 Lakhs, which has not been included as liability in these financial statements.

52 Previous year's figures have been regrouped and/ or rearranged wherever considered necessary.

For and on behalf of the Board

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN : 03469908
Mumbai : May 9, 2019

Consolidated Financial Statements

INDEPENDENT AUDITORS' REPORT

To The Members of
Kalpataru Power Transmission Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its joint ventures and joint operation, which comprise the consolidated balance sheet as at March 31, 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, joint ventures and joint operation as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its joint ventures and joint operation as at March 31, 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group including its joint ventures and joint operation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained and evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Sr. No.	The key audit matter	How the matter was addressed in our audit
1	**Recognition of contract revenue, margin and related receivables:** The Group enters into Engineering Procurement and Construction (EPC) contracts, which are complex in nature and span over a number of reporting periods. The accounting standard requires an entity to select a single measurement method for the relevant performance obligation that depicts the entity's performance in transferring goods or services or if a contract is onerous, present obligations are recognized and measured as provisions.	Our procedures included the following: • We selected a sample of contracts to test, using a risk based criteria which included individual contracts with: - significant revenue recognised during the year; - significant unbilled work in progress (WIP) balances held at the year end; or - low profit margins. • Obtained an understanding of management's process for reviewing long term contracts, the risk associated with the contract and any key judgments.

Sr. No.	The key audit matter	How the matter was addressed in our audit
	The Group is recognizing contract revenue and margin for these contracts based on input method, in accordance with the requirement of the standard which relies on management's estimates of the final outcome of each contract, and involves the exercise of significant management judgment, particularly in forecasting the cost to complete a contract, in valuing contract variations, claims and liquidated damages. We identified contract accounting as a key audit matter because the estimation, of the total revenue and total cost to complete the contract, prepared based on the prevailing circumstances, is inherently subjective, complex and require significant management judgment and forecast of contract revenue and/or contract cost may get subsequently changed due to change in prevailing circumstances, assumptions, contract variations or any other factor, and could result in material variance in the revenue and profit or loss from contract for the reporting period. Refer note 24 to the Consolidated Financial Statements.	• Evaluating the design and implementation of key internal controls over the contract revenue and cost estimation process through the combination of procedures involving inquiry and observations, re-performance and inspection of evidence in respect of operations of these controls. • Verified underlying documents such as original contract, and its amendments, if any, key contract terms and milestones, etc. for verifying the estimation of contract revenue and costs and /or any change in such estimation. • Evaluating the outturn of previous estimates and agreeing the actual cost after the year end to the forecasted costs for the period. • Evaluating the status of each of the material trade receivables past due as at year end, the Group's on-going business relationship with customer and past payment history of the customers through discussion with management.
2	**Income from toll collection** The Group is also into a business of toll collection under service concession agreement, which is complex in nature and span over a number of reporting period. The right to collect toll is based on the number of vehicles passed from the toll assets. The process of identifying the usage charges is system driven based on the type / class of vehicles, distance etc. These are charged / billed by using complex IT software and hardware. This is a key audit matter considering the nature and volume of transaction; and reliance on information technology systems for the related automated and IT dependent controls. Refer note 24 to the Consolidated Financial Statements.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence: • Understand the process and control placed for toll collection and evaluated the key controls around such processes and tested those controls for the operating effectiveness. • Tested Information Technology General Controls (ITGCs) which supported the integrity of the tolling system operation, including access, operations and change management controls; • Verified the reconciliation of toll collection as per transaction report (generated from toll system) with cash deposited in the designated bank account and revenue was as per the financial statements. Further, on sample basis verified the previous images and ensured that the charges were based on vehicle classification. • Verified the exemptions and other dispensations allowed, as well as analysis of data for unusual transactions and examined the same. Performed the cut off procedures in relation to revenue to ensure the completeness of revenue.

Sr. No.	The key audit matter	How the matter was addressed in our audit
3	**Impairment Testing for Intangible Assets - Toll Collection Rights** The Group has toll collection rights as intangible assets pursuant to the concession agreement. The carrying value of these rights acquired under BOT basis is being compared to the recoverable value (which is value in use in the instant case) thereof to ascertain if there is any impairment. The process involves estimating the value in use of the asset which is determined by forecasting and discounting future cash flows. The same is sensitive to changes in discount rate, traffic growth rates, toll growth rates etc. The determination of the recoverable amount of the toll collection right involves significant judgment due to inherent uncertainty in the assumptions supporting the recoverable amount of these rights. Accordingly, the evaluation of impairment of toll collection rights has been determined a key audit matter. Refer note 5(ii) to the Consolidated Financial Statements.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence: • Verified the appropriateness of the valuation methodology used in determining the recoverable amount. Further, evaluated the objectivity, independence and competence of specialists involved; • Verified the assumptions used for the major components of the cash flow forecasts, discount rates, cost of capital, etc.; • Evaluated the potential changes in major components as compared to previous year / actual performance in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable; • Performed sensitivity analysis of key assumptions used in valuation; and Checked the arithmetical accuracy of the valuation model.
4	**Provisioning towards Major Maintenance expense** The Group is required to ensure maintenance of the project highway for which it has to carry out periodic major maintenance / resurfacing expenses as required under the concession agreement. The estimation of the likely amount to be incurred and the timing thereof involves calculation and judgement for assessing the provision towards resurfacing (as per Ind AS 37). Considering the amount and estimation involved, the same is considered as Key Audit Matter. Refer note 38 to the Consolidated Financial Statements.	In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence: The estimation made by the management have been verified w.r.t. compliance of the requirements of concession agreement, checked the arithmetical accuracy, verified the underlying assumptions and comparison with earlier years assumption etc. to check any material inconsistencies.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in Holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done / audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures and joint operation in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the

Act. The respective Board of Directors of the companies included in the Group and of its joint ventures and joint operation are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the Companies included in the Group and of its joint ventures and joint operation are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint ventures and joint operation or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its joint ventures and joint operation is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and subsidiaries) as well as joint ventures and joint operation to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures and joint operation to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

(a) We did not audit the financial statements of seventeen subsidiaries, whose financial statements reflect total assets of ₹ 3,65,346 lakhs as at 31 March 2019, total revenues of ₹ 40,869 lakhs and net cash flows amounting to ₹ 78 lakhs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit (and other comprehensive income) of ₹ 1,810 lakhs for the year ended 31 March 2019, in respect of three joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures is based solely on the audit reports of the other auditors.

(b) We did not audit the financial statements of two branches, five unincorporated joint venture and one joint operation included in the consolidated financial statements of the Company whose financial statements reflect total assets of ₹ 60,301 lakhs as at March 31, 2019 and total revenue of ₹ 39,087 lakhs for the year ended on that date, as considered in the consolidated financial statements. The financial statements and other financial information have been audited by the other auditors whose report have been furnished to us, and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosure in respect of these branches, unincorporated joint ventures and one joint operation and our report terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid branches, joint ventures and joint operation is based solely on the audit reports of the other auditors.

(c) Certain of these subsidiaries, branches and joint operation are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in the countries in which it is incorporated and which have been audited by other auditors under generally accepted auditing standards applicable in those countries. The Company's Management has converted the financial statements of these subsidiaries, branches and joint operation located outside India from accounting principles generally accepted in the country in which it is incorporated to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries, branches and joint operation located outside India is based on the report of other auditor and the conversion adjustments prepared by the Management of the Company and audited by us.

(d) The financial information of the Company for the year ended March 31, 2018 included in these financial statements had been audited by another firm of Chartered Accountants who had expressed an unmodified opinion thereon as per their reports dated 25 May 2018 which has been furnished to us by the Management and has been relied upon by us for the purpose of our audit.

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

A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, joint ventures and joint operation as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

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

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

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, joint ventures incorporated in India, none of the directors of the Group companies and joint ventures incorporated in India is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, joint ventures and joint operation, as noted in the 'Other Matters' paragraph:

i. The consolidated financial statements disclose the impact of pending litigations as at March 31, 2019 on the consolidated financial position of the Group, joint ventures and joint operation. Refer Note 35 to the consolidated financial statements.

ii. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 38 to the consolidated financial statements in respect of such items as it relates to the Group, its joint ventures and joint operation.

iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint venture incorporated in India during the year ended March 31, 2019.

iv. The disclosure in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended March 31, 2019.

With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint ventures incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317

Mumbai
9 May 2019

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Kalpataru Power Transmission Limited for the year ended March 31, 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A. (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to consolidated financial statements of Kalpataru Power Transmission Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at March 31, 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as the "Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies and joint venture companies in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to eleven subsidiary companies, three joint venture companies and five unincorporated joint ventures, which are companies incorporated in India and two overseas branches, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No: 105317

Mumbai
9 May 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2019	As at 31st March, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	5(i)	1,47,644.83	1,36,755.13
(b) Capital Work in Progress		1,090.98	71,931.69
(c) Investment Property		82.13	82.13
(d) Goodwill		2,014.67	2,014.67
(e) Other Intangible Assets	5(ii)	1,64,330.22	1,67,302.38
(f) Intangible Assets Under Development		488.50	473.32
(g) Financial Assets			
(i) Investments	6	145.81	5,053.95
(ii) Trade Receivables	7(i)	12,374.35	11,443.69
(iii) Loans	8(i)	4,813.70	4,583.24
(iv) Others	9(i)	3,658.84	25,009.50
(h) Deferred Tax Assets (net)	10	14,027.15	14,728.19
(i) Non-Current Tax Assets (net)	15(i)	979.68	2,248.82
(j) Other Non-Current Assets	11(i)	2,586.48	4,403.72
		3,54,237.34	**4,46,030.43**
Current Assets			
(a) Inventories	12	1,11,649.92	99,212.53
(b) Financial Assets			
(i) Trade Receivables	7(ii)	4,21,358.39	3,95,512.48
(ii) Cash and Cash Equivalents	13	22,752.81	26,286.24
(iii) Bank Balances Other than (ii) above	14	1,716.77	1,975.21
(iv) Loans	8(ii)	25,844.19	20,093.86
(v) Others	9(ii)	6,140.14	5,626.52
(c) Current Tax Assets (net)	15(ii)	3,575.01	1,120.95
(d) Other Current Assets	11(ii)	3,27,193.85	2,42,780.89
		9,20,231.08	**7,92,608.68**
Asset classified as held for sale	6.1	1,40,335.80	1,551.43
TOTAL ASSETS		**14,14,804.22**	**12,40,190.54**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	3,069.21	3,069.21
(b) Other Equity	17	3,08,877.54	2,64,271.89
Equity Attributable to Owners of the Company		**3,11,946.75**	**2,67,341.10**
(c) Non-Controlling Interests	18	16,071.14	14,638.80
		3,28,017.89	**2,81,979.90**
Liabilities			
Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(i)	1,91,819.57	2,37,305.17
(ii) Trade Payable	20(i)		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		31,281.36	19,887.32
(iii) Other Financial Liabilities	21(i)	37,116.29	36,481.63
(b) Provisions	22(i)	12,006.26	10,437.82
(c) Deferred Tax Liabilities (net)	10	1,325.80	1,689.66
(d) Other Non-Current Liabilities	23(i)	49,210.81	50,574.37
		3,22,760.09	**3,56,375.97**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(ii)	44,341.97	61,695.04
(ii) Trade Payables	20(ii)		
(a) total outstanding dues of micro enterprises and small enterprises		4,395.32	3,990.01
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		3,20,115.79	2,70,228.93
(iii) Other Financial Liabilities	21(ii)	62,821.63	77,934.47
(b) Provisions	22(ii)	36,903.50	30,809.56
(c) Other Current Liabilities	23(ii)	1,99,112.84	1,55,505.55
(d) Current Tax Liabilities (net)	15(iii)	1,650.17	1,671.11
		6,69,341.22	**601,834.67**
Liabilities directly associated with assets held for sale		94,685.02	-
TOTAL EQUITY AND LIABILITIES		**14,14,804.22**	**12,40,190.54**
Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements	1 to 53		

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Basant Kumar Parasramka
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	Note	2018-19	2017-18
Revenue from Operations	24	10,84,048.24	8,74,172.13
Other Income	25	4,412.92	2,530.61
TOTAL INCOME		**10,88,461.16**	**8,76,702.74**
Expenses			
Cost of Materials Consumed	26	4,47,043.13	3,76,651.10
Changes in Inventories of Finished goods and Work in Progress	27	461.72	(2,058.77)
Excise Duty on Sale of Goods		-	3,730.53
Erection, Sub-Contracting and other Project Expenses	43	3,40,682.05	2,44,913.99
Employee Benefits Expense	28	78,853.59	63,815.35
Finance Costs	29	40,104.59	37,769.37
Depreciation and Amortisation Expenses	5	21,093.85	19,150.87
Other Expenses	30	82,287.21	84,953.79
TOTAL EXPENSES		**10,10,526.14**	**8,28,926.23**
Profit Before Exceptional Items and Tax		77,935.02	47,776.51
Share of Profit/ (Loss) from Joint Venture		(1,809.81)	(1,684.12)
Exceptional Items		-	-
Profit Before Tax		**76,125.21**	**46,092.39**
Tax Expenses			
Current Tax		27,778.69	20,852.46
Deferred Tax		(362.48)	(2,586.46)
Profit for the year		**48,709.00**	**27,826.39**
Other Comprehensive Income			
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		208.97	(36.17)
Income tax on Actuarial Gain / (Loss)		(75.29)	13.13
		133.68	**(23.04)**
Items that will be reclassified subsequently to Profit or Loss			
Exchange difference in translating foreign operations		1,694.13	1,985.52
Gain/(Loss) on hedging instruments		1,905.56	(887.43)
Income tax on above items		(1,148.16)	(263.85)
		2,451.53	**834.24**
Total Other Comprehensive Income		2,585.21	811.20
Total Comprehensive Income for the year		**51,294.21**	**28,637.59**
Profit for the year attributable to			
Owners of the Company		46,675.28	28,068.07
Non-controlling interest		2,033.72	(241.68)
Profit for the Year		**48,709.00**	**27,826.39**
Total Other Comprehensive Income attributable to			
Owners of the Company		2,377.09	834.98
Non-controlling interest		208.12	(23.78)
Total Other Comprehensive Income for the Year		**2,585.21**	**811.20**
Total Comprehensive Income for the year attributable to			
Owners of the Company		49,052.37	28,903.05
Non-controlling interest		2,241.84	(265.46)
Total Comprehensive Income for the year		**51,294.21**	**28,637.59**
Earnings per Share (EPS) of ₹ 2 each			
Basic and Diluted (₹)	39	30.42	18.29
Significant Accounting Policies and			
Notes forming part of the Consolidated Financial Statements	1 to 53		

In terms of our report attached

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

For and on behalf of the Board

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Consolidated Statement of Changes in Equity

for the year ended March 31, 2019

A : Equity Share Capital

(₹ in Lakhs)

Particulars	Balance as at 31st March, 2019	Balance as at 31st March, 2018
At the beginning of the year	3,069.21	3,069.21
Changes in equity share capital during the year	-	-
Closing Balance	**3,069.21**	**3,069.21**

B : Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus						Other Comprehensive Income / (Loss)			Total Attributable to Owners of the Company	Non-Controlling Interest
	Debenture Redemption Reserve	Securities Premium Reserve	General Reserve	Statutory Reserve	Reserve Fund as per Section 45IC of RBI Act, 1934	Retained Earnings	Effective portion of Cash Flow Hedges	Exchange differences of foreign operation	Actuarial Loss on Defined Plan Liability		
Balance as at April 1, 2017	**7,500.00**	**80,545.90**	**33,288.55**	**26.02**	**18.03**	**1,20,003.95**	**191.32**	**(2,283.67)**	**(154.05)**	**2,39,136.05**	**15,069.54**
Profit for the year 2017-18	-	-	-	-	-	28,068.07	-	-	-	28,068.07	(241.68)
Other Comprehensive income /(Loss) for the year (net of tax)	-	-	-	-	-	-	(580.29)	1,430.04	(14.77)	834.98	(23.78)
Dividends Paid including tax thereon	-	-	-	-	-	(3,727.67)	-	-	-	(3,727.67)	(165.28)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	1,225.00	-	15.69	(1,240.69)	-	-	-	-	-
Transfer to Debenture Redemption Reserve from retained earnings	5,218.12	-	-	-	-	(5,218.12)	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption reserve	(2,500.00)	-	2,500.00	-	-	-	-	-	-	-	-
Premium on issue of equity shares net of shares issue expenses	-	(39.54)	-	-	-	-	-	-	-	(39.54)	-
Balance as at March 31, 2018	**10,218.12**	**80,506.36**	**37,013.55**	**26.02**	**33.72**	**1,37,885.54**	**(388.97)**	**(853.63)**	**(168.82)**	**2,64,271.89**	**14,638.80**
Profit for the year 2018-19	-	-	-	-	-	46,675.28	-	-	-	46,675.28	2,033.72
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	1,239.76	1,003.65	133.68	2,377.09	208.12
Dividends Paid including tax thereon	-	-	-	-	-	(4,693.06)	-	-	-	(4,693.06)	(330.54)
Transfer to General Reserve / Reserve Fund from Retained Earnings	-	-	1,225.00	-	20.04	(1,245.04)	-	-	-	-	-
Transfer to Debenture Redemption Reserve from retained earnings	3,686.05	-	-	-	-	(3,686.05)	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(2,500.00)	-	2,500.00	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	(163.72)	-	-	-	(163.72)	(478.96)
Impact of Ind AS 115 (net of taxes)	-	-	-	-	-	523.76	-	-	-	523.76	-
Premium on issue of equity shares net of shares issue expenses	-	(113.70)	-	-	-	-	-	-	-	(113.70)	-
Balance as at March 31, 2019	**11,404.17**	**80,392.66**	**40,738.55**	**26.02**	**53.76**	**1,75,296.71**	**850.79**	**150.02**	**(35.14)**	**3,08,877.54**	**16,071.14**

(i) Share premium is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

(ii) Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

(iii) The General Reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General Reserve is created by the transfer from one component of equity to another and is not an items of other comprehensive income. This can be utilised in accordance with the provisions of companies Act, 2013.

(iv) Statutory Reserve is created as required under article 176 of the regulations for Companies in Saudi Arabia. This reserve is not available for dividend distribution.

In terms of our report attached

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

For and on behalf of the Board

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	**48,709.00**	**27,826.39**
Adjustments for :		
Income Tax Expense	27,416.21	18,266.00
Share of (Profit)/ Loss of Joint Venture	1,809.81	1,684.12
Depreciation and Amortization Expenses	21,093.85	19,150.87
Finance Costs	40,104.59	37,769.37
Dividend Income	(7.97)	(2.81)
Interest Income	(3,663.35)	(1,507.61)
(Profit) / Loss on sale of assets (net)	338.15	(398.83)
Bad Debt written off	179.84	848.39
Liabilities Written Back	(79.12)	(202.29)
Provision for Expected Credit Loss	2,577.18	7,193.52
Impairment loss on asset held for sale	30.28	134.28
Unrealised Foreign Exchange (Gain)/ Loss (net)	(1,198.11)	(2,610.08)
Net (Gain)/ Loss arising on financial assets	227.45	199.55
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	**1,37,537.81**	**1,08,350.87**
Adjustments for:		
Trade and other Receivables	(1,10,723.60)	(1,45,946.48)
Inventories	(12,282.02)	(5,727.64)
Trade and other Payables	1,18,176.51	1,25,852.35
CASH GENERATED FROM OPERATIONS	1,32,708.70	82,529.10
Income Tax Paid	(29,180.59)	(17,570.39)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**1,03,528.11**	**64,958.71**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from disposal of Property, Plant and Equipment	660.36	3,103.69
Payment for Property, Plant and Equipment & other Intangible Assets	(71,196.02)	(68,343.89)
Loans given to Joint Ventures	(5,251.54)	(3,003.84)
Investment in Joint Venture	(7,767.97)	-
Interest Received	3,451.11	1,282.22
Dividend Received	7.97	2.81
Deposits with Banks	(2,823.75)	(3,044.74)
Consideration paid to Minority Shareholders on acquisition	(642.68)	-
CASH GENERATED / (USED IN) INVESTING ACTIVITIES	**(83,562.52)**	**(70,003.75)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Issue Expenses	(113.70)	(39.54)
Proceeds from Long Term Borrowings	55,893.21	51,203.15
Proceeds from Issue of Non Convertible Debenture	25,000.00	38,557.59
Redemption of Non Convertible Debenture	(10,000.00)	(10,000.00)
Repayment of Long Term Borrowings	(30,384.66)	(35,922.03)
Short Term Borrowings (net)	(17,289.89)	3,414.41
Interest Paid	(39,973.07)	(36,740.77)
Dividend Paid including tax thereon	(4,693.06)	(3,727.67)
Dividend payment to Minority Shareholders	(330.54)	(165.27)
CASH GENERATED / (USED IN) FINANCING ACTIVITIES	**(21,891.71)**	**6,579.87**
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	41.30	125.82

Consolidated Cash Flow Statement

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	2018-19	2017-18
D. NET INCREASE IN CASH AND CASH EQUIVALENTS	**(1,884.82)**	**1,660.65**
E. Opening Cash and Cash Equivalents	**26,286.24**	**24,625.59**
F. Closing Cash and Cash Equivalents	**24,401.42**	**26,286.24**

NOTES:

(i) Cash and Cash Equivalents at the end of the year comprises: (₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(a) Cash on hand	338.92	261.81
(b) Cheques on hand	3,667.31	-
(c) Balance with Banks		
(i) In current accounts	18,214.86	24,207.19
(ii) In fixed deposit accounts	2,180.33	1,817.24
Cash and Cash Equivalents as per Cash flow statement	**24,401.42**	**26,286.24**

Cash and Cash Equivalent as at March 31, 2019 includes ₹ 1,648.61 Lakhs pertaining to assets held for sale.

(ii) Reconciliation of liabilities arising from financing activities: (₹ in Lakhs)

Particulars	As at 31st March, 2018	Liabilities directly associated with assets held for sale	Cash Flow	Non-Cash Changes	As at 31st March, 2019
Borrowings	3,31,905.87	(93,807.67)	23,218.66	(349.94)	2,60,966.92

(iii) The Cash Flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Cash Flow Statements.

In terms of our report attached

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

For and on behalf of the Board

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

Significant Accounting Policies

for the year ended March 31, 2019

1. CORPORATE INFORMATION

Kalpataru Power Transmission Limited (referred to as "The Holding Company") is a global EPC player with diversified interest in power transmission and distribution, civil construction, railway track laying and electrification, oil & gas pipelines laying etc.

The Holding Company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India

The Company together with its subsidiaries is herein after referred to as the 'Group'.

2. (a) Basis of preparation of Financial Statement

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

These financial statements of the Group are presented in Indian Rupees (INR), which is Company's presentation currency. All financial information have been prepared in Indian rupees (INR). All amounts have been rounded-off to the nearest lakhs, unless otherwise stated.

These consolidated financial statements were approved by the Company's Board of Directors and authorised for issue on May 9, 2019.

The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in accounting policies below.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

(b) Principles of Consolidation

The consolidated financial statements relate to the Kalpataru Power Transmission Limited (the 'Company'), its Subsidiary Companies and Joint Venture Entities. The consolidated financial statements have been prepared on the following basis;

(i) The financial statement of the Subsidiary Companies and Jointly Venture Entities used in the consolidation are drawn up to the same reporting date as of the parent.

(ii) The financial statements of the Company and its subsidiaries have been combined on line-by-line basis by adding together, the book value of like items of assets, liabilities, income and expenses after eliminating intra group balances, intra group transactions and unrealized profits or losses, unless cost cannot be recovered.

(iii) The excess of cost to the Company of its investments in subsidiary companies over its share of equity of the subsidiary companies at the dates on which the investments in the subsidiary companies were made, is recognized as "Goodwill" being an asset in the consolidated financial statements and is tested for impairment on annual basis.

(iv) Non-controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non-controlling shareholders at the date on which investments in

Significant Accounting Policies

for the year ended March 31, 2019

the subsidiary companies were made and further movement in their share in the equity, subsequent to the dates of investments. Net profit / loss and other comprehensive for the year of subsidiaries attributable to the non-controlling interest is identified and adjusted against the profit after tax of the group in order to arrive at the income attributable to shareholders of the Company.

(v) Interest in Joint Venture Entities are incorporated in these consolidated financial statements using the equity method of accounting. Under equity method of accounting, an investment in joint venture is initially recognised at cost and adjusted thereafter to recognise the group's share of profit or loss and other comprehensive income of the joint venture.

3. USE OF ESTIMATES

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make estimates and assumptions that affect the reported balance of assets and liabilities, disclosure relating to contingent liabilities as at the date of the financial statements and the reported amount of income and expense for the period. Estimates and underlying assumptions are reviewed on ongoing basis. Revision of accounting estimates are recognised in the period in which the estimates are revised and future period affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

Useful lives of Property, Plant and Equipment

The Group reviews the useful life of Property, Plant and Equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods. Policy for the same has been explained under Note 4(Q).

Impairment of Investments

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Group reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4(G).

4. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue Recognition

(i) Revenue from Construction Contracts

Performance obligations with reference to construction contracts are satisfied over the period of time, and accordingly, Revenue from such contracts is recognized based on progress of performance determined using input method with reference to the cost incurred on contract and their estimated total costs. Revenue is adjusted towards liquidated damages, time value of money and price variations/escalation, wherever, applicable. Variation in contract work and other claims are included to the extent that the amount can be measured reliably and it is agreed with customer.

Estimates of revenue and costs are reviewed periodically and revised, wherever circumstances change, resulting increases or decreases in revenue determination, is recognized in the period in which estimates are revised.

The Company evaluates whether each contract consists of a single performance obligation or multiple performance obligations. Where the Company enters into multiple contracts with the same customer, the Company evaluates whether the contract is to be combined or not by evaluating various factors.

(ii) Revenue from other Contracts

Revenue from sale of goods is recognized at the point in time when control of the goods is transferred to the customer, which generally coincides with the delivery of goods to customers. Revenue from services are recognized when services are rendered.

(iii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix C of Ind AS115, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria:

- the concession grantor controls or regulates the services to be provided by the operator using the

Significant Accounting Policies

for the year ended March 31, 2019

asset, the infrastructure, the beneficiaries of the services and prices applied;

- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement. As per Ind AS 115, such infrastructures are not recognized in assets of the operator as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

Construction or upgrade services provided under a service concession arrangement, recognised based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognising revenue on construction contracts. Consideration under service concession arrangements is accounted on accrual basis in accordance with appendix C of IND AS 115. Operation and maintenance revenue is recognised in the period in which the services are provided by the Group.

(iv) Warehousing

Revenues from warehousing facilities are recognized when services are rendered, which coincides with agreement entered with customers and other entities.

(v) Real Estate Development

The Group has evaluated the timing of revenue recognition on sale of completed units based on the rights and obligations given in the terms of contracts. The Group generally concluded that contracts relating to the completed units are recognised at a point in time when control transfers. For unconditional exchanges, control is generally expected to transfer to the customer together with the legal title. For conditional exchanges, this is expected to take place when all the significant conditions are satisfied.

With respect to the services provided to the lessees including Common Area Maintenance (CAM) services (Such as housekeeping, security services, etc) as part of the lease agreements entered by the Group, the Group has determined that the promise is the overall property management service and that the service performed each day is distinct and substantially the same. Therefore, the Group concluded that the services to lessees represent a series of daily services that are individually satisfied over time, using a time elapsed measure of progress, because lessees simultaneously receive and consume the benefits provided by the Group.

The sale of completed units constitutes a single performance obligation and it is satisfied at the point in time when control transfers, which generally occurs when legal title transfers to the customer.

(vi) Operation and maintenance Income

The Company recognises revenue from Operations and Maintenance services using the time-elapsed measure of progress i.e input method on a straight line basis.

(vii) Others

Revenue from Bio Mass division is recognized on supply of electricity generated to the customer.

Dividend are recognized when right to receive payment is established. Interest income is recognized on time proportion basis.

Export benefits are accounted as revenue on accrual basis as and when export of goods take place.

B. Onerous Contract

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

C. Business Combinations

Business combinations are accounted using the acquisition method under the provisions of Ind AS 103 'Business Combinations'. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Acquisition related cost are recognised in the statement of profit or loss as incurred.

Business combinations arising from the transfer of interest in entities under common control are

Significant Accounting Policies

for the year ended March 31, 2019

accounted at historical cost. The difference between the consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

D. Operating cycle

(i) In case of long-term contracts executed by Holding Company, Operating Cycle covers the duration of the specific project/contract including the defect liability period, wherever applicable and extend up to the realization of receivables (including retention monies) within the agreed credit period.

(ii) Assets and Liabilities other than those relating to long-term contracts executed by Holding Company are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

E. Lease

Group's leasing arrangements where risk and rewards incidental to ownership of assets substantially vest to lessor are classified as operating lease. Operating lease payments are recognised on straight line basis over the lease term in the statement of profit and loss unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

F. Foreign Currency

In preparing the financial statements, transaction in currencies other than the group's functional currency (foreign currencies) are recognised at rate of exchange prevailing for the month on the dates of the transactions. Foreign currency non-monetary assets and liabilities, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

Foreign currency monetary assets and liabilities, remaining unsettled at reporting date are translated at the exchange rate prevailing at the end of the year and differences are recognised in statement of Profit and Loss.

The results and financial position of foreign operations and foreign subsidiaries that have a functional currency different from the presentation currency are translated in to presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of of reporting
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference are recognized in other comprehensive income.

G. Income taxes

Income tax expense comprises current tax expense, MAT and net change in the deferred tax asset or liability during the year. Current and Deferred Tax are recognised in Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of Assets and Liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Group and the assets can be measured reliably.

H. Inventories

Raw materials, Fuel, Semi Finished Goods, Finished Goods, scraps, construction work in progress,

Significant Accounting Policies

for the year ended March 31, 2019

construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. The cost of inventories is computed on weighted average basis. Manufacturing overheads absorbed on the basis of normal capacity of production.

I. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan and covered by payment thereof to gratuity fund under Group Gratuity Cash Accumulation Scheme of IRDA approved insurer under an irrevocable trust. The Group's liability towards gratuity is determined on the basis of actuarial valuation done by an independent actuary, taking effect of actuarial gains and losses which is recognised in Other Comprehensive Income.

b) Defined contribution plan

Contribution to Provident Fund, a defined contribution plan is charged to the Statement of Profit and Loss.

c) Compensated absence

Provision for compensated absences is made on actuarial valuation as at the Balance Sheet date.

d) Short-term employee benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

J. Non-current assets held for sale

Assets and Liabilities related to disposal group classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. The determination of fair value net of cost to sell includes use of management estimates and assumptions.

Assets and Liabilities (disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset and its sale is highly probable.

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest Income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the period in which they are incurred.

L. Provisions and Contingent Asset /Liabilities

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as expenses for legal claims, service warranties and other obligations are the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no disclosure is made.

Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

M. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Significant Accounting Policies

for the year ended March 31, 2019

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

N. Joint Operations

A joint operation is a jointly controlled arrangement whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity undertakes its activities under joint operations, the Company as a joint operator recognises for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to particulars assets.

Transaction with the Joint operations by the Group are recognized in the financial statements only to the extent of other parties' interest in the Joint operation.

O. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial Assets and Financial Liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and liabilities at fair value through profit & loss) are added to or deducted from the fair value measured on initial recognition of the financial assets or financial liabilities.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost using effective interest rate method, if:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

(b) contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial asset at fair value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within business whose objective is achieved by both collecting contractual cash flow and selling asset financial asset and the contractual terms of financial asset give rise on specific dates to cash flows that are solely payment of principal and interest on principal amount outstanding.

Financial asset at fair value through profit or loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or fair value through other comprehensive income. Financial assets under this category are measured initially as well as at each reporting period at fair value with all changes recognised in the statement of profit and loss.

Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized

Significant Accounting Policies

for the year ended March 31, 2019

in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Group enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognized less, when appropriate, the cumulative amount of income recognized in accordance with the principles of Ind AS 115.

P. Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

Q. Depreciation

Depreciation is provided on all depreciable property, plant and equipment over the useful life prescribed under schedule II to the Companies Act, 2013 except that:

a) Depreciation on plant and machinery of bio-mass energy plants is provided considering the useful life of plant as 20 years, as specified in CERC and RERC Regulations.

b) Depreciation on assets of overseas projects is provided at the rates and methods as per the best estimates of the management which is

Significant Accounting Policies

for the year ended March 31, 2019

also in accordance with requirement of laws of respective foreign countries as detailed below:

Plant & Machineries	10% - 25%
Furniture & Fixtures, Office Equipment	10 % - 33%
Computers	10% - 50%
Vehicles	15% - 38%

c) Depreciation on Plant & Machinery and Shuttering Materials of a subsidiary is provided taking useful life of 10 years and 3 years respectively based on technical evaluation.

d) Depreciation on Furniture & Fixtures at construction sites of parent Group is provided considering the useful life of 3 years based on past experience.

e) Depreciation on fumigation covers and dunnages is provided taking useful life of 5 years and 3 years respectively.

Depreciation is provided on Straight Line Method (SLM) except on assets pertaining to Research and Development Centre, one of the unit of the Group, Real Estate and mining activities is provided on the basis of written down value method.

Intangible Assets

a) Intangible assets with definite useful life is amortised using straight line method over the useful life.

b) Other Intangible assets are amortized over a period of three to five years on straight line basis.

R. Impairment

a) Financial asset

Group applies as per Ind AS 109 expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

b) Non-Financial asset

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

S. Earnings Per share

Basic earnings per share are computed by dividing profit or loss of the Group by dividing weighted average number of equity shares outstanding during the period. The Group did not have any potential to dilutive securities in the period presented.

T. Exemptions on first time adoption of Ind AS

(a) The Group has opted to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the financial statement as at the transition date.

(b) The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

U. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), on March 30, 2019 notified Ind AS 116, "Leases" as part of Companies (Indian Accounting Standards) Amendment Rule, 2018. The new standard is effective for accounting periods beginning on or after April 1, 2019. The Group is evaluating the disclosure requirements of the amendments and its effect on the financial statements.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

5. PROPERTY, PLANT, EQUIPMENTS AND INTANGIBLE ASSETS.

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1st April, 2018	Additions	Deductions/ Adjustments*	Foreign Currency Translation Reserve	As at 31st March, 2019	As at 1st April, 2018	For the Year	Deductions/ Adjustments*	Foreign Currency Translation Reserve	As at 31st March, 2019	As at 31st March, 2019
(i) Property, Plant and Equipments											
Leasehold Land	2,539.13				2,539.13	-				-	2,539.13
Freehold Land	14,768.49				14,768.49	-				-	14,768.49
Buildings	49,130.08	6,403.48	167.53	8.42	55,374.45	3,764.48	1,855.81	12.05	2.56	5,610.80	49,763.65
Plant and Equipment	89,734.33	18,293.00	2,177.06	330.00	1,06,180.27	27,311.77	11,982.94	1,638.43	152.60	37,808.88	68,371.39
Electric Installation	1,013.68	195.97	4.53	0.96	1,206.08	304.23	121.89	3.71	-	422.41	783.67
Furniture and Fixtures	3,254.17	275.03	105.65	10.72	3,434.27	986.33	391.52	46.89	7.59	1,338.55	2,095.72
Office Equipment	4,481.72	1,559.42	83.62	(2.53)	5,954.99	2,044.80	1,101.18	63.48	5.43	3,087.93	2,867.06
Vehicles	9,406.38	1,961.94	481.98	54.66	10,941.00	3,161.24	1,552.69	255.44	26.79	4,485.28	6,455.72
Total (i)	**1,74,327.98**	**28,688.84**	**3,020.37**	**402.23**	**2,00,398.68**	**37,572.85**	**17,006.03**	**2,020.00**	**194.97**	**52,753.85**	**1,47,644.83**
(ii) Other Intangible Assets											
Toll Collection Rights	1,74,856.10	-	-	-	1,74,856.10	9,445.19	3,193.83	-	-	12,639.02	1,62,217.08
Copyright and Trade Mark	10.14	-	-	-	10.14	10.14	-	-	-	10.14	-
Software (Other than internally generated)	2,991.23	778.49	0.33	0.05	3,769.44	1,099.76	556.84	0.30	-	1,656.30	2,113.14
Total (ii)	**1,77,857.47**	**778.49**	**0.33**	**0.05**	**1,78,635.68**	**10,555.09**	**3,750.67**	**0.30**	**-**	**14,305.46**	**1,64,330.22**
Total (I + ii)	**3,52,185.45**	**29,467.33**	**3,020.70**	**402.28**	**3,79,034.36**	**48,127.94**	**20,756.70**	**2,020.30**	**194.97**	**67,059.31**	**3,11,975.05**

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION / AMORTISATION					NET BLOCK
	As at 1st April, 2017	Additions	Deductions/ Adjustments	Foreign Currency Translation Reserve	As at 31st March, 2018	As at 1st April, 2017	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2018	As at 31st March, 2018
(i) Property, Plant and Equipments											
Leasehold Land	2,538.41	0.72	-	-	2,539.13	-	-	-	-	-	2,539.13
Freehold Land	14,768.49	-	-	-	14,768.49	-	-	-	-	-	14,768.49
Buildings	46,953.98	2,228.09	-	(51.99)	49,130.08	2,299.23	1,472.47	-	(7.22)	3,764.48	45,365.60
Plant and Equipment	80,087.22	13,730.85	3,874.35	(209.39)	89,734.33	18,270.37	11,403.78	2,340.30	(22.08)	27,311.77	62,422.56
Electric Installation	714.57	301.87	2.81	0.05	1,013.68	189.97	114.22	-	0.04	304.23	709.45
Furniture and Fixtures	2,264.59	1,125.75	132.19	(3.98)	3,254.17	673.47	357.74	42.32	(2.56)	986.33	2,267.84
Office Equipment	3,015.99	1,540.17	64.07	(10.37)	4,481.72	1,256.57	842.18	47.55	(6.40)	2,044.80	2,436.92
Vehicles	8,306.85	2,021.81	526.42	(395.86)	9,406.38	2,042.24	1,644.22	332.44	(192.78)	3,161.24	6,245.14
Total (i)	**1,58,650.10**	**20,949.26**	**4,599.84**	**(671.54)**	**1,74,327.98**	**24,731.85**	**15,834.61**	**2,762.61**	**(231.00)**	**37,572.85**	**1,36,755.13**
(ii) Other Intangible Assets											
Toll Collection Rights	1,75,723.73	-	867.63	-	1,74,856.10	6,642.88	2,802.31	-	-	9,445.19	1,65,410.91
Copyright and Trade Mark	10.14	-	-	-	10.14	9.53	0.61	-	-	10.14	-
Software (Other than internally generated)	1,582.31	1,408.92	-	-	2,991.23	586.42	513.34	-	-	1,099.76	1,891.47
Total (ii)	**1,77,316.18**	**1,408.92**	**867.63**	**-**	**1,77,857.47**	**7,238.83**	**3,316.26**	**-**	**-**	**10,555.09**	**1,67,302.38**
Total (I + ii)	**3,35,966.28**	**22,358.18**	**5,467.47**	**(671.54)**	**3,52,185.45**	**31,970.68**	**19,150.87**	**2,762.61**	**(231.00)**	**48,127.94**	**3,04,057.51**

Notes :

(a) Please refer note 34 for security created on property plant & equipment and other intangible assets.

(b) Buildings includes ₹ 0.11 Lakhs (Previous year: ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies.

(c) *Includes assets classified as held for sale. (Refer note 6.1). Depreciation pertaining to assets held for sale is ₹ 337.15 Lakhs for Financial year 2018-19.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

6. INVESTMENTS - NON CURRENT

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2019	As at 31st March, 2018
A. Investments - Carried at cost						
(a) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited (refer Note 6.1)	INR	10	1,12,64,286	1,12,64,286	-	4,910.02
Kurukshetra Expressway Private Limited	INR	10	5,16,82,990	5,16,82,990	-	-
Kohima-Mariani Transmission Limited (subsidiary upto May 1, 2018) (refer Note 6.1)	INR	10	2,22,00,000	-	-	-
Total investment carried at cost	-	-	-	-	-	**4,910.02**
B. Investment - Carried at fair value through profit or loss (FVTPL)						
(i) Quoted,						
(a) In Equity instruments						
Power Grid Corporation of India Limited	INR	10	48,366	48,366	95.81	93.93
(b) In Mutual Fund						
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	INR	10	5,00,000	5,00,000	50.00	50.00
					145.81	**143.93**
(ii) Unquoted,						
In Equity instruments						
Transpower Engineering Limited	INR	10	100	100	-	-
Total investment carried at fair value through profit or loss					145.81	143.93
Total					**145.81**	**5,053.95**
Aggregate carrying amount of Quoted Investments					145.81	143.93
Market Value of Quoted Investments					145.81	143.93
Aggregate amount of Unquoted Investments					-	4,910.02

Note:

30,04,337 (Previous year 30,04,337) Equity Shares of Jhajjar KT Transco Private Limited and 1,13,22,000 (Previous Year - Nil) shares of Kohima-Mariani Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.

6.1 Assets classified as held for sale

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Transmission Assets	1,38,814.65	-
Freehold land	1,521.15	1,551.43
Total	**1,40,335.80**	**1,551.43**

In the quarter ended March 31, 2019, the Company has initiated identification and evaluation of potential buyers for its subsidiaries -Kalpataru Satpura Transco Private Limited, Alipurduar Transmission limited and joint ventures - Jhajjar KT Transco Private Limited, Kohima-Mariani Transmission Limited (collectively referred to as "the transmission assets") and accordingly, assets amounting to ₹ 1,38,814.65 lakhs and liabilities amounting to ₹ 94,685.02 Lakhs in respect of the transmission assets have been reclassified under "held for sale". On reclassification, the same have been measured at the lower of carrying amount and its fair value. The transmission assets does not constitute a separate major component of the Group.

One of the Subsidiary Company has classified a parcel of freehold land, under "held for sale" as it intends to dispose the same and for which search for buyer is underway. An impairment loss of ₹30.28 Lakhs (Previous year ₹ 134.28 Lakhs) was recognised in the financial statement.

Notes on Consolidated Financial Statement
for the year ended March 31, 2019

7. TRADE RECEIVABLES
(Unsecured, Considered good)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current	13,864.56	12,754.20
Less : Allowance for expected credit loss	(1,490.21)	(1,310.51)
TOTAL	**12,374.35**	**11,443.69**
(ii) Current	4,34,203.05	4,08,173.16
Less : Allowance for expected credit loss	(12,844.66)	(12,660.68)
TOTAL	**4,21,358.39**	**3,95,512.48**

8 LOANS

(i) Non Current		
(Unsecured Considered good)		
Loan to Joint Venture Companies (refer note 42)	-	365.25
Security Deposits	4,813.70	4,217.99
TOTAL	**4,813.70**	**4,583.24**
(ii) Current		
Loan to Joint Venture Companies (refer note 42) (Unsecured Considered good)	19,413.67	13,796.88
Others (Secured Considered good)	2,583.62	2,978.90
Security Deposits	3,846.90	3,318.08
TOTAL	**25,844.19**	**20,093.86**

9. OTHER FINACIALS ASSETS

(i) Non Current		
Fixed Deposit with Banks*	2,788.50	617.59
Service Concession receivables	-	23,668.24
Interest accrued on Fixed Deposit	88.45	-
Subsidy Deposit	781.89	717.54
Others	-	6.13
TOTAL	**3,658.84**	**25,009.50**

*Includes of ₹ 1,844.51 Lakhs (Previous year ₹ 22.07 Lakhs) held as margin money and towards other commitments.

(ii) Current		
Fixed Deposit with Banks*	2,483.66	2,131.14
Accrued Income	1,637.15	1,229.71
Subsidy Deposit	275.00	275.00
Service Concession receivables	-	939.24
Others	1,744.33	1,051.43
TOTAL	**6,140.14**	**5,626.52**

**Includes of ₹ 0.16 Lakhs (Previous year ₹ 184.00 Lakhs) held as margin money and towards other commitments.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

10. DEFERRED TAX ASSET (NET)

(₹ in Lakhs)

Particulars	As at 1st April, 2018	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earnings	As at 31st March, 2019
Deferred tax (liabilities)/assets in relation to:					
a Property, Plant and Equipments	(5,072.65)	210.05	-	-	(4,862.60)
b Expense deductible / income taxable in different tax accounting period and change in fair value	4,573.64	(2,576.52)	(961.27)	(284.98)	750.87
c Provision for expected credit loss	4,404.38	63.13	-	-	4,467.51
d Carry Forward Tax Losses	4,086.00	582.65	-	-	4,668.65
e Change in method of determining revenue	(2,810.24)	760.71	-	-	(2,049.53)
f Other Tax effect	6,950.18	1,314.58	(75.29)	-	8,189.47
SUB-TOTAL	**12,131.31**	**354.60**	**(1,036.56)**	**(284.98)**	**11,164.37**
MAT Credit Entitlement	913.26	1.83	-	-	915.09
Others (including exchange differences)	(6.04)	6.04	-	-	-
TOTAL	**13,038.53**	**362.47**	**(1,036.56)**	**(284.98)**	**12,079.46**

Particulars	As at 1st April, 2017	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in retained earning	As at 31st March, 2018
Deferred tax (liabilities)/assets in relation to:					
a Property, Plant and Equipments	(4,370.60)	(702.05)	-	-	(5,072.65)
b Expense deductible / income taxable in different tax accounting period and change in fair value	5,559.56	(722.07)	(263.85)	-	4,573.64
c Provision for expected credit loss	2,681.70	1,722.68	-	-	4,404.38
d Carry Forward Tax Losses	2,702.23	1,383.77	-	-	4,086.00
e Change in method of determining revenue	(1,425.24)	(1,385.00)	-	-	(2,810.24)
f Other Tax effect	4,654.42	2,282.63	13.13	-	6,950.18
SUB-TOTAL	**9,802.07**	**2,579.96**	**(250.72)**	**-**	**12,131.31**
MAT Credit Entitlement	906.76	6.50	-	-	913.26
Others (including exchange differences)	(6.04)	-	-	-	(6.04)
TOTAL	**10,702.79**	**2,586.46**	**(250.72)**	**-**	**13,038.53**

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Deferred tax assets	14,027.15	14,728.19
Deferred tax liabilities	(1,325.80)	(1,689.66)
Liabilities directly associated with assets held for sale	(621.88)	-
Net Deferred Tax Asset	**12,079.47**	**13,038.53**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

11. OTHER ASSETS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Capital Advances	1,029.60	1,083.68
Advance Rental	255.98	420.97
Prepaid Expenses	667.35	647.67
VAT Credit and WCT Receivable	434.16	713.66
Advance to Suppliers	-	1,481.11
Taxes Paid Under Protest	199.39	56.63
TOTAL	**2,586.48**	**4,403.72**
(ii) Current		
Taxes and duties Recoverable	4,874.94	963.41
VAT Credit and WCT Receivable	18,485.54	21,996.30
GST Receivable	23,764.64	32,634.45
Export Benefits Receivable	2,099.98	3,407.00
Taxes Paid Under Protest	491.86	1,118.14
Advance to Suppliers	28,809.45	26,268.56
Prepaid Expenses	5,045.63	5,196.20
Amount Due from Customers under Construction and other Contracts (Contract assets)	2,42,924.41	1,50,947.64
Advance Rental	229.36	210.48
Others	468.04	38.71
TOTAL	**3,27,193.85**	**2,42,780.89**

11.1 Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period

Recognised as amount due:		
from Customers under Construction contract	2,45,002.80	1,52,167.78
to Customers under Construction contract (refer note 23)	(43,678.62)	(31,473.18)
Less : Allowance for expected credit loss	(2,078.39)	(1,220.14)
	1,99,245.79	**1,19,474.46**

11.2 The contract assets represents amount due from customer, primarily relate to the Company's rights to consideration for work executed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional, that is when invoice is raised on achivement of contractual milestone. This usually occurs when the Company issues an invoice to the customer. The contract liabilities represents amount due to customer, primarily relate invoice raised on customer on achivement of milestone for which revenue to be recognised over the period of time.

11.3 Increase in contract assets is mainly due to increase in business activities and in certain contracts on account of contractual milestone not achieved. During the year ended March 31, 2019, ₹ 1,07,625.53 Lakhs of contract assets as of April 1, 2018 has been reclassified to Trade receivables upon billing to customers on completion of milestones.

11.4 Revenue recognised for the current period includes ₹ 31,473.18 Lakhs, that was classified as amount due to customer at the beginning of the year.

11.5 In case of EPC contracts, amount in the range of 10-20% of the contract value is paid as an advance and 10-20% amount released at the end of project and balance amount is paid progressively based on the agreed milestone in the contract.

Notes on Consolidated Financial Statement
for the year ended March 31, 2019

12. INVENTORIES

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Raw Materials and Components (including goods in transit ₹870.25 lakhs) (Previous year ₹491.66 lakhs)	26,673.67	19,496.43
Work-in-progress Tower Parts	3,145.87	3,218.96
Finished goods Tower Parts	9,095.91	9,498.41
Store, Spares, Construction Materials and Tools	48,159.71	34,872.97
Construction Work-in-Progress	-	336.57
Scrap	386.83	372.96
Finished Goods of Real Estate Division	43.25	9,350.72
Semi-finished Goods of Real Estate Division	24,144.66	21,840.26
Agro Commodities	0.02	225.25
TOTAL	**1,11,649.92**	**99,212.53**

12.1 Amount of ₹ 372.32 Lakhs (Previous Year ₹ 60.12 Lakhs) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Refer note 4 (H) for accounting policy related to valuation of inventories

13. CASH AND CASH EQUIVALENTS

Balance With Banks		
In Current Accounts	17,061.61	24,207.19
In Fixed Deposit Accounts* (with original maturity of less than 3 months)	1,684.97	1,817.24
Cheques on hand	3,667.31	-
Cash on hand	338.92	261.81
TOTAL	**22,752.81**	**26,286.24**

*Includes ₹ Nil (Previous year ₹ 111.6 Lakhs) held as margin money and towards other commitments.

14. OTHER BALANCES WITH BANKS

Unpaid Dividend Accounts	45.64	42.80
Deposits with original maturity more than 3 months but less than 12 months**	1,671.13	1,932.41
TOTAL	**1,716.77**	**1,975.21**

**Includes ₹ 1,046.53 Lakhs(Previous year ₹ 403.40 Lakhs) held as margin money and towards other commitments.

15. CURRENT TAX

(i) Non-current Tax Asset		
Advance Income Tax and TDS (net of provisions)	979.68	2,248.82
TOTAL	**979.68**	**2,248.82**
(ii) Current Tax Asset		
Advance Income Tax and TDS (net of provisions)	3,575.01	1,120.95
TOTAL	**3,575.01**	**1,120.95**
(iii) Current Tax Liability		
Provisions for Tax (net of Advance Income Tax and TDS)	1,650.17	1,671.11
TOTAL	**1,650.17**	**1,671.11**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

16. EQUITY

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
AUTHORISED :		
17,50,00,000 (Previous year 17,50,00,000) Equity Shares of ₹ 2 each	3,500.00	3,500.00
TOTAL	**3,500.00**	**3,500.00**
ISSUED, SUBSCRIBED and PAID-UP:		
15,34,60,570 (Previous year 15,34,60,570) Equity Shares of ₹ 2 each fully paid up	3,069.21	3,069.21
TOTAL	**3,069.21**	**3,069.21**

16.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	Numbers	₹ in Lakhs	Numbers	₹ in Lakhs
Shares outstanding at the beginning of the year	15,34,60,570	3,069.21	15,34,60,570	3,069.21
Shares outstanding at the end of the year	15,34,60,570	3,069.21	15,34,60,570	3,069.21

16.2 The Company has only one class of Equity Shares having par value of ₹2 per share. Each holder of Equity Shares is entitled to one vote per share. The dividend is declared and paid on being proposed by the Board of Directors after the approval of the Shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all liabilities. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

16.3 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,14,05,822	7.43	1,14,05,822	7.43
Mr. Parag M. Munot	1,34,63,615	8.77	1,34,63,615	8.77
Kalpataru Construction Private Limited	2,33,50,000	15.22	2,33,50,000	15.22
K. C. Holdings Private Limited	2,11,42,600	13.78	2,11,42,600	13.78
Kalpataru Properties Private Limited	1,36,46,196	8.89	1,36,46,196	8.89
HDFC Trustee Company Limited	1,33,48,217	8.70	1,21,62,067	7.93

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

17. OTHER EQUITY (Excluding Non-Controlling Interest)

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Share Premium :		
At the beginning of the year	80,506.36	80,545.90
Less : Share Issue Expenses	113.70	39.54
	80,392.66	**80,506.36**
Debentures Redemption Reserve :		
At the beginning of the year	10,218.12	7,500.00
Add : Transferred from Retained Earnings	3,686.05	5,218.12
Less : Transferred to General Reserve	2,500.00	2,500.00
	11,404.17	**10,218.12**
General Reserve :		
At the beginning of the year	37,013.55	33,288.55
Add : Transferred from Debenture Redemption Reserve	2,500.00	2,500.00
Add : Transferred from Retained Earnings	1,225.00	1,225.00
	40,738.55	**37,013.55**
Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934		
At the beginning of the year	33.72	18.03
Add: Transfer from Retained Earnings	20.04	15.69
	53.76	**33.72**
Statutory Reserve		
At the beginning of the year	26.02	26.02
	26.02	**26.02**
Retained Earnings		
At the beginning of the year	1,37,885.54	1,20,003.95
Add : Profit for the year	46,675.28	28,068.07
Add : Impact of Ind As 115 (net of taxes)	523.76	-
Less : Acquisition of non-controlling interest	163.72	-
Less : Dividend on Equity Shares		
[Dividend per Share ₹ 2.50 (Previous year ₹ 2.00)]	3,836.51	3,069.21
Less : Corporate Tax on Dividend	856.55	658.46
Less : Transfer to Debenture Redemption Reserve	3,686.05	5,218.12
Less : Transfer to General Reserve	1,225.00	1,225.00
Less : Transfer to Reserve Fund as per section 45-IC of RBI Act	20.04	15.69
	1,75,296.71	**1,37,885.54**
Other Comprehensive Income/ (Loss)		
At the beginning of the year	(1,411.42)	(2,246.40)
Add : Other comprehensive income for the year	2,377.09	834.98
	965.67	**(1,411.42)**
TOTAL	**3,08,877.54**	**2,64,271.89**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

18 Non Controlling interest

(₹ in Lakhs)

Particulars	Name of subsidiaries			
	JMC Projects (India) Limited	Shree Shubham Logistics Limited	Kalpataru IBN Omairah Company Limited	TOTAL
Balance as at April 1, 2017	11,902.76	2,759.49	407.29	15,069.54
Share of total comprehensive Income/ (loss) for the year	854.59	(1,159.19)	39.14	(265.46)
Distribution of dividend	(165.28)	-	-	(165.28)
Balance as at March 31, 2018	**12,592.07**	**1,600.30**	**446.43**	**14,638.80**
Share of total comprehensive Income/ (loss) for the year	2,685.18	(404.59)	(38.75)	2,241.84
Reduction of non-controlling interest	-	(478.96)	-	(478.96)
Distribution of dividend	(330.54)	-	-	(330.54)
Balance as at March 31, 2019	**14,946.71**	**716.75**	**407.68**	**16,071.14**
Proportion of Interest	32.81%	19.94%	35.00%	

18.1 Summarised financial information of major subsidiaries-

(a) JMC Projects (India) Limited

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Assets	5,01,991.76	4,53,725.00
Total Liabilities	4,45,002.75	4,03,615.00
Total Equity	**56,989.01**	**50,110.00**

Particulars	2018-19	2017-18
Revenue	3,40,722.44	2,88,813.85
Total comprehensive Income/ (loss) for the year	8,183.87	2,604.01
Net cash inflow /(outflow)	(7,410.46)	12,861.92

(b) Shree Shubham Logistics Limited

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Total Assets	58,032.65	58,485.35
Total Liabilities	51,304.81	50,318.41
Total Equity	**6,727.84**	**8,166.94**

Particulars	2018-19	2017-18
Revenue	12,733.28	7,100.76
Total comprehensive Income/ (loss) for the year	(1,439.11)	(4,069.81)
Net cash inflow /(outflow)	(209.44)	44.21

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

19. (i) NON CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Non-Current	Current	Non-Current	Current
Secured (at amortised cost)				
Non-Convertible Redeemable Debentures	-	-	17,110.88	1,099.20
Less : Unamortised Transaction Cost of Borrowings	-	-	(222.60)	(14.99)
Rupee Term Loans				
From Banks	1,00,788.71	15,468.24	1,49,805.07	14,561.10
From NBFC	32,717.79	6,748.53	34,315.87	4,694.75
Unsecured (at amortised cost)				
Non-Convertible Redeemable Debentures	55,000.00	-	30,000.00	10,000.00
Less : Unamortised Transaction Cost of Borrowings	(175.82)	-	(93.35)	-
Rupee Term Loans				
From Banks	3,488.89	2,588.61	6,077.47	2,565.60
Others	-	-	311.83	-
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21(ii))		(24,805.38)		(32,905.66)
TOTAL	**1,91,819.57**	**-**	**2,37,305.17**	**-**

19.1 Details of Debentures:

(₹ in Lakhs)

Redemption Profile	As at 31st March, 2019	As at 31st March, 2018	Interest rate	Date of Allotment
(a) Secured Non-Convertible Redeemable Debentures of one of the Subsidiary Company:				
Redeemable in quarterly installments in approximately 18 years.	-	17,972.49	8.65% p.a. payable annually till 10th year	March 27, 2018
Security: The debentures are secured by first charge by way of hypothecation of entire moveable & immovable property both present and future (excluding project assets), trust and retention account/ escrow agreement, debt service reserve and any other reserves, other bank accounts, pledge of shares by sponsors upto 26% of the paid up capital of the subsidiary Company. In addition to the Pledged Shares, subsidiary Company has provided a non-disposal undertaking for 25% of equity share. Charge for the security has been created on April 5, 2018. Balance as at March 31, 2019 shown as liabilities directly associated with assets held for sale.				
(b) Unsecured Non-Convertible Redeemable Debentures (NCD) :				
Series III NCDs redemmable on August 28, 2023	7,500.00	-	9.95% p.a. payable annually	August 28, 2018
Redeemable at premium on September 12, 2022	5,000.00	-	Zero	September 12, 2018
Series II NCDs redemmable on August 27, 2022	4,500.00	-	9.95% p.a. payable annually	August 28, 2018
Redeemable at premium on March 11, 2022	5,000.00	-	Zero	September 12, 2018
Redeemable at face value in 2 equal annual instalments starting from September 27, 2021	10,000.00	10,000.00	8.11% p.a. payable annually	September 27, 2017
Series I NCDs redemmable on August 27, 2021	3,000.00	-	9.95% p.a. payable annually	August 28, 2018
Redeemable at face value in 3 equal annual instalments starting from May 20, 2020	10,000.00	10,000.00	8.45% p.a. payable annually	May 25, 2017
Redeemable at face value on May 15, 2020	10,000.00	10,000.00	7.90% p.a. payable annually	March 17, 2017
Redeemable at face value on May 20, 2018	-	10,000.00	9.55% p.a. payable annually	March 26, 2015

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

19.2 Rupee Term Loans from Banks and NBFC :

(a) ₹ 1,500 Lakhs (Previous year ₹ 2,500.00 Lakhs) carries interest in the range of 8.30% - 8.95% p.a., secured by hypothecation of specific moveable fixed assets and is repayable in 22 equal quarterly instalment ending on December 31, 2019.

(b) ₹48,767.06 Lakhs (Previous year ₹ 50,303.39 Lakhs) carries interest of Base Rate + spread charged by bank from time to time, is secured by

i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary Company

ii) first charge by way of assignment or otherwise creation of security Interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary Company in accordance with the provisions of the substitution agreement and the Concession Agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary Company in the Project Documents.

iii) pledge of equity shares of the subsidiary held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower. Repayable in quarterly unequal instalments ending on July 31, 2027.

(c) ₹ 12,192.33 Lakhs (Previous year ₹ 13,162.31 Lakhs) carries interest Base Rate + spread charged by bank from time to time, is secured by

i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary Company.

ii) first charge by way of assignment or otherwise creation of security interest in all the right, title, interest, benefits, claims and demands whatsoever of one of the subsidiary Company in accordance with the provisions of the substitution agreement and the concession agreement and by way of assignment or creation of security interest of all the rights, title, interest, benefits, claims and demands whatsoever of one of the subsidiary Company in the Project Documents.

iii) pledge of equity shares of one of the subsidiary held by the Promoter aggregating to 51% (fifty one percent) of paid up and voting equity share capital of the Borrower Repayable in quarterly unequal instalments ending on December 31, 2023.

(d) Term loan amounting to ₹ 30,175.18 Lakhs (Previous year ₹ 31,770.03 Lakhs) carries interest base rate + Spread charged by bank from time to time, is secured by first charge on all movable and immovable assets except the project assets of one of the subsidiary Company. Repayable in unequal quarterly instalments ending on July 31, 2027.

(e) ₹ Nil (Previous year ₹ 34,179.55 Lakhs) of one of the subsidiary, is secured in favour of consortium members by first charge on pari passu basis by way of pledge of shares by sponsor upto 51% of the paid up equity of the subsidiary Company. Term loan is secured by first charge by way of hypothecation of entire movable property, tangible & Intangible assets, all rights in respect of project documents and insurance contracts, receivables, book debts, investments, operating cash flows, transmission License, all the current assets and all the other assets both present and future. Interest is payable at MCLR + spread which is re-set on yearly basis. The Loan is repayable by way of monthly instalments in approximately 16 years ending on March 31, 2036. Balance as at March 31, 2019 shown as liabilies directly associated with assets held for sale.

(f) ₹ 2,500 Lakhs (Previous Year Nil) carries interest of base rate + Spread charged by bank from time to time, is secured by by first pari passu charge on entire movable Property , plant and equipment excluding assets charged exclusively to the Term Lenders of one of the subsidiary Company. Term Loan is repayable in 16 equal quarterly instalments with March, 2024 as maturity date.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

19. (i) NON CURRENT BORROWINGS (Contd..)

(g) Term Loan from a Bank amounting to ₹ 129.40 Lacs (Previous Year Nil) carries interest of base rate + Spread charged by bank from time to time, is secured exclusively by first charge on movable fixed assets funded out of the said facility. Term Loan is repayable in unequal quarterly instalments ending in January, 2023.

(h) ₹ 1,829.65 Lakhs (Previous year ₹ 2,495.01 Lakhs) carries interest of base rate + Spread charged by bank from time to time, is secured by first and exclusive charge over the movable fixed assets financed through loan of one of the subsidiary Company. Term Loan is repayable in unequal quarterly instalments with September 30, 2021 as maturity date.

(i) ₹Nil (Previous year ₹ 354.19 Lakhs) carries interest base rate + Spread charged by bank from time to time, is secured by first charge on movable fixed assets, excluding assets charged exclusively to other term lenders, of one of the subsidiary Company. Term Loan is repayable in equal quarterly instalments of ₹ 70.83 Lakhs.

(j) ₹ 4,860 Lakhs & ₹ 3,750 Lakhs (Previous year ₹ 6,930 Lakhs & ₹ 5,000 Lakhs) is secured by first charge on movable fixed assets, excluding assets charged exclusively to other term lenders, of one of the subsidiary Company. Term loan is repayable in balance 18 unequal & 16 equal quarterly instalments, December, 2020 and March, 2022 as maturity date and interest payable on monthly basis at varying interest rate.

(k) Term Loan from a Bank amounting to ₹ 153.80 Lakhs (Previous year ₹ 226.34 Lakhs) carries interest of base rate + Spread charged by bank from time to time, is secured exclusively by first charge on movable fixed assets funded out of the said facility. Term Loan is repayable in unequal quarterly instalments ending in May 2021.

(l) Term loan from a bank amounting to ₹ 12,487.49 Lakhs (Previous year ₹ 15,000.00 Lakhs) is secured by first pari passu charge on entire movable Property, plant and equipments excluding assets charged exclusively to the Term Lenders. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter, commencing from December 31, 2018 with September 30, 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 Yr MCLR.

(m) ₹ 2,717.14 Lakhs (Previous year ₹ 1,850.88 Lakhs) carries interest in range of 8.00% -11.00% p.a. is secured by hypothecation of Vehicles / equipments financed through loans.

(n) ₹ 27,247.55 Lakhs (Previous year ₹ 30,064.00 Lakhs) is secured by the assets at warehouses ,including land building, in Rajasthan. Term loans are repayable in balance 1-30 structured instalments and present interest rates is in the range of 8.35% - 10.90% p.a.

(o) ₹ 7,350.00 Lakhs (Previous year ₹ 9,450.00 Lakhs)carries interest in the range of 8.50% - 9.00% p.a., secured by pari passu charges on movable and immovable fixed assets of transmission & distribution and Oil & Gas division of the Company to the extent of 1.25 times of outstanding facility and pledge of 5,564,069 number of equity shares in Shree Shubham Logistics Limited. It is repayable in 20 Equal Quarterly instalment ending on September 30, 2022.

(p) ₹ 63.67 Lakhs (Previous year ₹ 91.09 Lakhs) carries interest of 10.00% p.a. secured Loan of one of the subsidiary Company is repayable in balance 8 quarterly structured instalments ending on March 6, 2021.

19 (ii) CURRENT BORROWINGS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Secured (at amortised cost)		
Working Capital Facilities from Banks	44,341.97	60,809.46
Unsecured (at amortised cost)		
Short Term Loans from Banks	-	885.58
TOTAL	**44,341.97**	**61,695.04**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

(a) Working capital facilities of the holding Company of ₹ 15,370.21 Lakhs (Previous year ₹ 24,087.44 Lakhs) from Banks are secured in favour of consortium of bankers by hypothecation of stocks, stores and spares, trade receivables and all other movables of on pari passu basis and also secured by movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission and distribution division and oil & Gas division of Company. Short term loan from Bank represents discounted trade receivable. As the Company has not transferred the significant risks and rewards relating to these trade receivables, it continue to recognize the full carrying amount of the trade receivables and has recognized the cash received as a unsecured borrowing.

(b) Working capital facilities of one of the subsidiary of ₹ 26,789.00 Lakhs (Previous year ₹ 33,655.31 Lakhs) are secured in favour of consortium bankers, by way of :

(a) First charge against hypothecation of Stocks, Work in Progress, Stores and Spares, Bills, Receivable, Book Debts and other Current Assets.

(b) Second charge on all movable Fixed Assets financed by consortium bankers.

(c) First charge on the office premises of the Company.

(c) Working capital facilities of one of the Subsidiary of ₹ 2,182.76 Lakhs (Previous year ₹ 3,066.71 Lakhs) are secured against hypothecation of Stock, Book Debts, Plant and Machinery & Equipments, Other Fixed Assets, Land and Warehousing Complexes constructed thereon in Pari Passu with Term Lender.

20. TRADE PAYABLE

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Others	31,281.36	19,887.32
TOTAL	**31,281.36**	**19,887.32**
(ii) Current		
Total outstanding dues of Micro and Small enterprises	4,395.32	3,990.01
Acceptances	15,304.02	3,228.80
Others	3,04,811.77	2,67,000.13
TOTAL	**3,24,511.11**	**2,74,218.94**

All current trade payables are non interest bearing and payable or to be settled within normal operating cycle of the Company.

21. OTHER FINANCIAL LIABILITIES

(i) Non Current		
Security Deposits	218.72	784.42
Interest accrued but not due on borrowings	560.25	-
Additional concession fees	35,573.81	35,207.36
Others	763.51	489.85
TOTAL	**37,116.29**	**36,481.63**
(ii) Current		
Current maturities of long term debt (Refer Note 19(i))	24,805.38	32,905.66
Interest accrued but not due on borrowings	2,262.13	2,130.60
Unpaid Dividend	45.64	42.80
Unclaimed matured deposits and interest accrued thereon	3.04	3.51
Security Deposits	14,783.51	12,165.90
Creditors for capital expenditure	6,218.48	19,539.95
Additional concession fees	3,587.24	593.05
Other Payable	11,116.21	10,553.00
TOTAL	**62,821.63**	**77,934.47**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

22. PROVISIONS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Provision for employee benefits	3,046.93	2,719.75
Provision for Performance Warranties (Refer Note 38)	4,281.49	4,232.31
Major maintenance expense (Refer Note 38)	4,677.84	3,485.76
TOTAL	**12,006.26**	**10,437.82**
(ii) Current		
Provision for employee benefits	830.22	622.61
Provision for Performance Warranties (Refer Note 38)	23,495.07	21,639.10
Provision for Expected Loss on Long Term Contracts (Refer Note 38)	6,929.94	4,948.34
Others	5,648.27	3,599.51
TOTAL	**36,903.50**	**30,809.56**

23. OTHER LIABILITIES

Particulars	As at 31st March, 2019	As at 31st March, 2018
(i) Non Current		
Advance from Customers	42,936.93	43,390.89
Deposit from Customer	4,282.67	5,125.15
Deferred Income	1,669.98	1,802.37
Others	321.23	255.96
TOTAL	**49,210.81**	**50,574.37**
(ii) Current		
Amount Due to Customers under Construction Contracts (Contract liabilities) (Refer Note 11.1 & 11.2)	43,678.62	31,473.18
Advance from Customers	1,40,821.22	1,04,728.29
Statutory Liabilities	13,712.83	17,722.51
Deferred Income	89.38	166.16
Others	810.79	1,415.41
TOTAL	**1,99,112.84**	**1,55,505.55**

24. REVENUE FROM OPERATIONS

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from Contract with Customers		
Sale of Products		
Tower Parts & Components	35,221.77	71,648.36
Agro Commodities	687.98	5.94
Others	21,122.87	7,208.37
Income from EPC Contracts	9,82,721.40	7,74,293.60
Income from Services	32,309.02	11,586.30
Other Operating Income		
Sale of Scrap	7,400.64	5,616.44
Certified Emission Reduction Receipts	-	157.55
Others	847.25	428.21
Export Benefits	3,737.31	3,227.36
TOTAL	**10,84,048.24**	**8,74,172.13**

Revenue as per geographical segment is disclosed in Note 48

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

25. OTHER INCOME

(₹ in Lakhs)

Particulars	2018-19	2017-18
Interest Income		
On financial assets carried at amortised cost		
On bank deposits	1,245.32	424.14
On loans	656.09	141.76
Others	1,761.94	941.71
Dividend Income		
Dividend from investment measured at FVTPL	7.97	2.81
Other non operating income		
Rent Income	613.69	312.51
Grant Received	18.00	-
Insurance Claims	48.95	19.09
Liabilities Written Back	79.12	202.29
Miscellaneous Income	318.10	76.54
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	1.89	10.93
Gain on disposal of property, plant and equipments (net)	(338.15)	398.83
TOTAL	**4,412.92**	**2,530.61**

26. COST OF MATERIAL CONSUMED

Raw Materials		
Steel	76,324.17	70,383.89
Zinc	13,433.14	15,054.81
Components & Accessories, etc.	2,01,330.80	1,75,013.69
Agricultural Residues	3,792.87	3,670.98
Construction Materials	1,50,996.28	1,12,235.23
Others	1,165.87	292.50
TOTAL	**4,47,043.13**	**3,76,651.10**

27. CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

STOCK AT BEGINNING OF THE YEAR		
Finished Goods	9,498.41	7,658.63
Semi-finished Goods	3,218.96	3,188.07
Scrap	372.96	179.70
Agro Commodities	-	5.16
	13,090.33	**11,031.56**
STOCK AT CLOSE OF THE YEAR		
Finished Goods	9,095.91	9,498.41
Semi-finished Goods	3,145.87	3,218.96
Scrap	386.83	372.96
	12,628.61	**13,090.33**
TOTAL	**461.72**	**(2,058.77)**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

28. EMPLOYEE BENEFIT EXPENSE

(₹ in Lakhs)

Particulars	2018-19	2017-18
Salaries, Wages, Bonus	72,495.19	57,628.30
Contributions to Provident and Other Funds	4,162.86	3,815.10
Employees' Welfare Expenses	2,195.54	2,371.95
TOTAL	**78,853.59**	**63,815.35**

29. FINANCE COST

Interest Expenses	39,286.87	36,648.52
Other Borrowing Costs	298.40	1,424.84
Exchange Rate variation	519.32	(303.99)
TOTAL	**40,104.59**	**37,769.37**

30. OTHER EXPENSES

Job Charges	5,580.12	5,893.54
Power and Fuel	2,475.16	2,391.05
Excise Duty	-	(456.73)
Repairs and Maintenance:		
Plant and Machinery	397.60	278.94
Building	953.81	769.41
Others	120.07	170.27
Freight and Forwarding Expenses	15,143.03	13,198.36
Stores, Spares and Tools Consumed	1,494.41	1,415.80
Vehicle/ Equipment Running and Hire Charges	584.55	581.82
Testing Expenses	183.57	130.16
Pollution Control Expenses	192.38	188.81
Insurance	4,262.39	2,947.55
Rent	7,936.01	5,003.47
Rates, Taxes and Duties	7,957.80	7,066.84
Stationery, Printing and Drawing Expenses	849.34	702.49
Telecommunication Expenses	828.34	838.67
Travelling Expenses	7,511.19	5,868.00
Legal and Professional Expenses	6,016.59	5,574.43
Service Charges	1,720.98	2,787.86
Bank Commission and Charges (including ECGC Premium)	8,523.88	9,548.49
Share of RSWC	166.28	132.74
Allowance for Expected Credit Losses	2,577.18	7,193.52
Performance Warranties Expenses	3,462.11	1,172.13
Impairment loss on asset held for sale	30.28	134.28
Expenses towards Contractual Deductions	-	3,430.26
Bad Debt Written Off	179.84	848.39
Loss on Material Damaged / Lost / Fire	274.85	95.37
Loss / (Gain) on Exchange Rate Variation	(4,679.56)	(775.39)
Sitting Fees and Commission to Non-Executive Directors	386.12	509.46
Corporate Social Responsibility Expenses	475.65	223.44
Carbon Credit Expenses	36.59	30.04
Miscellaneous Expenses	6,646.65	7,060.32
TOTAL	**82,287.21**	**84,953.79**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

31. (a) Particulars of Subsidiaries included in Consolidation

Name of Subsidiary	with effect from	Country of Incorporation	% voting power As at 31st March, 2019	% voting power As at 31st March, 2018
Subsidiaries Held Directly				
Adeshwar Infrabuild Limited	August 11, 2009	India	100.00%	100.00%
Amber Real Estate Limited	May 16, 2008	India	100.00%	100.00%
Energylink India Limited	January 30, 2007	India	100.00%	100.00%
JMC Projects (India) Limited	February 6, 2007	India	67.19%	67.19%
Shree Shubham Logistics Limited	March 19, 2007	India	80.06%	71.52%
Kalpataru Satpura Transco Private Limited	May 10, 2013	India	100.00%	100.00%
Kalpataru Metfab Private Limited	March 31, 2015	India	100.00%	100.00%
Alipurduar Transmission Limited	January 6, 2016	India	100.00%	100.00%
Kalpataru Power Transmission (Mauritius) Limited	January 8, 2009	Mauritius	100.00%	100.00%
Kalpataru Power Transmission - USA, Inc	September 11, 2009	USA	100.00%	100.00%
LLC Kalpataru Power Transmission Ukraine	November 6, 2012	Ukraine	100.00%	100.00%
Kalpataru IBN Omairah Company Limited	June 01, 2015	Saudi Arabia	65.00%	65.00%
Kalpataru Power Transmission Sweden AB	January 28, 2019	Sweden	100.00%	-
Subsidiaries Held Indirectly				
Brij Bhoomi Expressway Private Limited	December 6, 2010	India	67.19%	67.19%
JMC Mining and Quarries Limited	February 6, 2007	India	67.19%	67.19%
Saicharan Properties Limited	June 30, 2009	India	100.00%	100.00%
Vindhyachal Expressway Private Limited	January 16, 2012	India	67.19%	67.19%
Wainganga Expressway Private Limited	June 02, 2011	India	67.19%	67.19%
Kalpataru Power DMCC, UAE	August 3, 2011	UAE	100.00%	100.00%
Punarvasu Financial Services Private Limited	December 31, 2014	India	80.06%	71.52%

Particulars of Joint Venture Entities included in Consolidation

Kohima-Mariani Transmission Limited (subsidiary upto May 1, 2018)	March 31, 2017	India	74.00%	100.00%
Jhajjar KT Transco Private Limited	May 19, 2010	India	49.72%	49.72%
Kurukshetra Expressway Private Limited	March 29, 2010	India	49.57%	49.57%

The above Joint Ventures have been accounted for in these consolidated financial statements using Equity Method and other applicable guidlines.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

(c) Summarised financial information in respect of the Group's material joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Ind AS.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Non-current Assets	1,85,354.15	1,39,877.41
Current Assets	5,837.72	3,670.18
Non-current Liabilities	1,54,905.22	1,30,125.70
Current Liabilities	26,882.95	10,792.01
Net Assets	**9,403.70**	**2,629.88**
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	1,880.66	1,364.47
Current Financial Liabilities (excluding trade payables and provisions)	23,996.06	9,337.20
Non-current Financial Liabilities (excluding trade payables and provisions)	1,49,144.94	1,24,061.57
Contingent Liabilities	215.74	67.81

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue	12,492.74	15,029.63
Profit / (Loss) for the year	(3,696.07)	(3,335.26)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(3,696.07)	(3,335.26)
Dividends received from the Joint Venture during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation	1,490.35	1,516.70
Interest income	126.68	76.77
Interest expense	11,924.42	12,524.62
Income tax expense (net)	193.33	403.50

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financials statements :

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Carrying amount of the Group's interest in the Joint Venture*	12,917.94	4,910.02

*Provisions for loss in joint venture in excess of investment has been disclosed under Provisions.

32. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

Profit Before Exceptional Items and Tax	77,935.02	47,776.51
Income tax calculated at 34.944% (Previous year 34.61%)	27,233.61	16,535.45
Tax effect of adjustment to reconcile reported income tax expenses		
Tax incentives / concessions / disallowance	(1,989.14)	(1,678.28)
Unused tax losses not recognized as deferred tax	63.43	(1,931.26)
Difference in tax rates and others	2,108.31	5,340.09
Income tax expenses recognized in the statement of profit and loss	**27,416.21**	**18,266.00**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

33. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Capital Management

The group manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

(₹ in Lakhs)

Gearing Ratio	As at 31st March, 2019	As at 31st March, 2018
Debt*	2,61,142.74	3,31,999.22
Cash and Cash Equivalents	(22,752.81)	(26,286.24)
Net debt	**2,38,389.93**	**3,05,712.98**
Total Equity	3,28,097.36	2,81,979.90
Net debt to equity ratio	**0.73**	**1.08**

*Debt is defined as long-term borrowings, short-term borrowings and current maturities of long term debt.

Financial Instruments by category

The following table shows the carrying amounts and fair values of financial assets and financial liabilities. The Group consider that the carrying values of financial assets and financial liabilities recognized in the financial statements approximate their fair value.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Measured at Fair Value through Profit and Loss		
(i) Investments - (Level I)	145.81	143.93
Measured at Cost		
(i) Investments	-	4,910.02
Measured at Amortized Cost		-
(i) Trade receivables	4,33,732.74	4,06,956.17
(ii) Loans	30,657.89	24,677.10
(iii) Cash and cash equivalents	22,752.81	26,286.24
(iv) Other balances with Bank	1,716.77	1,975.21
(v) Others	9,798.98	30,636.02
	4,98,805.00	**4,95,584.69**
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	2,36,161.54	2,99,000.21
(ii) Trade payables	3,55,792.47	2,94,106.26
(iii) Other financial liabilities	99,937.92	1,14,416.10
	6,91,891.93	**7,07,522.57**

Financial Risk Management

Financial Risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

Market Risk

The group operates internationally and a major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the group's operations are affected as the rupee appreciates / depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as at March 31, 2019

(₹ in Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	598.52	-	3,980.69	4,579.21
Trade Receivable	1,14,886.70	9,181.81	37,596.46	1,61,664.97
Other Financials Assets	81.72	0.67	510.03	592.42
Total Asset	**1,15,566.94**	**9,182.48**	**42,087.18**	**1,66,836.60**
Borrowings	-	-	-	-
Trade Payable	52,089.22	1,572.57	18,375.67	72,037.46
Other Financials Liabilities	1,073.87	207.02	74.33	1,355.22
Total Liabilities	**53,163.09**	**1,779.59**	**18,450.00**	**73,392.68**
Net Assets / (Liabilities)	**62,403.85**	**7,402.89**	**23,637.18**	**93,443.92**

The following table analyses foreign currency risk from financial instruments as at March 31, 2018

(₹ in Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	2,969.34	172.10	1,371.50	4,512.94
Trade Receivable	1,11,967.94	18,552.33	44,145.56	1,74,665.83
Other Financials Assets	-	-	507.48	507.48
Total Asset	**1,14,937.28**	**18,724.43**	**46,024.54**	**1,79,686.25**
Borrowings	6,504.41	-	885.58	7,389.99
Trade Payable	41,273.91	2,827.77	17,845.11	61,946.79
Other Financials Liabilities	308.54	796.73	539.98	1,645.25
Total Liabilities	**48,086.86**	**3,624.50**	**19,270.67**	**70,982.03**
Net Assets / (Liabilities)	**66,850.42**	**15,099.93**	**26,753.87**	**1,08,704.22**

The group is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of unhedged USD and Euro is given below:

Sensitivity Analysis

For the year ended March 31, 2019 and March 31, 2018, increase / decrease of 5% in the exchange rate between the Indian rupee and USD / Euro would impact group's profit before tax by approximately 0.48% and 0.80% respectively. Sensitivity rate of 5% is used while reporting foreign currency risk internally to key management personnel and represent management's assessment of the reasonably possible change in foreign exchange rate.

Derivative Financial Instruments

The group holds derivative financial instruments such as foreign currency Forward contracts and commodity Future contracts to mitigate the risk of changes in exchange rates on foreign currency exposures and changes in price of commodities. The counter party for these contracts is generally a multinational bank, financial institution or exchange. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the marketplace. Mark to Market gain or loss on derivative instruments is part of other current financial assets or liabilities.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

As at March 31, 2019

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Lakhs)	Nominal Amount (₹ in Lakhs)	Marked to Market (MTM) Value (₹ in Lakhs)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	68.47	USD 79.90	5,470.86	(106.47)
Maturing in 3 months to 6 months	70.03	USD 134.03	9,385.81	(41.46)
Maturing in 6 months to 9 months	71.57	USD 171.16	12,250.42	97.36
Maturing in 9 months to 12 months	72.67	USD 176.73	12,842.52	189.67
Maturing more than 12 months	72.18	USD 230.00	16,601.08	(184.56)
Total/Average	**71.42**	**USD 791.82**	**56,550.68**	**(45.46)**
Sell EUR Buy USD				
Maturing less than 3 months	81.40	EUR 36.70	2,987.43	120.85
Maturing in 3months to 6 months	83.28	EUR 26.50	2,206.84	121.73
Maturing in 6 months to 9 months	83.87	EUR 21.10	1,769.60	96.47
Maturing in 9 months to 12 months	83.75	EUR 15.60	1,306.46	61.44
Total/Average	**82.79**	**EUR 99.90**	**8,270.33**	**400.49**
Buy USD Sell INR				
Maturing less than 3 months	68.87	USD 41.00	2,823.58	18.18
Maturing in 3 months to 6 months	70.31	USD 20.79	1,461.40	1.43
Total/Average	**69.35**	**USD 61.79**	**4,284.98**	**19.62**
Buy EUR Sell USD				
Maturing less than 3 months	77.94	EUR 1.05	81.99	(0.06)
Maturing in 6 months to 9 months	80.16	EUR 4.44	355.84	(2.84)
Maturing in 9 months to 12 months	80.50	EUR 5.02	404.37	(3.74)
Total/Average	**80.13**	**EUR 10.51**	**842.20**	**(6.64)**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	70.85	USD 150.23	10,643.34	177.42
Maturing in 3 months to 6 months	72.30	USD 144.27	10,430.96	276.78
Maturing in 6 months to 9 months	69.38	USD 22.84	1,584.95	(32.01)
Maturing in 9 months to 12 months	68.95	USD 53.27	3,672.99	(135.07)
More than 12 Months	72.57	USD 110.00	7,983.03	3.89
Total/Average	**71.40**	**USD 480.61**	**34,315.26**	**291.00**
Sell EUR Buy USD				
Maturing less than 3 months	80.29	EUR 32.20	2,585.32	70.04
Maturing in 3 months to 6 months	80.81	EUR 42.83	3,460.77	91.20
Maturing in 6 months to 9 months	79.63	EUR 37.30	2,970.22	10.27
Total/Average	**80.26**	**EUR 112.33**	**9,016.31**	**171.50**
Buy USD Sell INR				
Maturing less than 3 months	69.03	USD 16.16	1,115.47	4.44
Maturing in 3 months to 6 months	75.27	USD 185.40	13,955.71	(873.02)
Maturing in 9 months to 12 months	71.71	USD 62.40	4,474.95	3.91
Total/Average	**74.05**	**USD 263.96**	**19,546.13**	**(864.66)**
Buy EUR Sell USD				
Maturing in 3 months to 6 months	78.67	EUR 5.92	465.55	(4.62)
Maturing in 6 months to 9 months	80.16	EUR 0.60	47.97	(0.72)
Total/Average	**78.76**	**EUR 6.52**	**513.52**	**(5.33)**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

As at March 31, 2018

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Lakhs)	Nominal Amount (₹ in Lakhs)	Marked to Market (MTM) Value (₹ in Lakhs)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	67.93	USD 60.00	4,076.09	139.39
Maturing in 3 months to 6 months	65.95	USD 20.00	1,318.93	(11.02)
Maturing in 6 months to 9 months	66.73	USD 60.00	4,003.78	(22.27)
Maturing in 9 months to 12 months	67.68	USD 260.00	17,595.89	40.25
Maturing more than 12 months	69.31	USD 740.00	51,292.17	(284.24)
Total/Average	**68.67**	**USD 1,140.00**	**78,286.85**	**(137.89)**
Sell EUR Buy USD				
Maturing in 9 months to 12 months	81.54	EUR 22.31	1,819.20	(25.00)
Total/Average	**81.54**	**EUR 22.31**	**1,819.20**	**(25.00)**
Sell PLN Buy USD				
Maturing in 3 months to 6 months	17.92	PLN 21.60	387.08	(25.27)
Total/Average	**17.92**	**PLN 21.60**	**387.08**	**(25.27)**
Buy USD Sell INR				
Maturing less than 3 months	64.95	USD 45.72	2,969.30	16.15
Maturing in 3 months to 6 months	66.07	USD 183.58	12,129.37	66.71
Total/Average	**65.85**	**USD 229.30**	**15,098.67**	**82.86**
Buy EUR Sell INR				
Maturing less than 3 months	80.52	USD 17.50	1,409.18	11.75
Maturing in 3 months to 6 months	81.19	USD 17.50	1,420.76	4.97
Total/Average	**80.86**	**USD 35.00**	**2,829.94**	**16.71**
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	65.38	USD 48.70	3,184.14	0.75
Maturing in 3 months to 6 months	68.41	USD 50.00	3,420.25	101.75
Maturing in 6 months to 9 months	68.55	USD 90.00	6,169.66	143.91
Maturing in 9 months to 12 months	69.22	USD 80.00	5,538.11	132.83
Total/Average	**68.15**	**USD 268.70**	**18,312.16**	**379.23**
Sell USD Buy INR (Option)				
Maturing less than 3 months	65.8	USD 5.00	329	3.05
Total/Average	**65.8**	**USD 5.00**	**329**	**3.05**
Sell EUR Buy USD				
Maturing less than 3 months	78.47	EUR 69.31	5,438.46	(179.00)
Maturing in 3 months to 6 months	80.71	EUR 47.16	3,806.65	(42.01)
Maturing in 6 months to 9 months	81.51	EUR 50.25	4,095.55	(36.12)
Maturing in 9 months to 12 months	82.86	EUR 37.69	3,122.92	1.39
Total/Average	**80.54**	**EUR 204.41**	**16,463.58**	**(255.75)**
Sell PLN Buy USD				
Maturing less than 3 months	17.84	PLN 32.40	577.95	(39.59)
Maturing in 3months to 6 months	17.92	PLN 42.68	764.83	(49.93)
Total/Average	**17.88**	**PLN 75.08**	**1,342.78**	**(89.52)**
Buy USD Sell INR				
Maturing less than 3 months	65.07	USD 4.68	304.63	1.00
Maturing in 3 months to 6 months	66.46	USD 100.00	6,646.00	0.79
Total/Average	**66.40**	**USD 104.68**	**6,950.63**	**1.79**
Buy EUR Sell USD				
Maturing in 3 months to 6 months	80.38	EUR 3.82	307.22	2.14
Total/Average	**80.38**	**EUR 3.82**	**307.22**	**2.14**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

Reconciliation of Hedge Reserve

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the period	(593.92)	293.51
Gain/(Loss) recognised in OCI during the period	1,905.56	(887.43)
Less: Tax impact on above	460.85	(204.95)
Balance at the end of the year (Gross)	1,311.64	(593.92)
Balance at the end of the year (Net of Tax)	**850.79**	**(388.97)**

Loan and Borrowings: Financial Covenants

The group is required to comply with the few financial covenants as per terms of respective sanctions. In case of breach of financial covenants, there can be adverse impact.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers , investment securities and other receivables.

Trade receivables and other receivable

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the group grants credit terms in the normal course of business. The Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments. Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the group, by way of assessing financial condition, current economic trends and ageing of other receivables . The group considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the group compares the risk of default occurring on financial assets as at the reporting date.

Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Lakhs)

Particulars	Carrying amount As at	
	31st March, 2019	31st March, 2018
Not Due	3,01,482.60	3,74,540.25
Past due up to 1 years	95,975.07	16,378.80
From 1 year to 2 years	23,480.54	11,062.05
From 2 year to 3 years	6,125.31	3,243.89
Above 3 years	21,004.09	15,702.37
	4,48,067.61	**4,20,927.36**

Expected credit loss assessment for customers

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables on a provision matrix.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ in Lakhs)

Particulars	2018-19 Trade receivable	2018-19 Contract Assets
Balance as at April 1, 2018	**13,971.19**	**1,220.14**
Impairment loss recognized (net)	363.68	858.25
Balance as at March 31, 2019	**14,334.87**	**2,078.39**

Credit risk on derivative financial instruments is limited because the counterparties are banks with high credit rating assigned by rating agencies.

In addition, group is also exposed to credit risk in relation to corporate guarantee/letter of comfort (LOC) given to banks by the group. The Company's exposure in this respect has been disclosed in Note 35.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2019			As at 31st March, 2018		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payable	3,24,511.11	31,281.36	3,55,792.47	2,74,218.94	19,887.32	2,94,106.26
(ii) Borrowings	44,341.97	1,91,995.39	2,36,337.36	61,695.04	2,37,305.17	2,99,000.21
(iii)Other financial liabilities	62,821.63	37,116.29	99,937.92	77,934.47	36,481.63	1,14,416.10
Total			**6,92,067.75**			**7,07,522.57**

Note- The above table does not include liability on account of future interest obligation.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group's exposure to the risk of changes in market interest rates relates primarily to the group's long-term debt obligations with floating interest rates.

Interest Rate Sensitivity Analysis

For the year ended March 31, 2019 and March 31, 2018, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 2.38 % and 4.65 % respectively.

Commodity Price Risk

The group is affected by the price volatility of certain commodities like Steel, Zinc and Aluminium. Its operating activities require the on-going purchase or continuous supply of these materials. The group holds derivative financial instruments such as commodity future contract to mitigate the risk of changes in Zinc and Aluminium prices.

The sensitivity analysis have been determined based on the exposure to changes in commodity prices. The analysis is prepared assuming the quantity of exposure outstanding at the end of the reporting period was outstanding for the whole year. A 5% increase or decrease is used when reporting commodity price risk internally to key management personnel and represents management's assessment of the reasonable possible changes in commodity prices and the impact of the possible change on the group's profit before tax is 2.10% for FY 2018-19 and 8.90% for FY 2017-18.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

Exposure As at March 31, 2019

(₹ in Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminium	Fixed Price Contracts	2,112.36	105.62	(105.62)
Zinc	Fixed Price Contracts	643.33	32.17	(32.17)
Steel	Fixed Price Contracts	29,245.22	1,462.26	(1,462.26)
Total		**32,000.91**	**1,600.05**	**(1,600.05)**
Exposure As at March 31, 2018				
Aluminium	Fixed Price Contracts	1,798.07	89.90	(89.90)
Zinc	Fixed Price Contracts	8,144.08	407.20	(407.20)
Steel	Fixed Price Contracts	72,127.67	3,606.38	(3,606.38)
Total		**82,069.82**	**4,103.48**	**(4,103.48)**

34. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE GROUP AGAINST BORROWINGS.

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Property, Plant and Equipment (including CWIP)	1,25,098.09	1,89,631.31
Intangible Assets	1,62,217.00	1,60,816.15
Inventories	85,952.99	65,895.21
Financial Assets (Non-current & current)		
Trade Receivables	4,33,732.74	4,06,956.17
Loans	10,456.05	2,978.72
Cash & Bank Balances	21,839.99	26,679.02
Other Balances with Banks	1,600.07	679.96
Other Assets	2,10,577.84	1,00,010.83
Total	**10,51,474.77**	**9,53,647.37**

35. CONTINGENT LIABILITIES IN RESPECT OF:

(a) Bank guarantees	3,632.35	3,155.69
(b) Bills Discounted with Banks	-	3,753.00
(c) Claims against the group not acknowledged as debt	3,722.31	5,521.20
(d) Demands by Service Tax/ Excise/Income Tax and other tax/ revenue authorities, under disputes	5,064.33	5,040.33
(e) Show cause notice issued by Service Tax Authorities	5,571.23	5,290.17
(f) VAT/WCT/Entry Tax demands disputed by Company	8,568.58	9,243.47
(g) Disputed Royalty demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	39.87	39.87
(h) Guarantee given in respect of Performance of contracts of Joint Ventures entities & associates in which one of the subsidiaries is having substantial interest.	40,353.86	23,494.46

35.1 The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, in the case of Surya Roshani Limited & others v/s EPFO, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. In view of the management, the liability for the period from date of the SC order to March 31, 2019 is not significant for Group. Further, pending decision on the subject review petition and directions from the EPFO, the impact for the past period, if any, is not ascertainable and consequently no effect has been given in the accounts. Accordingly, this has been disclosed as a contingent liability in the financial statements.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

36. CAPITAL & OTHER COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Estimated amount of contracts remaining to be executed on capital account Tangible Capital Assets and not provided for (net of advances)	7,058.38	7,231.64
Commitments on account of Toll, Operation and Maintenance Contracts	1,650.63	1,660.09

37. Company's wholly owned subsidiary in Sweden has acquired 85% equity stake in Linjemontage I Grastorp AB, Sweden on April 29, 2019, which is engaged in similar business of the group.

38. THE DISCLOSURE AS REGARDS TO PROVISION AS PER IND AS 37 "PROVISIONS, CONTINGENT LIABILITY AND CONTINGENT ASSETS"

A. DISCLOSURE AS REGARDS TO PROVISIONS

(₹ in Lakhs)

Particulars	Major Maintenance		Performance Warranties	
	2018-19	2017-18	2018-19	2017-18
Carrying amount at the beginning of the year	3,485.76	2,494.19	25,871.41	24,843.59
Add : Provision/Expenses during the year	1,192.08	991.57	9,131.13	8,895.26
Less : Reversal of Provisions	-	-	5,242.43	6,229.57
Less : Utilisation during the year	-	-	1,655.56	740.33
Less : Discounting during the year	-	-	327.99	897.54
Carrying amount at the close of the year	**4,677.84**	**3,485.76**	**27,776.56**	**25,871.41**

B. PROVISION FOR EXPECTED LOSS ON LONG TERM CONTRACT

(₹ in Lakhs)

Particulars	2018-19	2017-18
Carrying amount at the beginning of the year	4,948.34	9,484.26
Add: Provision/Expenses during the year	7,486.61	2,819.62
Less : Utilisation / Reversal of Provisions	5,119.17	7,355.54
Less : Discounting during the year	385.84	-
Carrying amount at the close of the year	**6,929.94**	**4,948.34**

39. EARNING PER SHARE

No. of Equity Shares at the end of the year	15,34,60,570	15,34,60,570
Weighted Average No. of Equity Shares	15,34,60,570	15,34,60,570
Profit for calculation of EPS (₹ in Lakhs)	46,675.28	28,068.07
Basic and Diluted Earnings Per Share (₹)	30.42	18.29
Nominal value of Equity Share (₹)	2.00	2.00

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

40. DISCLOSURES PURSUANT TO IND AS 19 EMPLOYEE BENEFITS

(a) Defined contribution Plans

The Group made contributions towards provident fund, a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The Group recognized ₹ 2,499.99 Lakhs (Previous year ₹ 2,164.98 Lakhs) for provident fund contributions and ₹ 40.18 Lakhs (Previous year ₹ 29.85 Lakhs) for ESIC contribution in statement of Profit and Loss. The contributions payable to these plans by the Group are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Group offers the following employee benefit schemes to its employees

(i) Gratuity

The Group made annual contributions to the IRDA approved insurers towards funded defined benefit plan for qualifying employees. The Scheme provides for payment to vested employees at retirement/death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service as per the provisions of the Gratuity Act, 1972

(ii) Leave Encashment - The Scheme is non-funded.

(c) The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet in respect of Gratuity.

(₹ in Lakhs)

Particulars	2018-19	2017-18
(i) Expenses recognised during the year		
In the statement of Profit & Loss	678.72	943.17
In Other Comprehensive Income	(208.97)	36.17
	469.75	**979.34**
(ii) Expenses recognised in the statement of Profit & Loss		
Current Service Cost	581.77	891.98
Net Interest Cost	96.95	51.19
Total	**678.72**	**943.17**
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in demographic assumptions	37.84	(3.19)
change in financial assumptions	(11.60)	(109.77)
experience variance	(253.00)	116.02
Return on plan assets	17.79	33.11
Total	**(208.97)**	**36.17**

(iv) Net Liability recognised in the Balance Sheet	**As at 31st March, 2019**	**As at 31st March, 2018**
Present value of obligation	4,296.81	3,942.07
Fair value of plan assets	2,503.64	2,494.98
Liability Recognized in Balance Sheet	**(1,793.17)**	**(1,447.09)**
(v) Changes in Present Value of Obligations		
Present value of obligation at the beginning of the year	3,942.07	3,156.90
Current Service Cost	581.77	891.98
Interest Cost (Gross)	267.00	201.75
Actuarial (gains) / losses arising from:		
changes in financial assumptions	(11.60)	(109.77)
change in demographic assumptions	37.84	(3.19)
changes in experience assumptions	(253.00)	116.02
Benefits paid	(267.27)	(311.62)
Present value of obligation at the end of the year	**4,296.81**	**3,942.07**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
(vi) Changes in Fair Value of Plan Assets		
Fair value of Plan Assets at the beginning of the year	2,494.98	2,104.17
Interest Income	173.72	151.66
Return on Plan Assets excl. amounts included in Interest Income	(17.79)	(33.12)
Contributions by Employer	120.00	583.88
Benefits paid	(267.27)	(311.61)
Fair Value of Plan assets at the end of the year	**2,503.64**	**2,494.98**
(vii) Bifurcation of present value of obligations into current and non-current		
Current Liability	387.66	220.57
Non-current Liability	1,405.51	1,226.52
(viii) Actuarial assumptions used in determining the obligation are		
Discount rate	6.90%-7.76%	7.00%-7.60%
Salary Escalation Rate	5.00%-8.00%	6.00%-8.00%
Mortality Rate	As per Standard LIC Mortality table (2006-08)	
Withdrawal Rate	2.00%-25.00%	2.00%-7.00%
Retirement Age	58 - 60 years	
Expected Return on Asset	7.93%	7.51%
(ix) Maturity Profile of Defined benefit obligation		
1 year	731.95	801.89
2 year	630.98	470.69
3 year	594.58	526.57
4 year	619.47	488.66
5 year	655.77	575.98
after 5 year	5,143.99	2,572.30
(x) Quantitative Sensitivity Analysis for Significant Assumptions		
Defined Benefits Obligation (Base)	4,296.81	3,942.07
Impact of change in discount rate		
Revised obligation at the end of the year		
Due to decrease of 0.50%	4,167.93	3,819.45
Due to decrease of 0.50%	4,413.99	4,058.42
Impact of change in salary increase		
Revised obligation at the end of the year		
Due to increase of 0.50%	4,402.86	4,031.71
Due to decrease of 0.50%	4,177.15	3,834.81

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

(d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks in providing the above benefit plans which are as follows:

a. Interest Rate risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

b. Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

c. Demographic Risk: The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

d. Investment Risk : The Company has funded with well established Govt. of India undertaking & other IRDA approved agency and therefore, there is no material investment risk.

41. Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

42 RELATED PARTY DISCLOSURE AS REQUIRED BY IND AS 24 IS AS BELOW :

List of Related Parties

a) Joint Ventures	
Jhajjar KT Transco Private Limited	
Kurukshetra Expressway Private Limited	
Kohima-Mariani Transmission Limited (Subsidiary upto May 1, 2018)	
b) Key Management Personnel	
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman
Mr. Manish Mohnot	Managing Director and CEO
c) Individuals having significant influence and their relatives:	
Mr. Parag Munot	Promoter Director
Ms. Sudha Golechha	Relative of Promoter Director
Ms. Sunita Choraria	Relative of Promoter Director
d) Enterprises having Significant influence and having transactions with the group	
Kalpataru Properties Private Limited	
Kalpataru Properties (Thane) Private Limited	
Property Solution (India) Private Limited	
Kalpataru Enterprises	
Kalpataru Limited	
Kalpataru Construction Private Limited	
K C Holdings Private Limited	
Kalpataru Viniyog LLP	
Kalpataru Holdings Pvt. Limited	
Kiyana Ventures LLP	
Gurukrupa Developers	
Argos International Marketing Private Limited	
Kalpataru Retail Ventures Private Limited	
Agile Real Estate Private Limited	
Illingworth Marketing LLP (Formerly Illingworth Marketing Private Limited)	
Abacus Real Estate Private Limited	
Argos Arakaya Power Solutions LLP	
BGK Infrastructure Developers Private limited	
Kalpataru Urbanscape LLP	

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

Transactions with Related Parties in ordinary course of business are:

(₹ in Lakhs)

Particulars	Relationship	2018-19	2017-18
1 Purchase/Construction of Property, Plant and Equipment			
Argos Arakaya Power Solutions LLP	Enterprises having significant influence	52.82	5.80
2 Advance For Capex			
Gurukrupa Developers	Enterprises having significant influence	305.22	248.59
3 Net Loans and advances given/(repaid)			
Kohima-Mariani Transmission Limited	Joint Venture	(133.20)	-
Kurukshetra Expressway Private Limited	Joint Venture	2,500.54	3,003.85
4 Other Expenses / Service Charges			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	20.82	17.91
Agile Real Estate Private Limited	Enterprises having significant influence	-	13.39
Illingworth Marketing LLP	Enterprises having significant influence	-	18.76
Argos International Marketing Private Limited	Enterprises having significant influence	-	0.95
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	4.38	-
5 Reimbursement of Expenses (Paid / Payable)			
Jhajjar KT Transco Private Limited	Joint Venture	50.24	56.28
Kohima-Mariani Transmission Limited	Joint Venture	-	1.79
Property Solution (India) Private Limited	Enterprises having significant influence	235.10	139.23
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	38.82	35.96
Kalpataru Limited	Enterprises having significant influence	9.18	21.34
Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	-	3.84
6 Rent Paid			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	1,789.33	1,249.24
Kalpataru Limited	Enterprises having significant influence	123.75	112.47
Agile Real Estate Private Limited	Enterprises having significant influence	24.41	59.80
BGK Infrastructure Developers Private limited	Enterprises having significant influence	137.14	23.02
Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	-	14.40
7 Revenue from Operations			
Jhajjar KT Transco Private Limited	Joint Venture	146.19	146.19
Kohima-Mariani Transmission Limited	Joint Venture	31,012.19	-
Kiyana Ventures LLP	Enterprises having significant influence	2,217.51	2,459.70
Abacus Real Estate Private Limited	Enterprises having significant influence	3,968.57	4,349.19
Agile Real Estate Private Limited	Enterprises having significant influence	8,061.14	5,603.01
Kalpataru Urbanscape LLP	Enterprises having significant influence	3,322.90	25.30
8 Other Income			
Jhajjar KT Transco Private Limited	Joint Venture	34.64	34.76
Kohima-Mariani Transmission Limited	Joint Venture	433.00	-
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	208.53	225.39
BGK Infrastructure Developers Private limited	Enterprises having significant influence	-	9.39
9 Salary and Commission *			
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	1,400.00	1,010.15
Mr. Manish Mohnot	Key Managerial Personnel	1,180.00	950.40
Mr. Parag Munot	Promoter Director	170.00	240.00
*break up of Compension to key managerial personnel			
Short term employment benefits		2,580.00	1,960.55

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

Transactions with Related Parties in ordinary course of business are:

(₹ in Lakhs)

Particulars	Relationship	2018-19	2017-18
10 Dividend Paid			
Kalpataru Properties Private Limited	Enterprises having significant influence	341.15	272.92
Kalpataru Construction Private Limited	Enterprises having significant influence	583.75	467.00
K C Holdings Private Limited	Enterprises having significant influence	528.56	422.85
Kalpataru Viniyog LLP	Enterprises having significant influence	33.00	26.40
Kalpataru Holdings Private Limited	Enterprises having significant influence	8.33	6.66
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	285.15	228.12
Mr. Parag Munot	Promoter Director	336.59	269.27
Ms. Sudha Golechha	Relative of Promoter Director	21.79	17.43
Ms. Sunita Choraria	Relative of Promoter Director	21.79	17.43
11 Security Deposit Received back			
Kalpataru Enterprises	Enterprises having significant influence	-	0.75
12 Security Deposit Received paid			
Kalpataru Limited	Enterprises having significant influence	52.44	-
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	298.01	-
13 Advance from Customers Received / (Adjusted) Net			
Kohima-Mariani Transmission Limited	Joint Venture	5,525.80	-
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	139.02	26.41
Kiyana Ventures LLP	Enterprises having significant influence	(405.03)	(151.28)
Abacus Real Estate Private Limited	Enterprises having significant influence	394.94	(41.88)
Agile Real Estate Private Limited	Enterprises having significant influence	527.00	-
Kalpataru Urbanscape LLP	Enterprises having significant influence	768.05	344.07
14 Purchase of Materials			
Argos Arkaya Power Solution LLP	Enterprises having significant influence	-	157.25
15 Investment in Equity Shares			
Kohima-Mariani Transmission Limited	Joint Venture	7,767.41	-

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

Balances with Related parties as at March 31, 2019

(₹ in Lakhs)

	Particulars	Relationship	As at 31st March, 2019	As at 31st March, 2018
1	**Advances Given**			
	Gurukrupa Developers	Enterprises having significant influence	697.23	389.22
2	**Loans Given**			
	Jhajjar KT Transco Private Limited	Joint Venture	365.25	365.25
	Kohima-Mariani Transmission Limited	Joint Venture	2,751.00	-
	Kurukshetra Expressway Private Limited	Joint Venture	16,297.42	13,796.88
3	**Security Deposit Given**			
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	4,390.25	3,627.68
	Kalpataru Enterprises	Enterprises having significant influence	52.44	-
4	**Trade and Other Payable**			
	Kalpataru Limited	Enterprises having significant influence	1.45	13.28
	Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	0.32	2.92
	Agile Real Estate Private Limited	Enterprises having significant influence	26.37	68.77
	Argos International Marketing Private Limited	Enterprises having significant influence	-	24.71
	Argos Arkaya Power Solutions LLP	Enterprises having significant influence	3.14	-
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	6.92	414.71
	Property Solution (India) Private Limited	Enterprises having significant influence	25.81	33.73
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	1,255.42	669.75
	Mr. Manish Mohnot	Key Managerial Personnel	850.00	664.29
	Mr. Parag Munot	Promoter Director	170.00	240.00
5	**Trade Receivables**			
	Jhajjar KT Transco Private Limited	Joint Venture	37.05	32.55
	Kiyana Ventures LLP	Enterprises having significant influence	1,250.13	1,708.28
	Kalpataru Limited	Enterprises having significant influence	-	0.73
	Abacus Real Estate Real Private Limited	Enterprises having significant influence	1,583.56	2,309.41
	Kurukshetra Expressway Private Limited	Joint Venture	44.91	44.91
	Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	4,898.15	2,127.07
	Kohima Mariani Transmission Limited	Joint Venture	11,799.92	-
	Kalpataru Urbanscape LLP	Enterprises having significant influence	727.70	16.95
6	**Advances From Customers**			
	Kohima-Mariani Transmission Limited	Joint Venture	5,525.80	-
	Kiyana Ventures LLP	Enterprises having significant influence	200.97	606.00
	Abacus Real Estate Real Private Limited	Enterprises having significant influence	435.29	40.35
	Kalpataru Urbanscape LLP	Enterprises having significant influence	1,112.12	344.07
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	-	116.39
	Agile Real Estate Private Limited	Enterprises having significant influence	527.00	-

43. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :

(₹ in Lakhs)

Particulars	2018-19	2017-18
Subcontracting expenses	2,09,713.19	1,69,744.65
Construction material, stores and spares consumed	54,021.10	28,011.86
Power and fuel	7,850.41	6,202.01
Freight and Forwarding Expenses	8,740.60	4,631.34
Vehicle and Equipment Hire Charges	25,137.66	13,870.67
Custom Duty, Clearing & Handling Charges	7,093.05	7,695.61
Service Charges	2,916.88	3,390.66
Others	25,209.16	11,367.19
TOTAL	**3,40,682.05**	**2,44,913.99**

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

44 (a) One of the Subsidiary Company has filed a writ petition dated May 6, 2009 before the Rajasthan High Court, Jaipur against the Board of Revenue, Revenue Appellate Authority, the Sub-Divisional Officer, Ramgarh and others, challenging their orders dated April 1, 2009, August 20, 2008 and February 5, 2008, respectively, pursuant to which the revenue authorities had invalidated the transfer of land measuring 1.895 hectares situated at Ramgarh district Alwar, to the subsidiary Company, alleging contravention of the Rajasthan Land Revenue (Conversion of Agricultural land for Non- Agricultural Purposes in Rural Areas) Act, 1992. The subsidiary company has prayed inter-alia, for an order quashing the orders dated April 1, 2009, August 20, 2008, and February 5, 2008, and declaring the entire proceedings initiated by the Sub-Divisional Officer as illegal, arbitrary and unconstitutional, or in the alternative, remanding the case to the Sub-Divisional Officer, on the grounds that the order was passed without providing an opportunity to be heard. The High Court through its interim order dated May 11, 2009 granted an interim stay against the operation of the challenged orders. The value of the land and building, involved in the matter, at book value is ₹831.76 Lakhs. The matter is currently pending and the subsidiary Company does not expect any liability on account of the same.

(b) One of the Subsidiary Company had received a letter from its term lender for projects in Rajasthan and Gujarat stating that the subsidy applied under Scheme of Development / Strengthening of Agriculture Marketing Infrastructure, Grading and Standardization (AMIGS) for its Agri Logistics Parks has not been approved on technical grounds as stated in the Joint Monitoring Committee report and has recalled the advance subsidy of ₹ 225 Lakhs (Previous Year ₹ 225 Lakhs). The said advance capital subsidy received by subsidiary Company has credited to the relevant fixed assets of the subsidiary Company in the year of receipt. The subsidiary Company has represented the matter to National Bank for Agriculture and Rural Development (NABARD) and Directorate of Marketing & Inspection (DMI), Delhi. DMI has initiated the process for reviewing the same in the light of submissions made by the subsidiary Company. The subsidiary Company believes that the projects are well qualified under the said subsidy scheme and the same would be approved by the relevant sanctioning authorities. The empowered committee of India has observed that cold storage of Ramganj mandi (Rajasthan) and Deesa (Gujrat) are eligible for release of final subsidy ₹ 25 lakhs each (Total ₹ 50 Lakhs).

45 (a) The Groups significant leasing/ licensing arrangements are mainly in respect of residential / office premises and equipments, which are operating leases. The aggregate lease rental payable on these leasing arrangements are charged as rent and equipment hire charges in these accounts amounting to ₹ 16,460.27 Lakhs (Previous year ₹9,864.64 Lakhs).

These leasing arrangements are for a period not exceeding 5 years and are in most cases renewable by mutual consent, on mutually agreeable terms. Future lease rental payable in respect of assets on lease for not later than 1 year is ₹ 3,073.17 Lakhs (Previous year ₹ 2,805.05Lakhs) and for later than 1 year but not later than 5 years is ₹ 1,646.74 Lakhs (Previous year ₹ 2,924.81 Lakhs) and for later than 5 years but not later than 9 years is ₹ 558.64 Lakhs (Previous year ₹ 934.71 Lakhs).

(b) One of the Subsidiary has entered into leasing arrangements mainly in respect of Commercial premises(Finished Stock), which are operating leases. The lease rental receivable on these leasing arrangements are recognized as income from Non-cancellable lease on a straight line basis over a period of lease are as under:

Future lease rental receivable in respect of assets on lease for not later than 1 year is Nil (Previous year ₹ 1,259.52 Lakhs) and for later than 1 year but not later than 5 years is Nil (Previous year ₹ 1,938.58 Lakhs) .

46 (a) The Group has entered into service concession agreements with grantors viz: National Highways Authority of India (NHAI) and The Madhya Pradesh Road Development Corporation Ltd. (MPRDC) for construction and maintenance of the toll roads for a specified period (concession period) and has received a right to collect a fee for using the toll road during that agreed concession period. The Group has to pay a guaranteed minimum annual payment to the grantor for each year that the toll road in operation, as per agreement, for 2 toll roads. At the end of concession period, the ownership of the toll roads will vest with grantor. The service concession agreement does not contain a renewal option. In terms of para 17 of appendix C to Ind AS 115, cost on construction of roads has been recognised as “intangible assets” and being amortised over concession period.

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

(b) Group has entered into transmission agreement in the nature of service concession agreement with Madhya Pradesh Power Transmission Corporation Limited (grantor) for obtaining exclusive right to construct, operate and maintain the transmission lines on design, build, finance, operate and transfer (DBFOT) basis for a specified period (concession period) commencing from the date of grant of the Transmission License and receive monthly determinable annuity payments. The service concession agreement provides an option for extension of the concession period. Upon completion of concession period or on termination of agreement, Transmission Lines will vest with the grantor free and clear of all encumbrances. In terms of para 16 of appendix C to Ind AS 115, cost on construction of transmission lines has been recognised as "financial assets".

(c) Financial summary of above concession agreements is given below.

(₹ in Lakhs)

Particulars	Toll Roads		Transmission Lines	
	2018-19	2017-18	2018-19	2017-18
Revenue accounted during the year	15,602.41	13,264.85	2,677.76	2,744.60
Profit before tax	(5,144.70)	(7,073.73)	911.63	607.35

47 Additional information as required by paragraph 2 of the general instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Net Asset	Amount (₹ in Lakhs)	As % Profit or (Loss)	Amount (₹ in Lakhs)	As % Profit or (Loss)	Amount (₹ in Lakhs)	As % Profit or (Loss)	Amount (₹ in Lakhs)
Parent								
Kalpataru Power Transmission Ltd	101.05%	3,15,216.07	85.98%	40,129.57	82.21%	1,954.11	85.79%	42,083.68
Subsidiaries								
Indian								
Adeshwar Infrabuild Ltd.	0.00%	(0.02)	0.00%	(0.71)	-	-	0.00%	(0.71)
Amber Real Estate Ltd.	0.11%	334.74	7.04%	3,284.94	-	-	6.70%	3,284.94
Energylink India Ltd.	4.89%	15,258.27	-0.16%	(75.62)	-	-	-0.15%	(75.62)
JMC Projects (India) Ltd.	29.60%	92,327.77	30.45%	14,213.10	21.89%	520.38	30.04%	14,733.48
Shree Shubham Logistics Ltd.	2.12%	6,599.05	-3.30%	(1,542.45)	0.07%	1.69	-3.14%	(1,540.76)
Kalpataru Satpura Transco Private Ltd	2.55%	7,964.15	1.38%	644.49	-	-	1.31%	644.49
Kalpataru Metfab Private Ltd.	0.71%	2,202.47	-0.05%	(25.41)	-	-	-0.05%	(25.41)
Brij Bhoomi Expressway Private Ltd.	-0.33%	(1,021.08)	-1.69%	(789.25)	-	-	-1.61%	(789.25)
JMC Mining and Quarries Ltd.	0.01%	19.29	0.00%	(0.32)	-	-	0.00%	(0.32)
Saicharan Properties Ltd.	4.63%	14,434.09	-0.24%	(109.98)	0.07%	1.56	-0.22%	(108.42)
Vindhyachal Expressway Private Ltd.	5.02%	15,650.89	-0.50%	(233.40)	-	-	-0.48%	(233.40)
Wainganga Expressway Private Ltd.	-1.89%	(5,883.34)	-7.28%	(3,399.53)	-	-	-6.93%	(3,399.53)
Punarvasu Financial Services Pvt. Ltd.	0.67%	2,114.99	0.22%	101.67	-	-	0.20%	101.67
Alipurduar Transmission Ltd.	6.16%	19,229.94	-0.33%	(152.62)	-	-	-0.31%	(152.62)

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

47 Additional information as required by paragraph 2 of the general instruction for preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 (Contd..)

Name of Enterprise	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Net Asset	Amount (₹ in Lakhs)	As % Profit or (Loss)	Amount (₹ in Lakhs)	As % Profit or (Loss)	Amount (₹ in Lakhs)	As % Profit or (Loss)	Amount (₹ in Lakhs)
Foreign								
Kalpataru Power Transmission (Mauritius) Ltd.	0.06%	194.65	-0.04%	(17.33)	0.19%	4.52	-0.03%	(12.81)
Kalpataru Power Transmission - USA, INC	0.02%	68.36	-0.07%	(34.96)	0.38%	8.98	-0.05%	(25.98)
LLC Kalpataru Power Transmission Ukraine	0.00%	(5.59)	0.18%	82.91	-0.13%	(3.13)	0.16%	79.78
Kalpataru Power DMCC, UAE	-0.02%	(53.02)	0.17%	80.16	-0.37%	(8.74)	0.15%	71.42
Kalpataru IBN Omairah Company Ltd.	0.49%	1,522.15	-0.46%	(216.57)	4.45%	105.84	-0.23%	(110.73)
Kalpataru Power Transmission Sweden AB	0.00%	4.05	-	-	-		-	-
Non Controlling interest in all subsidiaries	-5.15%	(16,071.14)	-4.36%	(2,033.72)	-8.76%	(208.12)	-4.57%	(2,241.84)
Joint Venture (as per equity consolidation method)								
Jhajjar KT Transco Private Limited	0.43%	1,334.97	0.51%	239.95	-	-	0.49%	239.95
Kurukshetra Expressway Private Limited	-	-	-4.39%	(2,049.76)	-	-	-4.18%	(2,049.76)
Kohima-Mariani Transmission Ltd.	0.00%	(0.18)	-	-	-	-	-	-
Adjustment arising out of consolidation	-51.13%	(1,59,494.78)	-3.04%	(1,419.88)	-	-	-2.89%	(1,419.88)
Total	**100.00%**	**3,11,946.75**	**100.00%**	**46,675.28**	**100.00%**	**2,377.09**	**100.00%**	**49,052.37**

48 SEGMENT REPORTING

Group's reportable segments are as under:

(a) Engineering, Procurement and Construction (EPC): It comprises of infrastructure projects relating to power transmission and distribution, civil construction, railway track laying and electrification, oil and gas pipelines laying, etc.

(b) Developmental Project: It comprises of development, operation and maintenance of infrastructure project.

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Notes on Consolidated Financial Statement
for the year ended March 31, 2019

Summarised segment information are as follows:

(a) Business Segment

(₹ in Lakhs)

Particulars	EPC		Developmental Projects		Others		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(i) Segment Revenue	10,36,117.38	8,48,965.08	34,357.67	17,678.29	13,703.55	7,625.89	10,84,178.60	8,74,269.26
Less: Inter-Segmental Revenue							130.36	97.13
Revenue from Operations							10,84,048.24	8,74,172.13
(ii) Segment Results (before finance cost and interest income)	97,494.65	76,463.92	13,494.72	7,564.12	3,386.89	10.23	1,14,376.26	84,038.27
Add: Interest income							3,663.35	1,507.61
Less: Interest Expenses							40,104.59	37,769.37
Share of Loss from Joint Venture							(1,809.81)	(1,684.12)
Profit Before Tax							76,125.21	46,092.39
Current Tax							27,778.69	20,852.46
Deferred Tax							(362.48)	(2,586.46)
Net Profit for the year							**48,709.00**	**27,826.39**
(iii) Other Information								
Depreciation and amortisation							21,093.85	19,150.87

(iv) Segment Assets and Liabilities	EPC	Developmental Projects	Others	Total
As at March 31, 2019				
Segment Asset	10,57,443.59	3,55,818.89	71,144.03	14,84,406.51
Less: Inter segmental assets	44,336.87	24,041.20	1,224.22	69,602.29
Net Segment Assets	**10,13,106.72**	**3,31,777.69**	**69,919.81**	**14,14,804.22**
Segment Liability	8,10,841.83	2,77,864.46	51,951.47	11,40,657.76
Less: Inter segmental liabilities	6.14	35,289.20	18,576.09	53,871.43
Net Segment Liabilities	**8,10,835.69**	**2,42,575.26**	**33,375.38**	**10,86,786.33**
As at March 31, 2018				
Segment Asset	9,47,873.48	3,23,684.24	61,673.43	13,33,231.15
Less: Inter segmental assets	72,029.16	14,836.97	6,174.48	93,040.61
Net Segment Assets	**8,75,844.32**	**3,08,847.27**	**55,498.95**	**12,40,190.54**
Segment Liability	7,12,830.76	2,71,971.87	51,172.67	10,35,975.30
Less: Inter segmental liabilities	70.87	63,426.73	14,267.06	77,764.66
Net Segment Liabilities	**7,12,759.89**	**2,08,545.14**	**36,905.61**	**9,58,210.64**

(b) Geographical Segment

(₹ in Lakhs)

Particulars	2018-19	2017-18
Revenue from Operations		
Within India	7,99,650.95	6,14,865.29
Outside India	2,84,397.29	2,59,306.84
Total	**10,84,048.24**	**8,74,172.13**

Non Current Assets*

(₹ in Lakhs)

Particulars	As at 31st March, 2019	As at 31st March, 2018
Within India	3,06,075.46	3,70,929.66
Outside India	12,162.35	12,033.38

*excludes Financial assets, Non current tax and Deferred tax assets

Notes on Consolidated Financial Statement

for the year ended March 31, 2019

49 Revenue from major customers - Public sector undertakings in India, is ₹ 2,69,076.24 Lakhs (Previous year ₹ 2,60,430.55 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

50 The Group has applied Ind AS 115 using the cumulative effect method i.e. by recognising the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of equity as at April 1, 2018. Therefore, the comparative information has not been restated and continues to be reported under earlier Ind AS.

51 Performance obligations unsatisfied or partially satisfied amounts to ₹ 22,873.46 crores as at March 31, 2019 for which revenue is expected to be recognized in future over the period of 1 to 7 years.

52 Investment Properties :

Investment Properties - at Cost	82.13	82.13
Investment Properties - at Fair Value	1,443.02	1,319.94

Fair Valuation Technique: The fair value of Investment property has been determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. Valuation of the subject property has been done by Sales Comparison Method under Market Approach at each balance sheet date.

53 Figures pertaining to the group companies have been re-classified wherever necessary to bring them in line with the parent's financial statements.

In terms of our report attached

For and on behalf of the Board

For **B S R & Co. LLP,**
Chartered Accountants
Firm Registration No : 101248W/W-100022

Vikas R Kasat
Partner
Membership No : 105317
Mumbai : May 9, 2019

Ram Patodia
Chief Financial Officer

Basant Kumar Parasramka
Company Secretary

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Sanjay Dalmia
Executive Director
DIN: 03469908
Mumbai : May 9, 2019

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 Lakhs)

Sr. No.	Name of the Subsidiary	Reporting currency	Share Capital	Other Equity	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of share-holding
1	JMC Projects (India) Limited	INR	3,358.10	88,969.67	3,52,683.20	3,01,993.92	41,638.49	3,25,285.62	18,851.97	4,638.87	14,213.10	1,175.34	67.19%
2	Shree Shubham Logistics Limited	INR	7,343.22	(744.16)	55,413.16	50,802.20	1,988.10	12,346.87	(1,067.38)	475.06	(1,542.44)	-	80.06%
3	Adeshwar Infrabuild Limited	INR	5.00	(4.98)	0.19	0.17	-	-	(0.71)	-	(0.71)	-	100%
4	Amber Real Estate Limited	INR	99.00	235.74	7,215.94	6,881.20	-	15,867.81	4,210.69	925.75	3,284.94	-	100%
5	Energylink (India) Limited	INR	15,395.96	(137.69)	180.27	37.09	15,115.09	24.00	(75.61)	-	(75.61)	-	100%
6	Kalpataru Metfab Private Limited	INR	3,001.00	(798.53)	2,205.39	2.92	-	18.19	(25.41)	-	(25.41)	-	100%
7	Kalpataru Satpura Transco Private Limited	INR	1,619.00	6,345.15	25,601.84	17,637.69	-	2,677.76	911.63	267.14	644.49	-	100%
8	Kalpataru Power DMCC, UAE	AED	139.30	(192.32)	575.57	628.59	-	839.91	80.16	-	80.16	-	100%
9	Kalpataru Power Transmission - USA, Inc.	USD	228.17	(159.77)	74.88	6.48	-	88.17	(34.94)	-	(34.94)	-	100%
10	Kalpataru Power Transmission (Mauritius) Limited	USD	290.33	(95.68)	618.12	562.77	139.30	-	(17.33)	-	(17.33)	-	100%
11	LLC Kalpataru Power Transmission Ukraine	UAH	27.32	(32.90)	1,196.56	1,202.14	-	4,456.89	101.11	18.20	82.91	-	100%
12	Saicharan Properties Limited	INR	15,115.09	(681.00)	37,400.35	22,966.26	-	1.92	(109.98)	-	(109.98)	-	100%
13	Brij Bhoomi Expressway Pvt. Limited	INR	2,275.71	(3,296.79)	20,572.01	21,593.09	-	3,144.26	(772.46)	16.79	(789.25)	-	67.19%
14	JMC Mining & Quarries Limited	INR	50.00	(30.71)	90.78	71.49	-	-	(0.32)	-	(0.32)	-	67.19%
15	Vindhyachal Expressway Pvt. Limited	INR	2,705.01	12,945.89	78,392.45	62,741.55	-	6,657.06	(1,001.34)	(767.94)	(233.40)	-	67.19%
16	Wainganga Expressway Pvt. Limited	INR	3,000.00	(8,883.34)	67,638.38	73,521.72	-	5,624.04	(3,370.90)	28.63	(3,399.53)	-	67.19%
17	Punarvasu Financial Services Pvt. Limited	INR	1,937.66	177.32	2,617.54	502.56	-	386.41	140.00	38.33	101.67	-	80.06%
18	Alipurduar Transmission Limited	INR	5,563.10	13,666.84	1,06,590.70	87,360.76		524.65	(206.26)	(53.63)	(152.63)	-	100%
19	Kalpataru IBN Omairah Company Limited	SAR	84.65	1,437.51	1,734.51	212.35	-	34.21	(216.57)	-	(216.57)	-	65.00%
20	Kalpataru Power Transmission Sweden AB	SEK	4.05	-	4.05	-	-	-	-	-	-	-	100%

Notes:

(a) Exchange rates at the year end considered for conversion : 1 USD = ₹ 69.1713; 1 AED = ₹ 18.8344; 1 UAH = ₹ 2.5338; 1 SAR= ₹ 18.4462; 1 SEK = ₹ 8.10

(b) Average exchange rates for the year considered for conversion : 1 USD = ₹ 69.8743; 1 AED = ₹ 19.0358; 1 UAH = ₹ 2.5710; 1 SAR= ₹ 18.6420

(c) There are no Subsidiaries which are yet to commence operations.

(d) There are no Subsidiaries which are liquidated during the year.

Annexure pursuant to first proviso to sub section (3) of section 129 of Companies (Accounts) Act, 2013 Statement containing salient features of the financial statement of Subsidiaries/ Associate Companies/ Joint Ventures

Part "B": Associates and Joint Ventures

	Name of Associates / Joint Ventures		Jhajjar KT Transco Private Limited	Kurukshetra Expressway Private Limited	Kohima-Mariani Transmission Limited*
1	Latest audited Balance Sheet Date		31st March, 2019	31st March, 2019	31st March, 2019
2	Shares of Associate/Joint Ventures held by the Company on the year end				
	(a) Numbers		1,12,64,286	3,47,25,780	3,00,00,000
	(b) Amount of Investment in Associates/Joint Venture	(₹ in Lakhs)	3,815.00	6,602.50	7,768.15
	(c) Extend of Holding %		49.72%	33.31%	74.00%
3	Description of how there is significant influence		Holding 20% or more Share Capital		
4	Reason why the Associate/Joint Venture is not Consolidated		-	-	-
5	Networth attributable to Shareholding as per latest audited Balance Sheet	(₹ in Lakhs)	5,149.97	(3,790.73)	7,715.28
6	Profit / (Loss) for the year				
	(a) Considered in Consolidation	(₹ in Lakhs)	239.95	(2,049.76)	-
	(b) Not Considered in Consolidation	(₹ in Lakhs)	-	-	-

Notes:

(a) There are no Associate or Joint Venture which are yet to commence operations.

(b) There are no Associate or Joint Venture which have been liquidated or sold during the year.

(c) *wholly owned Subsidiary of the Company till May 1, 2018 and thereafter, became a Joint Venture on account of joint control as per Ind AS 111. However, based on the Company's equity stake, continues to be a Subsidiary in terms of section 2 (87) of the Companies Act, 2013.

For and on behalf of the Board

Ram Patodia
Chief Financial Officer

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Basant Kumar Parasramka
Company Secretary

Sanjay Dalmia
Executive Director
DIN: 03469908

Mumbai : May 9, 2019

Notes

Notes

Notes

Corporate Information

Auditors

M/s. B S R & Co. LLP

Bankers

Indian Bank
SBI
UBI
OBC
ICICI Bank
EXIM Bank
IDBI Bank
SCB
HSBC
Axis Bank
Yes Bank

Company Secretary

Mr. Basant Kumar Parasramka

Registered Office

Plot No. 101, Part III,
G.I.D.C Estate, Sector 28,
Gandhinagar - 382 028, Gujarat, India
Tel No.: +91-79-2321 4000
Fax No.: +91-79-2321 1966 / 68 / 71
Email: mktg@kalpatarupower.com

Corporate Office

'Kalpataru Synergy',
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santacruz (E),
Mumbai - 400 055, India.
Tel No.: +91-22-3064 5000
Fax No.: +91-22-3064 3131

Websites

www.kalpatarupower.com
www.jmcprojects.com
www.ssll.in

KALPA-TARU®
POWER TRANSMISSION LIMITED
www.kalpatarupower.com

a K&A creation | www.kalolwala.co.in