KALPATARU POWER TRANSMISSION LIMITED
Factory & Registered Office :
Plot No. 101, Part-III, G.I.D.C. Estate, Sector-28,
Gandhinagar-382 028, Gujarat. India.
Tel. : +91 79 232 14000
Fax : +91 79 232 11951/52/66/71
E-mail : mktg@kalpatarupower.com
CIN : L40100GJ1981PLC004281

KPTL/18-19
July 17, 2018

BSE Limited	National Stock Exchange of India Ltd.
Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI - 400 001. **Script Code: 522287** Listing: http://listing.bseindia.com	'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex Bandra (E) MUMBAI – 400 051. **Script Code: KALPATPOWR** Listing: https://www.connect2nse.com/LISTING/

Subject: Intimation of Date of Annual General Meeting and Record Date / Book Closure

Respected Sir(s),

We are pleased to inform you that the 37th Annual General Meeting of Members of the Company ("**AGM**") will be held on Tuesday, the August 7, 2018 at 4:00 p.m. at Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate, Sector-25, Gandhinagar - 382 016, Gujarat, India.

The Notice containing the business to be transacted at the AGM along with the Annual Report for the FY 2017-18 is enclosed herewith.

In terms of provisions of Section 91 of the Companies Act, 2013 and Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the cut-off date for the purpose of AGM and determining the members eligible to receive the dividend for the Financial Year 2017-18 shall be Tuesday, July 31, 2018 and consequent thereof, the Register of Members & Share Transfer Books of the Company will remain closed from Wednesday, August 1, 2018 to Tuesday, August 7, 2018 (both days inclusive). If the Final Dividend as recommended by the Board of Directors is declared at the AGM, payment of such dividend will be made within 30 days of declaration of Dividend.

The members of the Company are provided with the facility to cast their votes by "remote e-voting" through e-voting services of Central Depository Services (India) Limited ("**CDSL**") in respect of all the businesses to be transacted at the AGM. The procedure to cast vote using remote e-voting system has been described in Notice of the AGM. A person whose name appears in the Register of members / Beneficial owners as on the cut-off date, i.e. Tuesday, July 31, 2018 ("**cut-off date**"), only shall be entitled to avail the facility of remote e-voting / voting at the AGM. The remote e-voting period commences on Friday, 3rd August, 2018 (09.00 a.m. IST) and ends on Monday, 6th August, 2018 (05.00 p.m. IST).

KALPATARU POWER TRANSMISSION LTD. GANDHINAGAR INDIA

KALPA-TARU®

Continuation Sheet.....

Kindly take the same on your records and oblige.

Thanking you,

For Kalpataru Power Transmission Limited

Rahul C. Shah

Rahul Shah
Company Secretary

KALPATARU POWER TRANSMISSION LTD. G'NAGAR INDIA

Encl.: As above

cc:

1. National Securities Depository Limited	**2. Central Depository Services (India) Limited**	**3. Link Intime India Private Limited**

KALPATARU POWER TRANSMISSION LIMITED
Regd. Office: Plot No. 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India
Tel.: +91 79 232 14000 Fax: +91 79 232 11966
Email: mktg@kalpatarupower.com
CIN: L40100GJ1981PLC004281
Web: www.kalpatarupower.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SEVENTH ANNUAL GENERAL MEETING ("MEETING") OF THE MEMBERS OF KALPATARU POWER TRANSMISSION LIMITED WILL BE HELD AT 4:00 P.M., ON TUESDAY, THE 7TH AUGUST, 2018 AT KALPA-VRIKSHA LEARNING CENTRE, A-1 & A-2, GIDC ELECTRONIC ESTATE, SECTOR-25, GANDHINAGAR - 382 016 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To consider and adopt:
   (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2018, the Reports of the Board of Directors and Auditors thereon; and
   (b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2018 and the report of Auditors thereon.
2. To declare dividend on equity shares at the rate of ₹ 2.5/- per equity share for the financial year ended March 31, 2018.
3. To appoint a Director in place of Mr. Imtiaz Kanga (DIN: 00136272), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditor and to fix their remuneration and in this regard, pass the following resolution as an Ordinary Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s. B S R & Co. LLP, Chartered Accountants, (Firm's Registration No. 101248W/W-100022), be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of five years, from the conclusion of the Thirty-Seventh Annual General Meeting till the conclusion of the Forty Second Annual General Meeting, in place of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm's Registrations No. 117365W) whose tenure expires at the Thirty-Seventh Annual General Meeting, at such remuneration plus reimbursement of actual out of pocket expenses, as may be incurred by them in connection with the audit of accounts of the Company, as may be mutually agreed between the Board of Directors of the Company and the said Auditors."

SPECIAL BUSINESS

5. **Issue and allot Secured / Unsecured redeemable non-convertible debentures upto ₹ 300 Crores**

   To consider and, if thought fit, to pass the following Resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Sections 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 and the rules framed there under, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulation, 2008 as amended from time to time and other applicable SEBI regulations and guidelines, if any, the provisions of Memorandum and Articles of Association of the Company and subject to any other approvals that may be required, consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution), to make an offer of or invite subscription to secured / unsecured redeemable non-convertible debentures (hereinafter referred to as "NCDs"), during the period of 1 (one) year from the date of this Annual General Meeting for an aggregate amount not exceeding ₹ 300 Crores (Rupees Three Hundred Crores only), in one or more series / tranches, on a private placement basis, to one or more persons, bodies corporate, banks / financial institutions, mutual funds, NBFC, other investors / investing agencies etc. upon the terms and condition as may be decided by the Board in its absolute discretion."

   "RESOLVED FURTHER THAT without prejudice to the generality of the above and for the purpose of giving effect to the above, the Board be and is hereby authorized to determine as to the time of issue of the NCDs, the terms of the issue, number of NCDs to be allotted in each tranche, issue price, rate of interest, redemption period, security, listing on one or more recognized stock exchanges and all such terms as are provided in offering of a like nature as the Board may in its absolute discretion deem fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues and

to perform all such acts, deeds, matters and things execute all such deeds and documents as may be necessary and settle any questions or difficulties that may arise in regard to the said issue(s)."

"RESOLVED FURTHER THAT the approval is hereby accorded to the Board to appoint lead managers, arrangers, underwriters, depositories, registrars, trustees, bankers, lawyers, advisors and all such agencies as may be involved or concerned in such offerings and to remunerate them by way of commission, brokerage, fees or the like (including reimbursement of their actual expenses) and also to enter into and execute all such arrangements, contracts / agreements, memorandum, documents etc. with such agencies."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to do such acts, deeds, things and execute all such documents, undertaking as may be necessary for giving effect to this resolution and to further delegate all or any of the powers in aforesaid matters to the officials of the Company, in such manner as the Board may in its absolute discretion deem fit."

6. Ratifying remuneration of Cost Auditor for the FY 2018-19

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent of the Company be and is hereby accorded to the remuneration payable to M/s. K. G. Goyal & Associates, Cost Auditors appointed by the Board of Directors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2019, as set out in the Statement annexed to the Notice convening this Annual General Meeting."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. Re-classification of members of Promoter Group of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Regulation 31A and other relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to necessary approvals from the Stock Exchanges and other appropriate statutory authorities, as may be necessary, the approval of the members be and is hereby accorded for re-classification of following persons forming part of Promoter Group from Promoter & Promoter Group Category to Public Category:

1. Mr. Mohammed Kanga
2. Ms. Ishrat Imtiaz Kanga
3. Mr. Imran Imtiaz Kanga and
4. Ms. Ismat Imtiaz Kanga

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper and expedient to give effect to this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred on it by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company or any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this Resolution including submitting necessary application and filing of necessary forms and returns with the Ministry of Corporate Affairs, Stock Exchanges and other concerned authorities and to take such steps expedient or desirable to give effect to this resolution."

8. Payment of commission to Non-Executive Directors within the overall ceiling limit of 1% of net profits of the Company

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 197 and any other applicable provisions of the Companies Act, 2013 ("Act") (including any statutory modification(s) or re-enactment thereof for the time being in force) consent of the Company be and is hereby accorded to the payment of commission to the Non-Executive Directors (i.e. other than Executive Director(s)) not exceeding 1% of the net profits of the Company in any financial year computed as per the provisions of the Act, in such manner and up to such extent as the Nomination and Remuneration Committee of the Board of Directors of the Company recommends and the Board of Directors determine from time to time".

9. Continuing the directorship of Mr. K.V. Mani, Independent Non-Executive Director of the Company

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in terms of requirements of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, consent of the members of the Company be and is hereby accorded for the Company to continue 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 on 3rd September, 2018"

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution) be and is hereby authorized to take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution"

By Order of the Board
For KALPATARU POWER TRANSMISSION LTD.

Place: Mumbai — Rahul Shah
Date: May 25, 2018 — Company Secretary

NOTES

(A) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING ("MEETING") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

A proxy form is attached with the Notice. The proxy form duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the commencement of the Meeting.

Pursuant to provision of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Members. The holder of proxy shall prove his identity at the time of attending the Meeting.

(B) The Explanatory Statement setting out the material facts, pursuant to Section 102 of the Companies Act, 2013 in respect of the special business is annexed hereto.

(C) Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting. Proxies submitted on behalf of Corporate Members must be supported by appropriate resolutions/authority

(D) Information as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Brief resume of Directors proposed to be appointed / reappointed, nature of their expertise in specific functional areas, names of Listed companies in which they hold directorships and the Memberships of Board Committees, shareholding and relationships between directors inter-se, are provided in the Annexure to the explanatory statement attached to this Notice.

(E) In case of joint holders attending the Meeting, only such joint holder who is high in the order of names in the Register of Members will entitled to vote.

(F) MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION. Members / proxies are requested to bring their attendance slip duly filled in for attending the Meeting alongwith the copy of Annual Report of the Company.

(G) Member / proxy holder shall hand over the attendance slip, duly filled in all respect, at the entrance for attending the Meeting along with a valid identity proof such as the PAN card, passport, AADHAR Card or driving license.

(H) Route-map to the venue of the Meeting is provided at the end of this Notice.

(I) Members desirous for any information or queries on accounts / financial statements or relating thereto are requested to send their queries at least seven working days in advance to the Company at its registered office address to enable the Company to collect the relevant information and answer them in the Meeting.

(J) Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 1st August, 2018 to Tuesday, 7th August, 2018 (both days inclusive) in connection with the Meeting.

(K) The Company or its Registrars and Transfer Agents, Link Intime India Private Limited ("Link Intime") cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.

(L) Members holding shares in physical mode:

i. are required to submit their Permanent Account Number (PAN) and bank account details to the Company / Link Intime, if not registered with the Company as mandated by SEBI.

ii. are advised to register the nomination in respect of their shareholding in the Company.

(M) During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the notice and the explanatory statement and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 1.00 p.m. (i.e. except Saturdays, Sundays and public holidays) up to the date of the Meeting and at the venue of the Meeting for the duration of the Meeting.

(N) Members holding shares in physical form are requested to promptly notify in writing any changes in their address/ bank account details to Link Intime India Private Limited, 506-508, Amarnath Business Centre -1, Beside Gala Business Centre, Near St. Xavier's College Corner, Off C. G. Road, Navrangpura, Ahmedabad – 380 009. Members holding shares in electronic form are requested to notify the changes in the above particulars, if any, directly to their Depository Participants (DP).

(O) SEBI HAS NOTIFIED THAT REQUESTS FOR EFFECTING TRANSFER OF SECURITIES SHALL NOT BE PROCESSED BY LISTED ENTITIES UNLESS THE SECURITIES ARE HELD IN THE DEMATERIALIZED FORM WITH A DEPOSITORY. IN VIEW OF THE ABOVE AND TO AVAIL VARIOUS OTHER BENEFITS OF DEMATERIALISATION LIKE EASY LIQUIDITY, SINCE TRADING IS PERMITTED IN DEMATERIALIZED FORM ONLY, ELECTRONIC TRANSFER, SAVINGS IN STAMP DUTY AND ELIMINATION OF ANY POSSIBILITY OF LOSS OF DOCUMENTS AND BAD DELIVERIES, MEMBERS ARE ADVISED TO DEMATERIALISE SHARES HELD BY THEM IN PHYSICAL FORM.

(P) Communication through e-mail: The Companies (Management and Administration) Rules, 2014 allow companies to give notice through electronic mode. Further, in line with circular issued by the Securities and Exchange Board of India (SEBI) and consequent changes in the Rule 11 of the Companies (Accounts) Rules, 2014 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, companies can send Annual Report in electronic mode to Members who have registered their e-mail addresses for the purpose.

In view of the above, the Company would communicate the important and relevant information, events and send the documents including the intimations, notices, annual reports, financial statements etc. in electronic form, to the email address of the respective Members.

To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner:

a. In respect of electronic holdings with the Depository through their concerned Depository Participants.

b. Members who hold shares in physical form are requested to register their e-mail ID with rahul.shah@kalpatarupower.com quoting your name and folio number.

(Q) With a view to serving the Members better and for administrative convenience, an attempt would be made to consolidate multiple folios. Members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.

(R) Members who have neither received nor encashed their dividend warrant(s) for the financial years from 2010-11 up to 2016-17, are requested to write to the Company, mentioning the relevant Folio number or DP ID and Client ID, for issuance of duplicate/revalidated dividend warrant(s).

(S) The Company has transferred the unpaid or unclaimed dividends declared up to financial year 2009-10, to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividends lying with the Company on the website of the Company www.kalpatarupower.com. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

(T) Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, the Company has transferred to the IEPF Authority all shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years or more as on the due date of transfer, i.e. October 31, 2017. Details of shares transferred to the IEPF Authority are available on the website of the Company www.kalpatarupower.com.

The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the link: www.iepf.gov.in.

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: http://iepf.gov.in/IEPFA/refund.html

(U) The instructions for Members voting electronically are as under:

The businesses as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer the facility of voting through electronic means, as an alternate, to all its Members to enable them to cast their votes electronically. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the Meeting (remote e-voting) will be provided by Central Depositories Services (India) limited ("CDSL"). The facility for voting shall be made available at the Meeting through ballot or polling paper and the Members attending the Meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting. Please note that the voting through electronic means is optional for Members.

A person whose name is recorded in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date shall be entitled to avail the facility of remote e-voting or voting at the Meeting. Persons who are not Members as on the cut-off date should treat this notice for information purposes only.

The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the Meeting but shall not be entitled to cast their vote again.

(i) The remote e-voting period begins on Friday, 3rd August, 2018 at 9.00 A.M and ends on Monday, 6th August, 2018 at 5.00 P.M. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 31st July, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) The Members should log on to the e-voting website www.evotingindia.com

(iii) Click on Shareholders

(iv) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders) *Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number in the PAN Field. The Sequence Number is printed on Attendance Slip.
DOB (Date of Birth) or Dividend Bank Details	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records for the said demat account or folio in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant "Kalpataru Power Transmission Limited" on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If a Demat account holder has forgotten the login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.**

(xix) Note for Non – Individual Members and Custodians

- Non-Individual Members (i.e. other than **Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.**
- A scanned copy of the Registration Form **bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.**
- After receiving the login details a compliance user **should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.**
- The list of accounts linked in the login should be **mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.**
- A scanned copy of the Board Resolution and **Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.**

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other information

(A) A Member can opt for only one mode of voting i.e. either through remote e-voting or at the Meeting. If a Member casts votes by both modes, then voting done through remote e-voting shall prevail.

(B) The Company has appointed Mr. Urmil Ved, Practicing Company Secretary, (Membership No. 8094) to act as the Scrutinizer for conducting the voting and remote e-voting process in a fair and transparent manner.

(C) The Scrutinizer shall, after the conclusion of voting at the General Meeting, first count the votes cast at the Meeting and unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make no later than three days of the conclusion of the Meeting a Consolidated Scrutinizer's Report of the total votes cast in favour or against and invalid votes if any, forthwith to the Chairman of the Company or the person authorized by him, who shall countersign the same and declare the result of the voting forthwith.

(D) The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company www.kalpatarupower.com and on the website of CDSL. The results shall simultaneously be communicated to the Stock Exchanges.

(E) The resolutions shall be deemed to be passed on the date of the Meeting, subject to receipt of sufficient votes.

By Order of the Board
For KALPATARU POWER TRANSMISSION LTD.

Place : Mumbai
Date : May 25, 2018

Rahul Shah
Company Secretary

Item No. 5

Section 42,71 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 provides that a company cannot issue securities on a private placement basis unless the proposed offer of securities or invitation to subscribe to securities has been previously approved by the Shareholders of such company, by a special resolution for each offer or invitation, and further provides that in case of an offer or invitation for secured / unsecured non-convertible redeemable debentures (NCDs), it shall be sufficient if the company passes a special resolution once a year for all the offers and invitations for such NCDs to be made during the said year.

In order to meet the financial needs of the Company, the Company may make an offer of NCDs or invite subscription to NCDs on private placement basis, in one or more tranches, during the period of 1 (one) year from the date of passing of the special resolution by the Members, for an aggregate amount not exceeding ₹ 300 Crores (Rupees Three Hundred Crores). It is proposed that Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any Committee of Directors which the Board may have constituted / will constitute to exercise any or all of its powers including the powers conferred by this resolution), be authorized to issue NCDs within the aforesaid limits, on such terms and conditions as it may deem fit.

Your Directors recommend Resolution at Item No. 5 as a Special Resolution for approval of the members.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution at out at Item No. 5.

Item No. 6

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. K. G. Goyal & Associates as a cost auditor of the Company to conduct the audit of the cost records of biomass power plants and tower manufacturing plants of the Company for the financial year ending March 31, 2019, for a remuneration of ₹ 1,10,000/- (Rupees One Lakhs Ten Thousand only) plus applicable Taxes

Item No. 8

The Non-Executive Directors bring with them significant professional expertise and rich experience across a wide spectrum of functional areas such as finance, information technology, corporate strategy, marketing, information systems, Project Execution etc.

The Board is of the view that it is necessary that adequate compensation should be paid to such Non-Executive Directors for their time and efforts and also to retain and attract the pool of talent for the growth and prosperity of your Company.

The Shareholders at their meeting held on 25th July, 2013 approved paying commission to all Non-Executive Directors for a period of 5 financial years commencing from 1st April, 2013, not exceeding 1% of the net profit of the company in aggregate in addition to the fees for attending meetings of the Board and Committee(s).

It is, therefore, proposed to continue to pay commission to Non-Executive Directors (i.e. excluding executive Directors) not exceeding 1% of the net profits of Company in such manner and up to such extent as the Nomination and Remuneration Committee of the Board of Directors of the Company recommends and the Board of Directors determine from time to time.

In terms of provisions of Section 197 of the Companies Act, 2013, the Company is required to obtain approval of shareholders of the Company for payment of such Commission to Non-Executive Directors.

Hence, approval of the shareholders is sought to enable the Company to make payment of remuneration in the form of commission to Non-Executive Directors.

Your Directors recommend Resolution at Item No. 8 as an Ordinary Resolution for approval of the members.

All the Non-Executive Directors of the Company and Mr. Mofatraj P. Munot, Executive Chairman, being relative (father) of Non-Executive Director Mr. Parag M. Munot is concerned or interested in the Resolution at Item No. 8 of this Notice to the extent of the remuneration that may be received by each Non-Executive Director.

Item No. 9

Pursuant to recommendation made in the Report of Committee on Corporate Governance (constituted under chairmanship of Mr. Uday Kotak), SEBI vide its Notification dated 9th May, 2018, notified SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and stated that no listed entity shall continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person.

Mr. K.V. Mani, Non-Executive Independent Director of the Company shall attain age of 75 years on 3rd September, 2018. Mr. K.V. Mani brings with him rich experience of more than 45 years in T&D business across project management, marketing, construction and international businesses. He has been associated with the Company for about two decades and served as the Managing Director during 2001 to 2009. His immense experience in T&D Business provides a much needed overall guidance to the management on various aspects of Project management, Strategic planning and execution within Transmission business. Therefore, it is proposed to continue directorship of Mr. K. V. Mani as Non-Executive Independent Director of the Company till his original term upto 31st March, 2019 and accordingly approval of members of the Company is sought to continue his directorship.

The Brief profile of Mr. K. V. Mani, the nature of his expertise, the names of listed entities in which he holds directorships/ memberships of Committees of Board, and details of his shareholding in the Company and other information is annexed to the Explanatory Statement.

Your Directors recommend Resolution at Item No. 9 as a Special Resolution for approval of the members.

None of the Directors, Key Managerial Personnel and their relatives thereof other than Mr. K. V. Mani, has any concern or interest, financial or otherwise, in the resolution at Item No. 9 of this Notice.

By Order of the Board
For KALPATARU POWER TRANSMISSION LTD.

Place : Mumbai
Date : May 25, 2018

Rahul Shah
Company Secretary

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this green initiative of the Government, Members who have not registered their e-mail address, so far, are requested to get their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants. Members who hold shares in Physical form, are requested to get their shares dematerialized.

ANNEXURE TO THE EXPLANATORY STATEMENT

Information pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings(SS-2) of Directors seeking appointment / re-appointment / continuation of appointment at the forthcoming Annual General Meeting

1. Mr. Imtiaz Kanga

Name	Mr. Imtiaz Kanga
Age (as on March 31, 2018)	65 years
Date of first appointment on the Board	8th March, 2016
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Mr. Imtiaz Kanga is a Chartered Accountant by profession. He has a rich experience of over 37 years in various industries. Currently, he serves on the Board of various Kalpataru Group Companies.
No. of shares held in the Company	1,00,000
Relationship with other Directors and Key Managerial Personnel	None

List of directorship of listed entities	Chairmanship / Membership of Committees of the Board in such companies
Kalpataru Power Transmission Limited	NIL

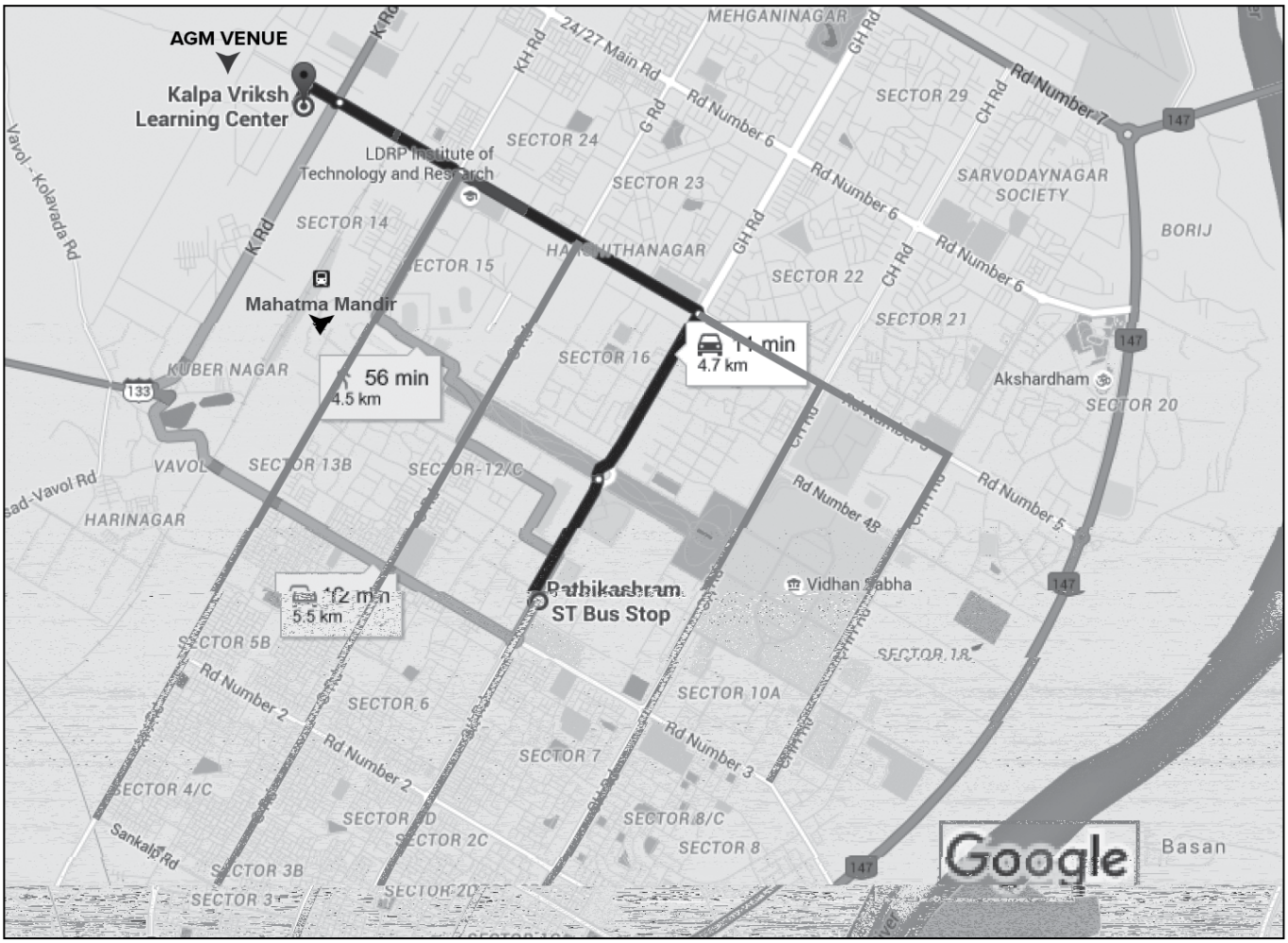
2. Mr. K. V. Mani

Name	Mr. K. V. Mani
Age (as on March 31, 2018)	74 years
Date of first appointment on the Board	19th January, 2014
Brief resume/ Qualification/ Expertise in specific functional area/Experience	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 decade 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.
No. of shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	None

List of directorship of listed entities	Chairmanship / Membership of Committees of the Board in such companies
Caprihans (India) Limited	Audit Committee - Member Nomination & Remuneration Committee – Member

Note: For other details such as number of meetings of the Board attended during the year, remuneration drawn, etc., please refer to the Corporate Governance Report section of the Annual Report.

Route Map to the AGM Venue



Land Mark : Mahatma Mandir

Distance from Mahatma Mandir : 2.2 km

Distance from Pathikashram Bus Stop : 4.7 km

NOTES

KALPA-TARU®
POWER TRANSMISSION LIMITED

KALPATARU POWER TRANSMISSION LIMITED

(CIN: L40100GJ1981PLC004281)

Regd. Office: Plot No. 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India

ATTENDANCE SLIP

I hereby certify that I am a registered Member / proxy for the registered member of the Company.

I hereby record my presence at the **Thirty Seventh Annual General Meeting** of the Company being held on **Tuesday, August 7, 2018 at 4:00 p.m.** at Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic estate, Sector-25, Gandhinagar - 382 016.

Registered Folio No. / DP ID / Client ID:
Name and address of the Member:

Joint Holder 1:
Joint Holder 2:

No. of equity shares:

Signature of Proxy holder **Signature of Member**

Members may please note the user id and password given below for the purpose of e-voting in terms of Section 108 and applicable provisions of the Companies Act, 2013 and rules.

ELECTRONIC / E-VOTING PARTICULARS		
EVEN - Electronic Voting Event No.	User ID	Password
180703002		

Notes:

1. A Member / Proxy attending the Meeting must complete this Attendance slip in legible writing and hand it over at the entrance. Sign at appropriate place as applicable to you.
2. Please read the instructions printed under the Notes to the Notice of this Annual General Meeting.

FORM NO. MGT-11

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

KALPA-TARU®
POWER TRANSMISSION LIMITED

Kalpataru Power Transmission Limited

(CIN: L40100GJ1981PLC004281)

Regd. Office: Plot No. 101, Part III, G.I.D.C. Estate, Sector – 28, Gandhinagar – 382 028, Gujarat, India

Name of Member		Registered address & Email ID:	
DP ID & Client ID*			
Folio No.		No. of Shares	

I / We, being the member(s) of above Company holding _____ shares, hereby appoint below at Sr. No. 1 or failing him Sr. No. 2 or failing him Sr. No. 3,

Sr. No.	Name of proxy (ies)	Address & Email ID	Signature
1			
2			
3			

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the Company, to be held on Tuesday, August 07, 2018 at 4:00 p.m. at Kalpa - Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate, Sector-25, Gandhinagar - 382 016 and at any adjournment thereof in respect of such resolutions as are indicated below resolution no. (Mentioned in detail in AGM Notice):

** I wish my above Proxy to vote in the manner as indicated in the box below:

No.	Resolutions	For	Against
1.	Consider and adopt:		
	a) the Audited Financial Statements for the financial year ended March 31, 2018, the Reports of the Board of Directors and Auditors thereon		
	b) the Audited Consolidated Financial Statements for the financial year ended March 31, 2018 and the Report of Auditors thereon.		
2.	To declare dividend on equity shares for the financial year ended March 31, 2018		
3.	Re-appointment of Mr. Imtiaz Kanga who retires by rotation and being eligible offers himself for reappointment		
4.	Appointment of statutory auditors		
5.	Issue and allot Secured / Unsecured redeemable non-convertible debentures upto ₹ 300 Crores		
6.	Ratifying remuneration of cost auditor for the FY 2018-19		
7.	Re-classification of members of Promoter Group from Promoter & Promoter Group category to Public category		
8.	Payment of commission to Non-Executive Directors within the overall ceiling limit of 1% of net profits of the Company		
9.	Continuing the directorship of Mr. K V Mani, Independent Non-Executive Director of the Company		

Signed this _____ day of _____ 2018

Affix revenue stamp

_____ _____

Signature of Proxy holder Signature of Member

Notes:

1. **The form of proxy in order to be effective should be duly completed and deposited at the registered office of the Company, not later than 48 hours before the commencement of the Meeting.**

* **Applicable for investors holding shares in electronic form.**

** This is only optional. Please put a '√' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks **appropriate.**

KALPA-TARU®
POWER TRANSMISSION LIMITED

UNLOCKING GLOBAL POTENTIAL. REIMAGINING INDIA.

ANNUAL REPORT 2017-18

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Caution Regarding Forward-looking Statements

This Report may contain certain forward-looking 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.

The world is at a unique juncture…

Global growth has been strong on the back of recovery in investment, manufacturing, trade and commodity prices.

Recent trends are indicating an upswing in investments – driven by both governments and private enterprises.

The horizon has exciting possibilities and potential.

India is undergoing a veritable metamorphosis…

Climbing back onto its high growth trajectory, it has once again reaffirmed its place of pride as one of the fastest growing major economies.

AT KPTL, WE ARE PERFECTLY POSITIONED TO UNLOCK THE EMERGING GLOBAL POTENTIAL AND REIMAGINE INDIA.

We have a large and growing presence across major infrastructure segments…

- We have steadily expanded our footprint to more than 50 countries across global markets
- Our prospects in India are growing with the abundant opportunities in segments where we hold competitive advantages

We have unmatched experience…

- We have expertise ranging from design to contracting to execution to operations
- We have successfully executed projects in difficult terrains, harsh climates and culturally different geographies across globe
- We have scaled up the learning curve with experience in T&D as well as in other infrastructure businesses making us ready to take quantum jumps

Going forward,

We aspire to be amongst the top three EPC players in Infrastructure segment in both India as well as globally with strong capability to deliver at minimal costs. With this intent, we continue to build on our unmatched competency. We are also meaningfully taking-up non-T&D businesses, which are emerging due to expansion and electrification of railways and enlargement of oil & gas infrastructure in India.

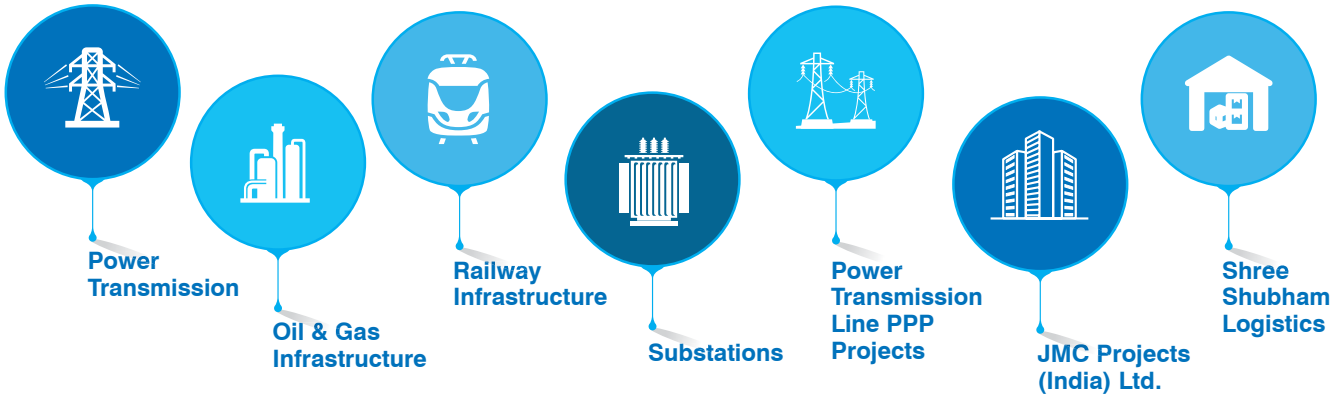
In addition, with presence in over 50 countries through our international power transmission and distribution business, we are on the right path to take our Oil & Gas Infra and Railways businesses international.

At KPTL, we are ready for an exciting future!

ALL ABOUT US

We are one of the largest players in the global power transmission and infrastructure EPC space.
Our proven experience and expertise spans over three decades, during which we have created a global footprint in over 50 countries.

OUR BUSINESS PRESENCE



POWER TRANSMISSION & DISTRIBUTION

Designing & Engineering

- 3D drafting, analysing and designing software to optimise steel fabrication requirements. Special Designing capabilities for different types of foundations including tower designs and detailing
  - Over 100 in-house design engineers

Manufacturing

- One of the largest tower fabrication capabilities in the world integrated with quality control system and material testing. Galvanising facilities with a capacity of 1,80,000 MT per annum
  - Delivered over 45,000 towers across the world

T&D Turnkey Solution

- Large base of high-end construction equipment and experience to execute projects globally
  - Global footprints in over 50 countries

Substation

- World-class in-house engineering and construction team to execute high voltage substations and delivery of special substations for railways in India and overseas
  - One of the empanelled substation EPC contractor for PGCIL and reputed SEBs for projects up to 400 kV AIS and 400 kV GIS
  - Secured 1st international contract in Africa region

R&D Centre

- Fully Automatic tower design validation facility (up to 1,200 kV tower), helicopter erection simulation of tower through tower crane including R&D stations
  - Helicopter simulation facility- ~85 metres tower
  - Design validation of over 380 towers for domestic and international clients

Operation & Maintenance

- Kalpataru Power Transmission Ltd is presently having two operational IPTC projects in the States of Haryana and Madhya Pradesh. These projects are having 350 Km Double Circuit Transmission Lines & 2 Substations. These projects are operating at more than 99% availability. Both the projects meet the highest level of EHS norms
  - Live operations in two assets, two more projects under execution

Stringing

- Capability of stringing across any terrain varying from snow peaks to forests, deserts to mountains and across the lakes and rivers. The Stringing teams of Kalpataru have demonstrated skills in completing the stringing works in any weather conditions like + 45° C to – 40° C, with large fleet of Tension Stringing Equipment (TSEs) with all associated tools including Drones can handle all possible conductor configurations from single, twin, quad to hexa for any given voltage of transmission line up to 1200 kV.

INFRASTRUCTURE EPC

Oil & Gas Infrastructure

- Oil & Gas pipeline
- Gas gathering station
- Process plants
- Refineries
- Sub-marine pipelines
- Off-shore well-head platforms

- Order Book ₹ 20 Bn
- Setup 250+ Oil & Gas Stations
- Laying of 4,000+ km Oil & Gas Pipelines

Railway Infrastructure

- New track laying & rehabilitation work
- Railway & Overhead electrification
- Signalling & Telecommunication (S&T)
- Power systems
- Metro & Private railways sidings
- Bridges & tunnels
- Station buildings & facilities
- Platforms & traction sub-station

- Projects worth ₹ 19 Bn under execution
- Gearing up to cater DFCC, Design Build opportunities

OUR COMPANY IN NUMBERS

Experience
OVER 3 DECADES

Footprints
OVER 50 COUNTRIES

Turnover (FY18)
₹ 58 BN

Tower Production Capacity of over
1,80,000 MT

Delivered over
45,000 TOWERS
globally

Experience of laying
4,000+ KM
Oil & Gas Pipelines

Manpower
2,700+

Order Book
₹ 12,404 CR

We have two major operating subsidiaries – JMC Projects (India) Limited and Shree Shubham Logistics Limited. These are part of our long-term strategy to create a sustainable business.

A closer look at our consolidated financial performance:

- Sales increased by 15% to **₹ 8,742 CR**
- Core EBIDTA margin at **11.7%**
- PAT margin at **3.2%**
- Order Book of **₹ 20,020 CR** as on March 31, 2018 as compared to **₹ 16,064 CR** as on March 31, 2017
- ROCE of **15.5%** in FY 2017-18 as compared to **13.7%** in FY 2016-17
- Core EBIDTA at **₹ 1,022 CR**
- PBT margin at **5.3%**
- Low Interest Cost (% of Revenue) **4.32 %** in FY 2017-18 as compared to **5.04%** in FY 2016-17

ASSET CREATION

Power Transmission Line PPP Projects

- Jhajjar KT Transco Pvt. Ltd. (₹ 4.5 Bn)
- Kalpataru Satpura Transco Pvt. Ltd. (₹ 3.4 Bn)
- Alipurduar Transmission Limited (₹ 10.8 Bn)
- Kohima Mariani Transmission Ltd. (₹ 12.8 Bn)

- Won 1st, 2nd, 3rd and 4th transmission line project in 2012, 2014, 2016 and 2017 respectively
- Received Early Completion of Transmission Award in 2012 by Ministry of Power

Biomass Plants

- Padmapur in Ganganagar District, Rajasthan - Generates 7.8 MW of power
- Uniara in Tonk District, Rajasthan - Generates 8 MW of power

- Logistics infrastructure to collect ~2,00,000 MTs of waste
- Gold Standard Certification

JMC PROJECTS (INDIA) LIMITED (JMC)

JMC is a full scale infrastructure EPC player in all the high-growth verticals viz. Roads & Flyovers, Water and Railways and Industrial Buildings. Over the last three decades, JMC has gained expertise to deliver end-to-end services in the civil construction space. Some of JMC's marquee projects include iconic building infrastructure for the new campus of IIM-Ahmedabad, AIIMS hospital in Bhopal, the Supreme Court, etc. The company provides optimum solutions to its customers through its 'value engineering' approach.

Quality safety and environment are always a top-priority at JMC, it is one of the few companies within its space to be bestowed with certifications like ISO 9001:2015 (Quality Management), ISO 14000:2004 (Environmental Management) and BS OHSAS 18001:2007 (Occupational Health & Safety).

Timely execution of projects, attaining optimal cost efficiency, effective management of sustainability concerns, strong safety norms and strict compliance to the regulatory norms, are some of the principles which defines JMC. The Company also implemented the ultra-modern SAP S4HANA 1610 with CPM (Commercial Project Management) 2.0, the first Indian Construction company to do so and also in a record time.

These key strengths have helped the company to achieve high standards of excellence and a position of distinctive niche.

Turnkey Service Provider

- Civil
- Firefighting
- Mechanical
- Electrical
- High-voltage Air-conditioning (HVAC)
- Landscaping

KPTL Owns
67.2% STAKE

Turnover (FY 2018)
₹ 28 BN

Market Cap (March 31, 2018)
₹ 18.4 BN

Employees
3,300

SHREE SHUBHAM LOGISTICS LIMITED (SSL)

SSL offers storage infrastructure to a wide range of market participants dealing in agri and non-agri commodities, including farmers, traders, aggregators, processors and government agencies.

The Company manages and operates more than 150 warehouses (Owned, Hired, third party CM and on PPP model) across the states of Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Bihar, Haryana, Delhi & Karnataka, with a total storage capacity of around 6 million sq. ft. SSL's own warehousing infrastructure is also supported with weighment facilities.

SHREE SHUBHAM LOGISTICS LTD

Offering One-stop solutions across value chain

- Weigh Bridge
- Testing & Certification
- Funding Facilitation
- Collateral Management
- Processing
- Procurement
- Storage (Dry & Cold)

KPTL owns
71.5% STAKE

Turnover (FY 2018)
₹ 0.69 BN

Employees
450

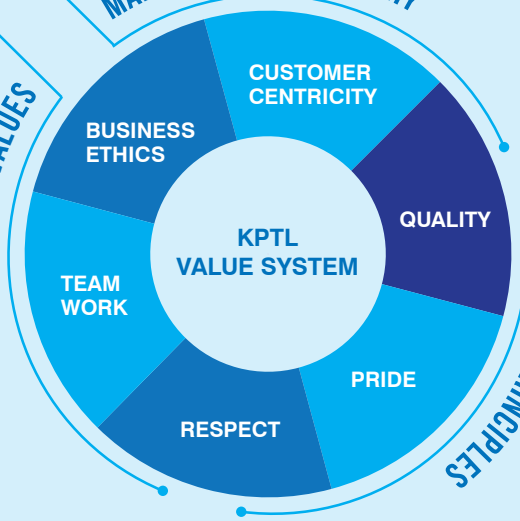
OUR VALUES

KPTL devotes its resources to deliver quality and substainable energy transmission solutions thereby contributing towards betterment of economies and society

MANAGEMENT PHILOSOPHY

Permanent and intrinsic ideologies that defines KPTL's day-to-day functioning

KPTL VALUES



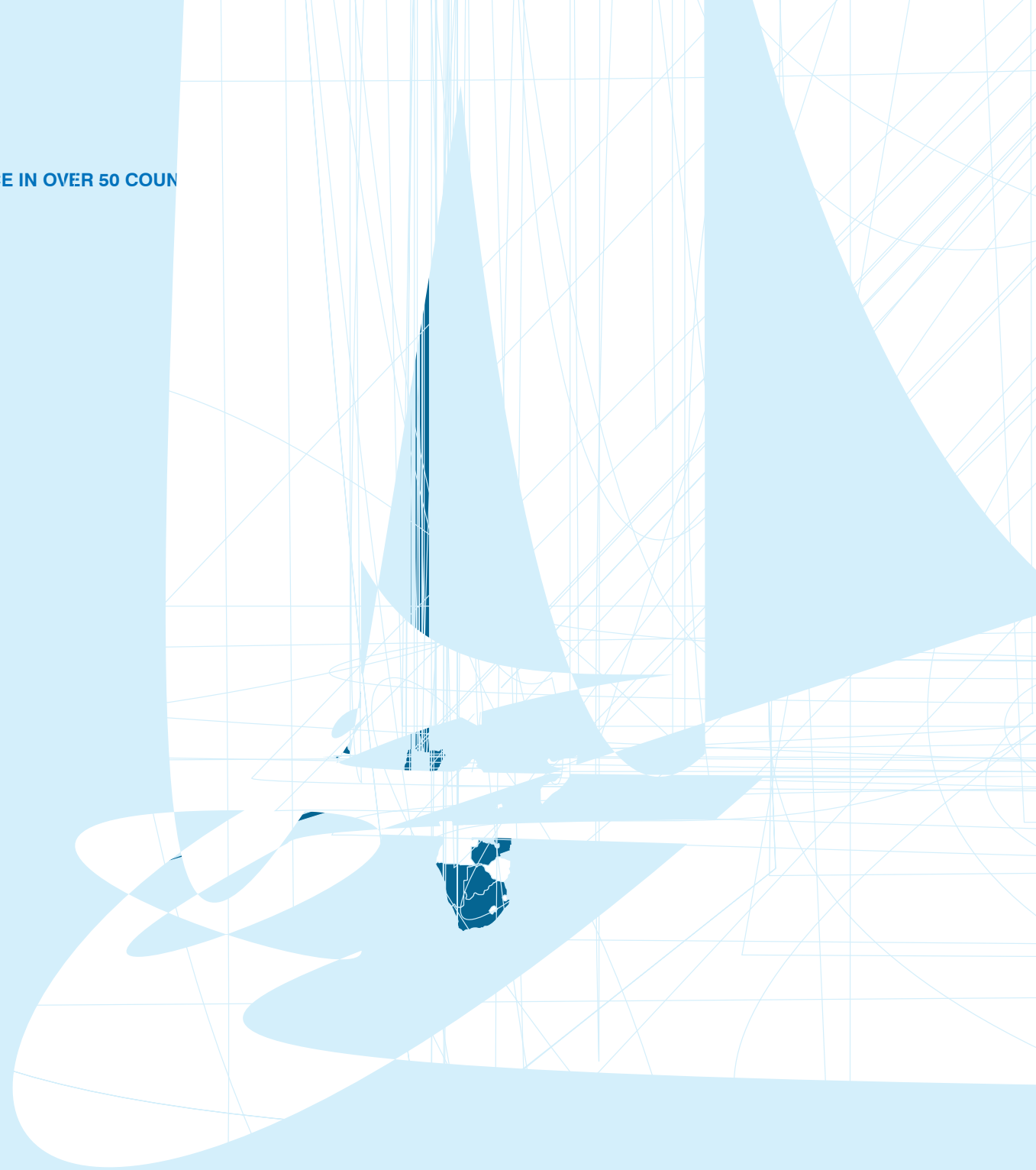
BUSINESS PRINCIPLES

Core principles that define commitment to all stakeholders

A closer look at our standalone financial performance:

- Sales increased by 15% to ₹ 5,779 CR
- Core EBIDTA at ₹ 631 CR
- Core EBIDTA margin at 10.9%
- PBT margin at 8.6%
- PAT margin at 5.5%
- New Order Intake of ₹ 9,341 CR in FY 2017-18 compared to ₹ 6,200 CR in FY 2016-17
- Order Book of ₹ 12,404 CR as on March 31, 2018 compared to ₹ 9,017 CR as on March 31, 2017
- ROCE of 18.7% in FY 2017-18 as compared to 17.6 % in FY 2016-17
- Low Interest Cost (% of Revenue) 1.79% in FY 2017-18 as compared to 1.95% in FY 2016-17

PRESENCE IN OVER 50 COUN



AWARDS & ACCOLADES

*KPTL received awards at **"World HRD Congress Event on February 15, 2018"** for 100 Top HR Minds and Best Organization Development Program*

*Received **Dun and Bradstreet Infra Award 2017** for Construction & Infrastructure Development (Power)*

***Frost & Sullivan** – India Manufacturing Excellence Award – Silver Certificate – Raipur Plant*

National Safety Council Award 2017

*KPTL's Gandhinagar Manufacturing unit won **"16th Greentech Safety Award 2017 in GOLD category of Manufacturing sector"***

*KPTL received **Award for Export Excellence** from EEPC India, Western Region for **Star Performer Project Exports** – Large Enterprise in November 2017*

*KPTL received Awards at **"10th CIDC Vishwakarma Awards"** – 2018 for Best Artisans and Supervisors and Achievement Award for Construction Skill Development*

FINANCIAL HIGHLIGHTS

The focus on operating efficiency, timely closure of projects and collection of retention money has enabled us to maintain an optimal working capital structure for our business. The same is reflected in a reduction in debt and interest costs in the last few years.

We have always believed in maintaining a lean debt to equity ratio and optimal interest coverage ratios while maintaining profitable growth and seeking scale.

In spite of challenging environments and significant growth in revenue and profitability, we have maintained healthy ratios.

					(₹ in Crores)	USD in Millions
Standalone	**2013-14**	**2014-15**	**2015-16#**	**2016-17#**	**2017-18#**	**2017-18**
Production in MTs	*1,77,583	*1,51,480	*1,44,887	*1,57,830	*1,96,768	*1,96,768
Gross Revenue	4,176.8	4,493.8	4,408.8	5,010.7	5,778.5	888.4
Sales Growth (%)	22.1	7.6	-1.9	13.7	15.3	15.3
International Revenue	1,838.5	2,395.8	2,384.8	1,995.1	2,365.3	363.6
Total Expenditure	3,790.6	4,067.0	3,955.7	4,481.5	5,147.3	791.4
Operating Profit (PBDIT & other income)	386.2	426.8	453.1	529.2	631.2	97.0
Other Income	48.4	52.2	53.7	49.3	48.0	7.4
Finance Cost	146.0	140.9	127.4	98.2	103.3	15.9
Profit before Depreciation & Tax (PBDT)	288.6	338.1	379.4	480.3	575.9	88.5
Depreciation	69.5	85.2	83.7	77.7	76.6	11.7
Profit before Tax	219.1	252.9	295.7	402.6	499.3	76.8
Provision for Taxation (incl. Deferred Tax)	72.7	87.3	103.3	133.5	177.3	27.3
Profit after Tax (PAT)	146.4	165.6	192.4	269.1	322.0	49.5
Other Comprehensive Income (net of tax)			6.9	-5.3	5.6	0.9
Equity Share Capital	30.7	30.7	30.7	30.7	30.7	4.7
Net Worth	1,953.9	2,070.5	2,214.6	2,478.4	2,770.0	425.9
Long-Term Borrowings (including current maturities)	154.0	355.1	311.7	464.0	524.5	80.6
Short-Term Borrowings	631.0	616.3	287.0	231.5	249.7	38.4
Total Borrowings (including current maturities)	785.0	971.4	598.7	695.5	774.2	119.0
Borrowings (Net of Cash and Bank balances)	720.3	896.1	492.5	484.4	692.5	106.5
Net Debt to Equity Ratio	0.37:1	0.43:1	0.22:1	0.20:1	0.25:1	0.25:1
Book Value per Equity Share (₹/USD)	127.3	134.9	144.3	161.5	180.5	2.8
Earnings per Equity Share (₹/USD)	9.5	10.8	12.5	17.5	21.0	0.3
Operating Profit (%)	9.2	9.5	10.3	10.6	10.9	10.9
Profit before Tax (%)	5.2	5.6	6.6	8.0	8.6	8.6
Profit after Tax (%)	3.5	3.6	4.3	5.3	5.5	5.5
Order Book at year end	6,500	5,150	8,300	9,017	12,404	1,907
Consolidated						
Gross Revenue	7,211.8	7,269.7	7,291.7	7,629.2	8,741.7	1,344.0
Profit after Tax (PAT) (Attributable to Owners)	122.2	120.4	110.0	186.5	280.7	43.2
Other Comprehensive Income (net of tax)			6.4	-11.0	8.3	1.3
Earnings per Equity Share (₹/USD)	8.0	7.8	4.9	12.2	18.3	0.3
Consolidated Order Book at year end	11,600	10,800	14,500	16,000	20,020	3,077.9

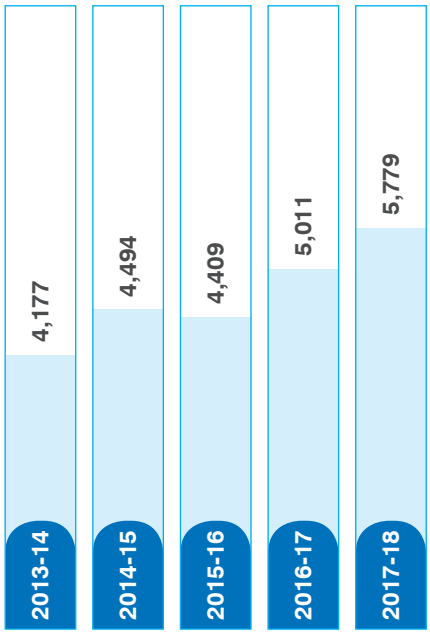
* The quantity includes production, on jobwork basis and purchased from/got processed from third parties.

The financials for FY 15-16 onwards are Ind AS compliant and figures for other years are as per iGAAP.

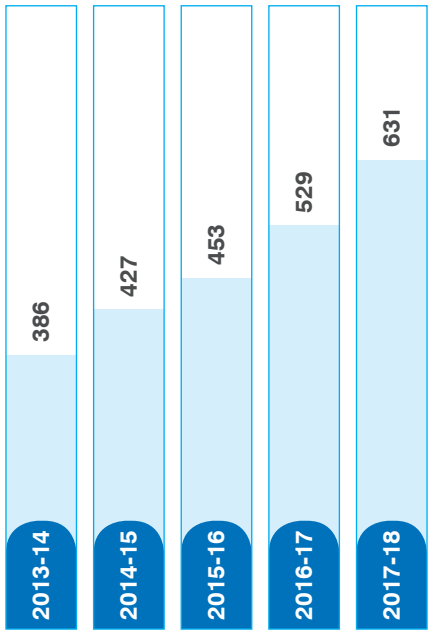
1 USD = ₹ 65.0441

During the last few years, we have achieved a remarkable growth trajectory, on which we expect to continue in the near future.

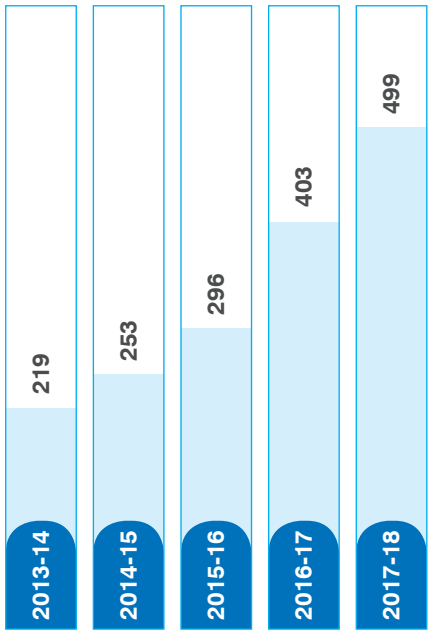
Revenue ₹ Cr



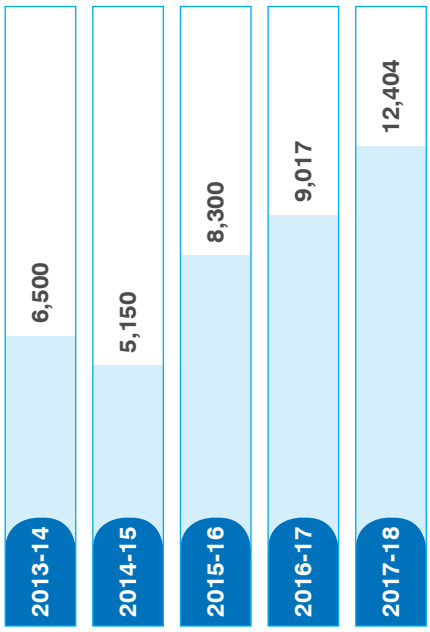
EBITDA ₹ Cr



PBT ₹ Cr



Order Book Growth ₹ Cr

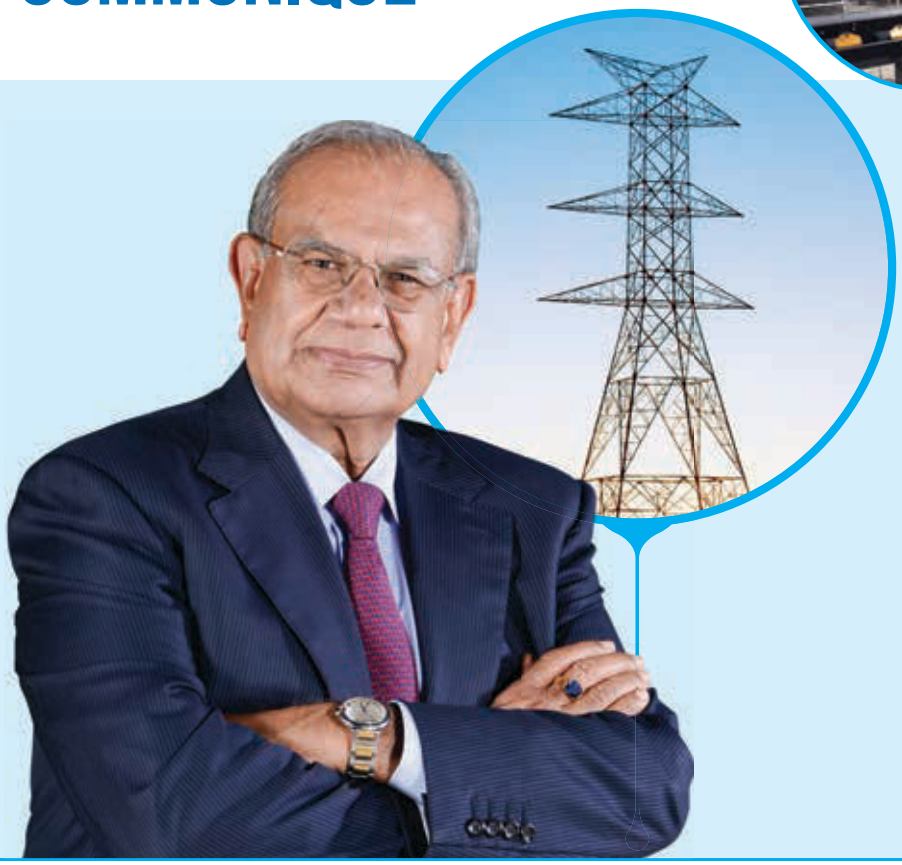


We are one of the few domestic EPC companies that have delivered consistently superior performance in the last few years. Revenue growth in FY 2017-18 has been around 15% maintaining the Company in high growth trajectory. Similarly, we have been able to improve our profitability performance. This year, our EBIDTA and profit after tax have grown by 19% and 20%, respectively. We expect this strong growth to continue, given the visibility of our robust order book.

Our order book visibility with respect to sales has improved from 1.79x In in FY 2016-17 to 2.15x in FY 2017-18.

Such outperformance has its roots in the steps that we have undertaken strategically diversifying our business and geographic mix; relentless focus on execution and completion of projects and bidding for projects with lower execution and receivables risk.

CHAIRMAN'S COMMUNIQUE



"WE CONTINUE TO BE BULLISH ON THE TRANSMISSION INTERNATIONAL MARKET WHEREIN AFRICA, SOUTH EAST ASIA, LATIN AMERICA & RISING INDIA ARE MORE ATTRACTIVE THAN EVER BEFORE.

Dear Shareholders,

The macro-economic scenario continues to be bright, both at home and abroad, with focus on infrastructure in India increasing tremendously. In such a milieu, it gives me great pleasure to present to you our Annual Report for 2017-18.

The estimates are that global economic growth will touch 3.9% in 2018 over and above a much stronger-than-expected rise in 2017. It will be driven by the continued recovery in investment, manufacturing and trade, and as commodity-exporting developing economies benefit from firming commodity prices.

Coming to India, the economy is on a high growth trajectory. A 7.2% expansion clocked in the December 2017 quarter makes it the fastest growing major economy in the world once more. This year's Union Budget laid great stress on developing the nation's infrastructure into world-class facilities, especially in the transportation, energy, communication, housing and sanitation and urban infrastructure sectors. Terming it as a "growth driver" of the economy, the Government has increased the budgetary allocation towards infrastructure to ₹ 5.97 lakh crore for FY 2018-19, from an estimated expenditure of ₹ 4.94 lakh crore in FY 2017-18.

Yet our economic survey reveals that the global infrastructure outlook reflects that rising income levels and economic prosperity is likely to further drive demand for infrastructure investment in India over the next 25 years. It estimates that around USD 4.5 trillion worth of investments is required by India till 2040 to develop infrastructure that could improve economic growth and community well-being. Viewing this situation, we can deduce that there is immense untapped opportunity that beckons infrastructure sector players like us.

Within infrastructure, the Indian power sector, where we have a strong presence, has made great progress over the past few years. The All-India installed power generation capacity has increased substantially over the years and reached 330 GW as on November 30, 2017. The peak deficit, i.e., the percentage shortfall in peak power supply vis-à-vis peak hour demand, has declined from around 9% in

FY 2012-13 to 1.6% during FY 2016-17. Despite these achievements in power generation capacity enhancement, the bottleneck continues in the transmission of power supply across regions, a segment in which we have the greatest expertise and experience.

As far as the railway sector is concerned, the Union Budget announced a capital expenditure of ₹ 1,48,528 crore for the Railway Ministry, in the highest-ever allocation, for FY 2018-19. A lion's share of these funds will be utilised for capacity addition. The Government has proposed to double 18,000 km of tracks and to work on the third and fourth lines in several sectors. The Finance Minister also mentioned a plan for 5,000 km of gauge conversion and for electrification of 4,000 km of railway network in 2018-19.

All these developments and proposals indicate a bright future for your Company, when seen against its ability to take on and successfully execute large and complex projects in its domain. The universes of both the subsidiaries of KPTL have also become enlivened with opportunity. With the current activity in the urban infrastructure sector, specifically the progress in setting up metro rail transport facilities in major and Tier II cities bodes well for JMC Projects. At the same time, the Prime Minister's focus on doubling the farmers' income by 2022 and the growing awareness of the need to stem post-harvest losses has put the post-agri-commodity sector in the limelight, opening up plethora of opportunity in the sector in which Shubham Logistics operates.

I am happy to inform you that this year, we have delivered a good financial performance with a strong revenue growth of 15% and an improvement across our businesses when compared to the previous year. We have delivered an encouraging growth of over 60% in our Oil & Gas Pipeline and Railways businesses.

Our EBITDA stood at ₹ 631 crore, marking an increase of 19% Y-o-Y. The EBITDA margin expanded by around 30 bps as compared to last year's levels. Our debt is within our targeted range of ₹ 700 crore to ₹ 800 crore and our finance costs continue to improve, as per our target. The finance cost as a percentage of revenue was at 1.79% for FY 2017-18. Our profit after tax for FY 2017-18 stands at ₹ 322 crore as against ₹ 269 crore in the last year, translating into an increase of 20% Y-o-Y. Our year-end order book stood at approximately ₹ 12,404 crore, net of GST, on standalone basis.

We have achieved significant progress at JMC, both in terms of revenue growth and EBITDA margin levels. Our revenue for the year grew by 18% Y-o-Y and our EBITDA grew by 35% Y-o-Y. Our EBITDA margin at 10.3% is 120 bps higher than the previous year.

At Shubham Logistics, the utilisation of our warehouses has shown significant improvement. Our revenue for the year was up 23% and we have delivered an EBITDA margin of 17.3% during the year, which is in line with our guidance. Our average utilisation at Shubham Logistics was in excess of 80% and we expect this to further improve going forward.

Our international operations have expanded considerably and contributed strongly to our operational and financial performance. We continue to be bullish on the transmission international market wherein Africa, South East Asia, Latin America and rising India are more attractive than ever before. Looking forward, we shall continue to focus and invest in our talent, benchmark our operational excellence and pursue digital and innovation relentlessly.

The Company maintains its guidance and looks forward to achieving growth in the range of 15-20% in the year ahead.

We acknowledge that we would not have come this far without our enterprising and enthusiastic human resources; so, I would like to take this opportunity to thank each and every member of the KPTL family. I would also like to thank our Clients, Creditors, Banks, Financial Institutions and other Stakeholders, without whose patronage we could not have been where we are.

The final thought that I would like to share with you is that we are venturing into the future with great optimism and enthusiasm as we embark on our mission to Unlock Global Potential and Reimagine India.

Mofatraj P. Munot
Executive Chairman

BOARD OF DIRECTORS

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.

Mr. Subodh Kumar Jain
Non Executive Director (Resigned w.e.f May 25, 2018)

Mr. Subodh Kumar Jain has 40 years of experience in the Indian Railways and Metro Rails across functions and geographies. He served as Member Engineering, Railway Board, Ministry of Railways & Ex-Officio Secretary to the Government of India.

He has been an adviser to GMR Infra, Hyderabad Metro Rail and Nagpur Metro Rail. He has been a guest professor at IIT Gandhinagar and TERI University. He holds Bachelor of Science degree in Civil Engineering from University of Roorkee (now IIT Roorkee).

Mr. Vimal Bhandari
Independent Director

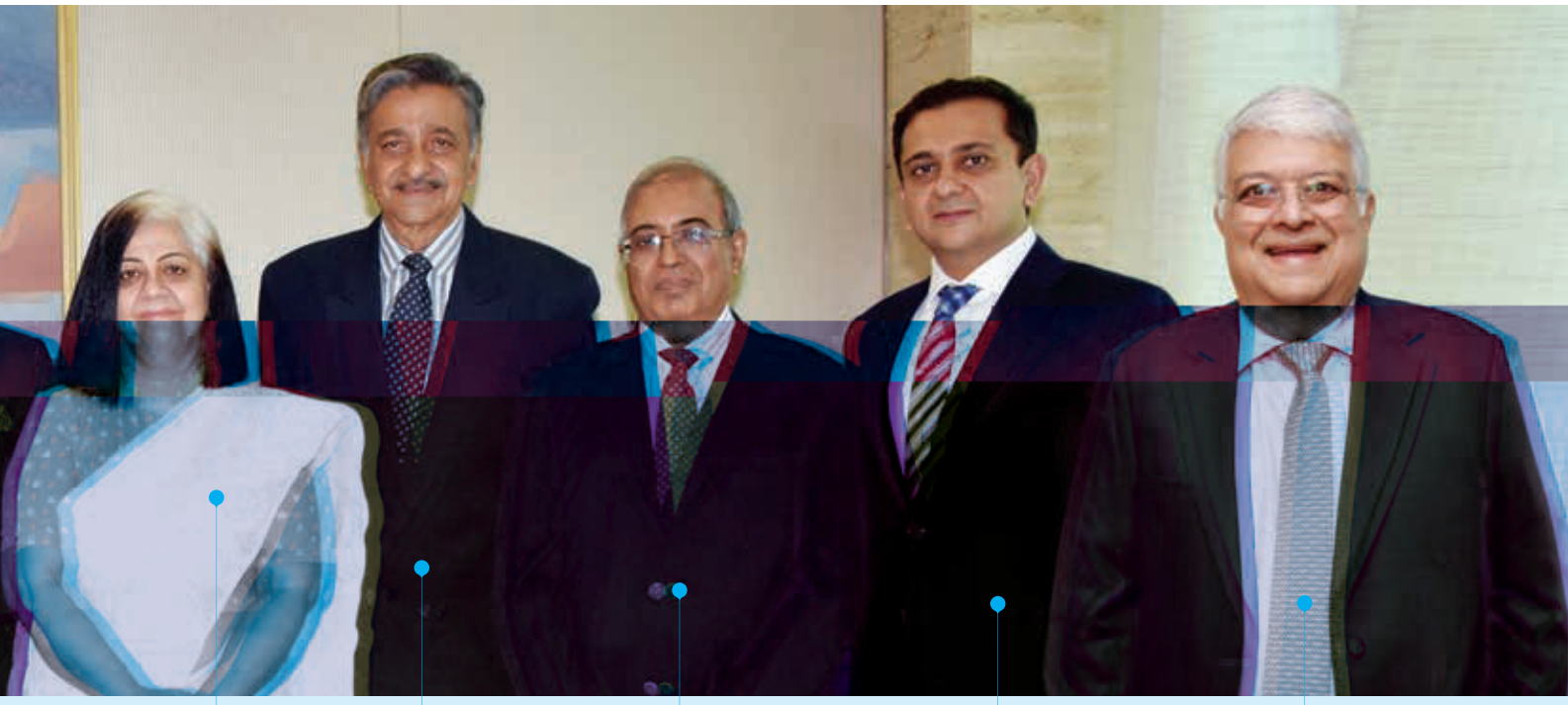
Mr. Vimal Bhandari has over 30 years of experience in financial services industry. He was, till April 2017, the Managing Director and CEO of IndoStar Capital Finance Ltd. He is an Adviser to few Corporate Groups and is an Independent Director of many companies. He is a Commerce Graduate from Mumbai University and a Chartered Accountant by qualification.

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.

Mr. Narayan K. Seshadri
Independent Director

Mr. Narayan K. Seshadri has over 30 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.



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.

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 decade 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.

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 44 years of experience and serves as consultant in the field of Foreign Exchange, Taxation and Corporate laws to well-known companies. He is a Chartered Accountant by profession and has an independent consultancy firm.

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.

Mr. Imtiaz Kanga
Non-Executive Director

Mr. Imtiaz Kanga has a rich experience of over 37 years in various industries. Currently, he serves on the Board of various Kalpataru Group Companies. He is a Chartered Accountant by profession.

CONTINUED LEADERSHIP IN POWER TRANSMISSION ACROSS GLOBE

Entering New Territories

This financial year, we received orders worth ₹ 9,341 crore both from countries where we have strong footprints e.g. Botswana, Sierra Leone, Thailand, Afghanistan and Bangladesh as well from new territories like Columbia, Mauritania and Ivory Coast. We have been able to expand globally year-on-year and enter into new markets by following our systems-driven approach and by ensuring financial and operational house in order.

Execution Excellence

We delivered strong execution performance by physically completing 14 projects in our core business in India and 7 projects at International locations.

S. No.	Project Name	Country	Client Name	CKt Kms
International				
1	400 D/C kV Tsavo-Isinia & 220 D/C kV Isinia-Embaksi	Kenya	Kenya Electricity Transmission Company Limited (KETRACO)	589
2	220 kV Noraduz - Lichk - Vardenis - Vayk - Vorotan1	Armenia	High Voltage Electric Networks CJSC (HVEN), Republic of Armenia	235
3	220 kV Kibuye (Karongi) - Gisenyi (Rubavu) - Goma - Kigali	Rwanda	Energy Development Corporation (EDCL) Ltd (Formerly - Energy, Water and Sanitation Authority (EWSA))	189
4	Suez Gulf 500 kV overhead line	Egypt	Egyptian Electricity Transmission Company	513
5	Isang S/S to Rakola S/S	Botswana	Botswana Power Corporation	157
6	230 kV Phangnaga 2 - Phuket 3	Thailand	Electricity Generating Authority of Thailand	70
7	380 kV D/C overhead transmission lines to Qassim	Saudi	Saudi Electric Company	72
Domestic				
1	400 kV Quad Moose D/C Line from 400 kV Julurupadu Sub Station to 400 kV Suryapet Sub Station, Nalgonda	India	Telangana	220
2	400 kV Quad Moose D/C Line from 400 kV Julurupadu Sub Station to 400 kV Suryapet Sub Station, Nalgonda	India	Telangana	78
3	765 kV D/C Chittorgarh-Ajmer Transmission Lines	India	PGCIL	148
4	Tower Package-TW02 for 765 kV D/C Chittorgarh-Ajmer Transmission Line	India	PGCIL	134
5	Quad Moose ACSR from PGCIL (Abisekapatti) 400 kV SS to Kanarpatti 400 kV SS	India	TNEB	56
6	Tower Package TW01 for 765 kV D/C Aurangabad-Padghe Transmission Line associated with System Strengthening	India	PGCIL	290
7	Cuddapah-Hindupur 400 kV D/C Quad	India	PGCIL	136
8-14	Seven Supply Contracts	India	PGCIL	-

We casted 5,930 foundations, erected 5,439 towers and did stringing for 2,321 Ckt kms in this financial year.

	Domestic	International
Foundations Casted (Numbers)	2,781	3,149
Towers Erected (Numbers)	2,535	2,904
Stringing Completed (Ckt Kms)	1,322	999

Moving up the Value Chain - Substation Business: We continue to move up the value chain by executing state-of-the-art 400 kV GIS substations. We were simultaneously executing two large 400 kV GIS substations - one at Darbhanga and another one at Jauljibi in India.

In the International markets, we are executing projects up to 225 kV in Botswana, Senegal, Afghanistan and Cameroon. Once completed, these projects shall help us get international contracts above USD 20 Mn, 160 MVA, high altitude work and 4 x25 MVA Variable Shunt Reactor experience of 225 kV.

Creating and Managing Transmission Assets: Both our operating assets were operating at availability exceeding 99% in this financial year.

	Jhajjar	Satpura
Availability (%)	99.81%	99.92%

Our ability to manage ROW and related challenges on PPP and EPC is being incorporated as a standard offering across all projects. Execution of third project Alipurduar is progressing well on schedule and we have achieved financial closure of Kohima Mariani BOOM project during this financial year.

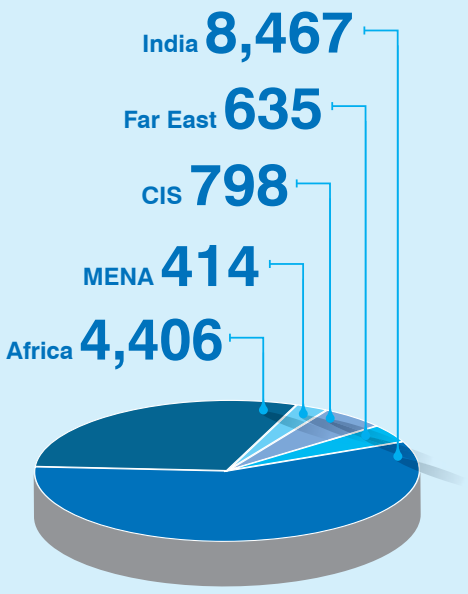
Strengthening the Core Business - Quality Culture

As a Customer-focussed Company, we are always at forefront to be at the leading edge of adopting new things. To cater to this, we created dedicated quality assurance teams for both our domestic and international transmission businesses. These teams will steward the site execution and material purchase to foster a zero defect culture.

Leveraging Innovations on a Continual Basis

'Old habits die hard' is an old phrase. Firms innovate and due to old habits of not absorbing innovations are not able to capitalise on it, ultimately losing their first mover advantage. However, at KPTL, we have broken this barrier repeatedly. We have extensively used Aerial Lidar Survey in multiple projects across geographies – Congo, Zambia, Armenia, Mauritania, Cameroon and have conducted reverse bidding on various bought-out categories and are always at the forefront in absorbing innovation. We have used enhanced functionalities SAP like Fiori dashboard, practised cost leadership in our activities, and ingrained its use as part of project life cycle. Our teams are using latest project management practices and tools.

Stringing - Ckt Kms - Last 5 Years



Over the last 5 years, we have finished transmission lines of 14,720 ckt kms across the globe.

DIVERSIFIED GROWTH IN NON-T&D SECTORS

We have proven ourselves, time and again in the T&D sector.

Today, we are an industry leader in the power transmission business. We provide end-to-end solutions, with capabilities in designing, testing, procurement, fabrication, erection, installing and commissioning of power transmission lines.

A few years ago, towards unlocking further potential, we began to look ahead. In line with our vision to be a global EPC company, we created best-in-the-industry teams to cater to the rising opportunities in the Oil and Gas pipeline and Railways EPC business. These teams leverage the know-how gained in our domestic and international T&D business, along with our well-established systems and processes and expertise in design and engineering, procurement, sub-contract management, human resources and Information Technology.

Today, we are growing at a faster pace in upcoming infrastructure sectors – Oil and Gas Infra and Railways, with a robust order book in place. We have been progressively growing both in terms of revenue and market share over the past few years in these new segments.

Our Oil and Gas Pipeline story so far…

Today, we undertake EPC contracting for cross-country pipelines, terminals and gas gathering stations for the Oil and Gas sector, across diverse territories. Our well-qualified engineering and designing team has successfully completed projects and provided end-to-end solutions.

We have constructed and commissioned more than 4,000 km cross-country pipelines over 250 intermediate stations, pumping stations, etc., for hydrocarbon services under various projects, all of which have been won against global competition. More importantly, all the projects we have executed have met stringent HSE and QA/QC requirements.

We are proud to say that we are recognised as a leading, reliable and trusted EPC contractor for cross-country pipelines, terminals, surface facilities and on-plot facilities for the Oil & Gas sector.

Some of our landmark projects:

- Laying of 226 km of 4" to 14" varying diameter pipes, for the Pipeline Replacement Project for Ahmedabad Asset in Gujarat for ONGC
- Laying of 235 km x 18" diameter pipes for the Paradip-Sambalpur-Raipur-Ranchi-Pipeline Project (Group A1) in Jharkhand, Odisha and Chhattisgarh for IOCL
- EPC project including procurement of line pipe 80 km x 18" diameter pipes for the Nawagam Koyali Pipeline Project in Gujarat for ONGC
- Balance of Plant for LPG Import Terminal Facilities Project at Haldia, West Bengal for BPCL
- EPC project 363 km x 18" diameter pipes for the Mallavaram Bhopal Bhilwara Vijaipur Pipeline Project in Andhra Pradesh and Telangana for GITL
- EPC project 42 km x 10" to 30" varying diameter pipes for the Mangala Intra-field Pipeline Augmentation Project in Rajasthan for Cairn Oil & Gas: Vedanta Limited
- Laying of 605 km x 10" to 14" varying diameter pipes for the PHDPL Augmentation LPG Pipeline Project in West Bengal, Bihar and Jharkhand for IOCL

Our Railways story so far…

Started in 2010; we have now become one of the prime contractor for executing Railway projects in India.

We offer Engineering, Procurement and Construction solutions encompassing design, engineering, supply, project planning, quality control and field execution. We are proficient in designing and executing integrated packages which involve the construction of embankments, structures, track works, overhead electrification, traction substations, signalling and telecommunication works.

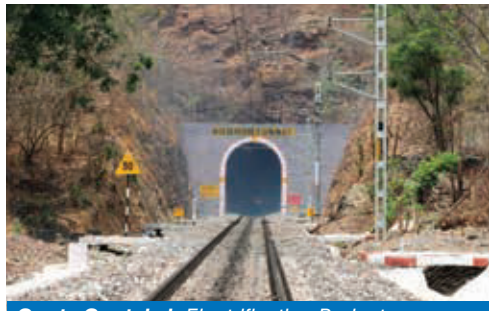
The Company has executed some of the most challenging projects in record time.

Achievements – FY 2017-18:

- Significant year of growth for Railway Electrification and S&T Execution Works. Executed electrification works for about 1,044 km track
- Mansi-Madhepura - Electrification Project - One of the Fastest Electrification Project in India was physically completed within 10 months

Some of our landmark projects:

Mansi-Madhepura: *Electrification Project*



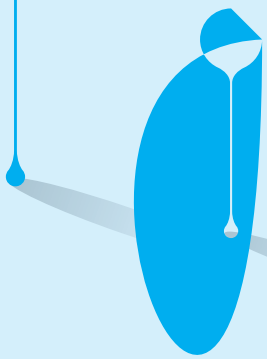
Gooty Guntakal: *Electrification Project*

Chapra-Allahabad: *Electrification and Signalling Project*

Jaroli-Basantpur: *Civil, Track, Electrification and Signalling Project*

Looking ahead, we are perfectly positioned, at the right time, to capture the huge opportunities emerging from these sectors.

of our subsidiaries,



bham Logistics, our Agri-company, is now stabilising - previous year, SSL faced significant nges. With the new Management in ce, this year, we have achieved better tilisation of our warehouses. This has led to a strong uptick in profitability as well as stabilisation of operations. Some challenges still remain, with respect to the Company's debt which we will overcome with our unrelenting commitment. As part of our strategy, we will continue to focus on improving our warehousing utilisation and related activities i.e. collateral management, commodity funding, laboratory testing, etc.

At JMC, Revenue, Profitability and Order Book improves; traffic is improving for our BOT projects - Our subsidiary JMC is well-positioned to take advantage of the rising infrastructure spend. In FY 2017-18, JMC has received orders worth ₹ 3,339 crore with remarkable improvement across all growth and profitability parameters. In FY 2017-18, JMC reported a revenue growth of 18% to ₹ 2,755 crore and profitability grew by 82% to ₹ 106 crore. JMC's order book is all high at over ₹ 7,616 crore. Traffic has grown by 13.1% (excluding overloading) on our Road BOT projects for FY 2017-18 as compared to 2016-17.

For our Indore Project - We have received a sale commitment for a part of the saleable area, as per our current FSI and the project is likely to be completed in FY 2019-20.

FOLLOWING A GROWTH-DRIVEN APPROACH

The ability to successfully complete projects before their scheduled dates is a powerful competitive tool. When paired with a robust closure process, it helps to improve margins.

We have renewed and revitalised our standard operating processes for project monitoring and closure and have created specialised project closure teams across our businesses. While our team focusses on early completion, we are also collaborating with our clients, vendors and contractors to understand their concerns in a quest to meet mutually satisfying goals.

Certificate of Appreciation for Excellent Safety Environment and Community Service in Botswana

Received a Performance Award from the Energy Department, Govt. of Karnataka – "Power Awards 2017" for completing the "Project for Construction of 400 kV Multi Circuit Transmission Line from Ballari Pooling Station to Rampura Limits" ahead of Contractual Completion Schedule"

Received Special Appreciation Award for Excellency in New Works of Railway Electrification from PGCIL for Mansi-Madhepura Project

Zakład Wykonawstwa Sieci Elektrycznych Rzeszów
Spółka z ograniczoną odpowiedzialnością

Date: 27th February 2018

To,
Mr. Abhinav Mishra
Kalpataru Power Transmission Limited
101, Part-III, Sector-28,
Gandhinagar - 382028,
Gujarat, India

Ref: Project Completion Certificate with reference to lattice towers supply

To Whom it may concern

ZWSE Rzeszów Sp. z o.o., Poland has entered into contract with Kalpataru Power Transmission Limited for Supply of lattice towers for 400kV Bydgoszcz Zachod-Pila Krzewina Transmission line project with ultimate Purchaser – Polish Electricity Company (PSE) Poland.

Kalpataru' s scope of work for this project includes Proto assembly, Fabrication, Galvanizing, Painting (one layer) and DAP delivery up to ZWSE's designated stores in Poland.

The total Towers quantities Delivered: 7042 Metric Tons
Delivery Period : April - 2017 to November- 2017

The Kalpataru team performed excellently in the areas of operations like Proto assembly, Engineering, manufacturing, welding, painting, quality, testing, storage, packing & dispatch of material.

We are pleased to inform that we are highly satisfied with the performance of Kalpataru according to the contract and the supplied towers have been performing satisfactorily since the date of supply.

We would like to thank Kalpataru and appreciate their quality of work, Project execution skills and business dealings with customers.

It is our pleasure to recommend Kalpataru as a highly qualified supplier of lattice steel towers for transmission line industry across the globe.

We look forward to work with Kalpataru in future projects.

Yours faithfully

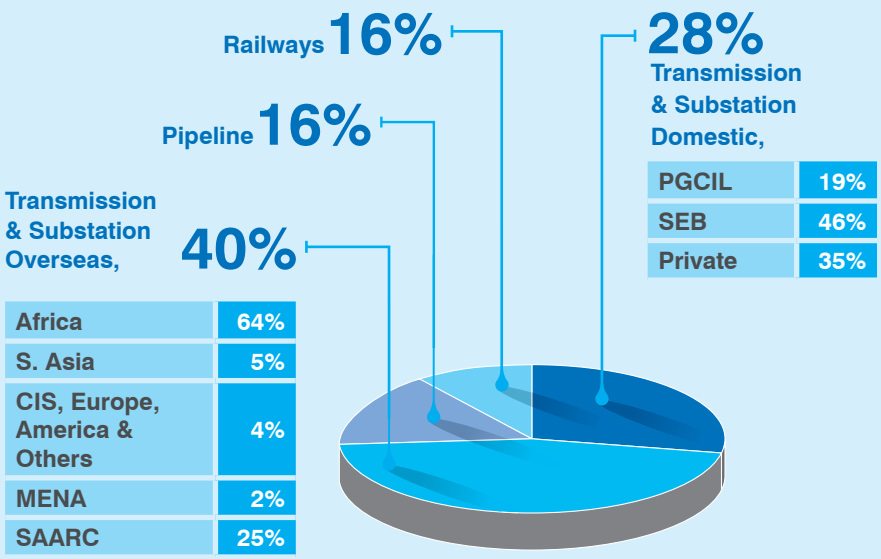
KPTL received a Commendation Letter from Norconsult (Africa) (Pty) Ltd., Botswana for Isang-Rakola, 220 kV Transmission Line for Botswana Power Corporation for completion of the project with good technical standards and within budget

DRIVEN BY DIVERSIFICATION IMPETUS

Leveraging on our core competency in the T&D business, we are now aggressively pursuing our Oil & Gas pipelines and railways business. After the initial few years of smaller, low margin orders to build the requisite credentials, qualifications and execution experience, today our infrastructure segment has delivered strong revenue and profitability growth as project execution picks up on the back of a robust backlog.

Efficient Capital Utilisation: Moving Ahead in the Value Chain - As an effort to utilise our expertise in EPC, we have moved ahead in value chain by developing marquee transmission assets, two of which are under operation and two are under execution. These assets will continue to give us cash over a period of time. The weighted average equity IRR of these assets is in the range of 16-18%.

Order Book Status as on March 31, 2018



With a robust order book, upcoming tender visibility and Government focus, we expect this to continue, going forward.

Revenue from our Railways and Pipelines business have increased from ₹ 681 crore in FY 2016-17 to ₹ 1,092 crore in FY 2017-18. The order book for our Railways and Pipelines businesses have grown from ₹ 1,346 crore in FY 2016-17 to ₹ 3,942 crore in FY 2017-18.

Similarly, over the years, we have been successful in garnering substantial orders from the Middle-East, Africa and South-East Asia. This year, in line with our profit growth ambitions, we have expanded our global footprint to 3 more countries. Exposure to international projects now constitute ~55% of T&D order backlog and have helped the Company insulate itself against a slowdown in the domestic markets.

Looking ahead, we continue to evaluate opportunities to grow inorganically, while keeping diversification in mind. We plan to expand our infrastructure business globally in a systematic manner. We are also evaluating entry into a few emerging clean tech and renewable EPC verticals.

ENHANCING OPERATIONAL EFFICIENCY

Throughout FY 2017-18, we focussed on cost excellence and process strengthening. These efforts are improving our competitiveness and enabling us to deliver great value and certainty to our customers. Below are some notable steps:

We are further strengthening our SAP ERP platform with better integration and data management among our functions; these functions include commercial, supply chain, construction, production, vendor management, project delivery, and sustainability.

We have implemented state-of-the-art galvanising process-monitoring system wherein temperature and time of dipping is monitored real-time in SAP. Additionally, zinc-coating thickness is controlled using load cell mounted on crane. The maintenance module at our factories in Gandhinagar as well as Raipur is integrated with SAP / mobile application to display machine status on screen thereby improving machine availability and health.

We are in the process of value stream mapping of manufacturing process which shall help us improve plant layout and working capital.

A major part of the Kalpataru Group has migrated to a SAP platform, which enables increased corporate synergies within the Group. Our subsidiary, JMC Projects India Ltd has implemented the SAP platform in record time.

Advancing the pace of innovation, we are using digital innovation techniques such as aerial technology in pre-construction survey works and project monitoring. We have also rolled out various digital and mobility-based solutions for better management of our shop floor and production processes.

WE ARE IMPROVING OUR CONSTRUCTION PRODUCTIVITY THROUGH LEVERAGING HIGHER GRADES OF MATERIALS, USING NEWER TECHNOLOGIES AND USING IOT TECHNOLOGIES FOR MANAGEMENT OF PLANT & MACHINERY AND GALVANISING PROCESSES.

Our procurement productivity is being enhanced by the use of an enabling digital supply chain, interventions in upstream production activities and closer collaborations with vendors.

We are also working to improve how we share our best practices and replicate successes. We have built a knowledge culture, wherein we transfer information across our businesses. In order to inculcate an ethos of innovation among our employees, we have launched an in-house programme, in which employees submit transformational ideas to improve our systems and processes. Many of such ideas have already moved into the prototype or implementation phase.

ADVANCING ON THE LEARNING CURVE

Working across geographies is no longer sufficient to ensure competitive advantage. We master the learning process through repetition and converting of incremental improvements into learnings, which drive us further up the learning curve.

Our HR practices focus on defining and building practices, which we continually upgrade to match with the changing business environment, technology and demography. We consistently revisit our policies and processes in the areas of culture, capability, competency with a commitment to make KPTL a future-ready organisation. Our vision and values are the building blocks of our culture and contribute to our future readiness. Since KPTL is consistently on a trajectory of growth, we support this growth with our seamless people strategy, building careers and competencies, leadership development and driving performance excellence.

Our global experience and various initiatives, including Project Management Modules in a top B-School and the launch of our online portal - called Kalpa Sutra - which encourages sharing of project experiences of senior leaders, adds to our collective learning bank.

Kalpa Sutra comprises a one-of-its-kind journey of experiences, which senior leaders of our organisation have garnered while rising in their careers.

All these initiatives along with our employee engagement initiatives, comprehensive and business learning and organisational development offerings helps us in engaging and preparing them for contemporary, futuristic skill and competencies, which help in delivering better results for continual growth of KPTL. Our approach has brought us recognition at two forums:

- World HRD Congress 2018, recognised KALP (Kalpataru Accelerated Leadership Program) as 'Best Organization Development (OD) Program
- 10th CIDC Vishwakarma Awards 2018, under two categories:
  - KLC recognised as one of the two recipients of award in best practices for "Construction Skill Development – Code J1", and
  - 12 supervisors of KPTL TLD projects received "Achievements award for Artisans & Supervisors – Code G1 & G2"

We understand the importance of developing homegrown talent to lead our teams across the globe. Over the years, we have advanced our capability-building programmes to meet the challenges of business and to ensure that the best talent remains with the organisation:

- **KALP - Kalpataru Accelerated Leadership Program:** The Kalpataru Accelerated Leadership Program (KALP) aims at developing Kalpataru's future leaders. The objective is to design and implement policies, programmes and processes aimed at identifying, retaining, developing future leaders and help such leaders to achieve their fullest potential within the Group. To enhance this leadership development programme and to widen its reach, we are transforming KALP into a Three Tier Leadership Development Programme, which will cut across leadership levels viz., Early, Future and Senior leadership. A scientific potential evaluation process along with robust performance reviews will ensure identification of potential leaders across the leadership pipeline at KPTL. Development tools like on the job training, classroom training, action learning projects, job rotation, leadership coaching, mentoring, executive education and regular interaction with development council are offered under the programme.

- **Executive Coaching:** Coaching has played a positive role at KPTL as a platform to hone the leadership of key role holders by furthering their leadership journey both personally and professionally. The initiative has provided an opportunity to existing and future leaders to define their leadership journey for future challenges as leaders.

- **Mentorship (Developmental Leaders):** In our drive to develop home-grown leaders, it is imperative to maintain a leadership pool. To support the development of such potential leaders, we have launched the Mentorship Program as part of our leadership development tools in addition to the already existing ones. Mentorship Program aims at identifying, training and developing mentors from within the organisation who will subsequently work alongside employees (Mentees) for their development in a structured manner.

- **Executive Education:** Exposure at premier B-Schools across India and abroad has not only helped employees in enhancing their skills but has also helped them in getting the global perspective on various aspect of business, leadership and management. During programmes, our leaders get opportunities to network with other participants, get to know industry best practices. Select future and senior leaders undergo programmes at institutes like IIM Ahmedabad/Bengaluru/Calcutta, ISB Hyderabad, Harvard Business School, Wharton University etc.

- **Key Contributors' Incentive:** Retention of top talent is essential for the sustained growth of an organisation. KPTL understands this and is committed to this effort. The Key Contributors' Incentive policy aims at retaining and rewarding consistent performers who display critical leadership qualities in their roles and the ability to become future leaders at KPTL. The policy focusses on a 5-year development plan for such individuals and breaks it down to yearly development targets in order to facilitate skill development. There are periodic reviews with Managers and Business Unit Heads to ensure requisite progress in this respect.

- **Building Leadership Pipeline:** At KPTL, we also emphasise the need to develop a strong leadership pipeline for the organisation. Our focus is on developing capable individuals with proven record of accomplishment, promising individuals hired for specific roles and more importantly individuals who display high level of skill and competence to match the future requirements of KPTL.

CARBON FOOTPRINTS-CREATING A GREEN ENVIRONMENT

- 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

- Both these plants use agriculture waste and forestry waste to generate power. Both these plants have logistics infrastructure to procure and handle approximately 2 lakh metric tonnes of Biomass inputs every year

Achievements

- First company around the globe to get registered with UNFCCC in 2003 under Clean Development Mechanism
- The Ganganagar Plant has benefited from Carbon Credits for 10 years (2003-2013) fixed period. This plant received Gold Standard Certificate in 2012
- The Uniara Plant is getting benefited from Carbon Credits since 2008. The UNFCCC has renewed this project for the 2nd crediting period from 2015-2022. This project was labelled Gold Standard in 2009 itself
- The Gold Standard is the premium quality standard for the CER's with added sustainable benefits and guaranteed performance
- Our plants have generated more than 7 lakh CERs since their inception:

Plant	No. of CERs Generated
Padampur Plant	339756
Uniara Plant	370058

- Continuing our tradition of reducing carbon footprints, we commissioned rooftop solar plant of 303 KW at Gandhinagar Factory during FY 2017-18

LEADERSHIP TEAM

Mr. Mofatraj P. Munot - Executive Chairman

Mr. Parag M. Munot - Promoter Director

Mr. Manish Mohnot - Managing Director & CEO

Mr. Kamal K. Jain - Director (Finance) & CFO

Mr. Sanjay Dalmia - Director (International Business)

Mr. Gyan Prakash - President & CEO (Infrastructure Business)

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

Mr. M A Baraiya - President (HR & Admin)

Mr. Subhasish Mukherjee - President (International Business)

Mr. Ramesh Bhootra - President (International Business)

Mr. Brajesh Sohrot - President (Group Procurement & SCM)

Mr. Kallol Kundu - President (Group Assurance, Risk & Audit)

Mr. Anil Kumar - Deputy President (Railways)

Mr. Dhimant Gandhi - Deputy President (Production)

MANAGEMENT DISCUSSION AND ANALYSIS

STRONG MOMENTUM, FAVOURABLE MARKET SENTIMENT, ACCOMMODATIVE FINANCIAL CONDITIONS, AND THE DOMESTIC AND INTERNATIONAL REPERCUSSIONS OF EXPANSIONARY FISCAL POLICY IN THE UNITED STATES SHALL PUSH GLOBAL GROWTH TICK-UP TO 3.9% IN 2018 AND ONWARDS.

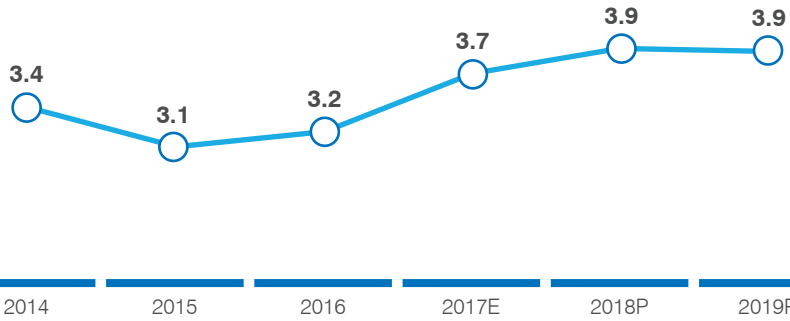
1. GLOBAL ECONOMIC REVIEW

Global growth strengthened to 3.8% in 2017 which is 0.5% higher compared to 2016 and strongest since 2011. This notable rebound is driven by growth in global trade, investment recovery in advanced economies, continued strong growth in emerging Asia, a notable upswing in emerging Europe, and signs of recovery in several commodity exporters. Asian economies continue to benefit from robust growth in China and India, including resurging trade and substantial infrastructure investment in Afghanistan, Cambodia, Maldives and Sri Lanka. Similarly, growth in Africa continues to expand at a solid pace, supported by expanding infrastructure expenses.

Strong momentum, favourable market sentiment, accommodative financial conditions, and the domestic and international repercussions of expansionary fiscal policy in the United States shall push global growth tick-up to 3.9% in 2018 and onwards. The partial recovery in commodity prices should allow conditions for commodity exporters to improve quickly.

(Source: World Economic Outlook, April 2018)

Global Growth (%)



(Source: IMF, World Economic Outlook Report, dated April 2018)

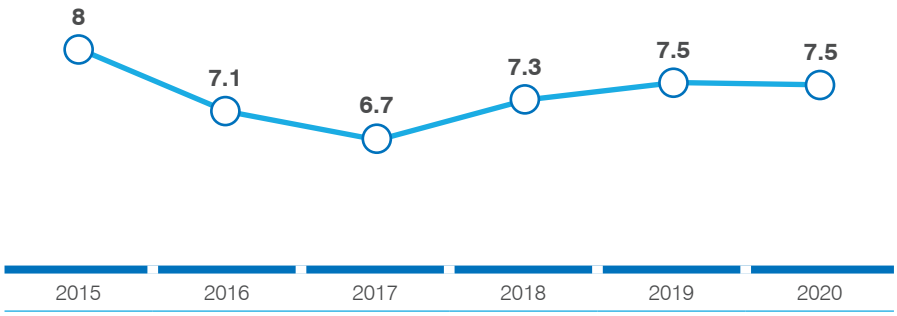
2. INDIAN ECONOMIC REVIEW

Economic growth is projected to strengthen to reach above 7% in 2018 and 2019, recovering from the transitory shock of implementing the GST and demonetisation in India. This growth is largely driven by the accelerated pace of structural reforms, focus towards a rule-based policy framework and improvement in the ease of doing business. One Nation One Tax "GST" will create a single market, increase productivity and boost corporate investment and will help in reducing the cost of capital equipment. On the Direct tax front,

the plans to reduce the corporate income tax rate and broaden the base will also promote growth. As a reflection of the cumulative actions to improve the business environment, India's rank jumped 30 spots on the World Bank's Ease of Doing Business rankings to 100th rank. Economic survey suggests that if the pace of structural reform continues and fiscal stability is kept under control, growth in the medium term has the potential to reach 8%.

(Source: OECD Report dated November 2017 and Economic Survey dated January 2018)

India GDP Growth (%)



(Source: World Economic Outlook Report dated April 2018)

3. SECTOR OVERVIEW - TRENDS, PLANS AND OPPORTUNITIES

3.1 Transmission and Distribution

Growth in transmission sector has been linked with the expansion of generation capacity and augmentation of existing transmission network. Connecting generating capacity with load centre is a key growth driver, especially in developing economies. Over the past few years, integration of renewable energy facilities has been the primary driver of transmission investment in the developed economies of western and central Europe. There has been an investment in network expansion in Asia, Africa, and Latin America to improve the access to electricity.

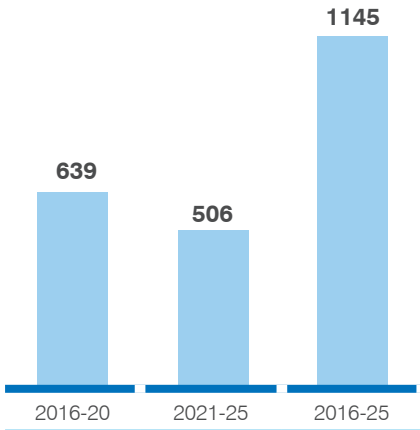
Electricity transmission sector has witnessed significant progress over the last few years. Between a brief period in FY 2011-15, over USD 600 billion were invested in the sector across the globe and most of that has gone for greenfield projects. Regulatory and policy initiatives are being implemented in countries to improve the investment environment in the sector.

Future Investment Trends:

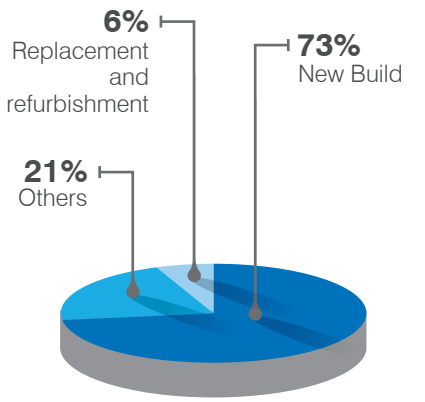
By 2020, it is estimated that over USD 640 billion worth of transmission related investments are envisaged and subsequently another USD 500 billion would be invested during 2021 to 2025. Among these investments, about 76% would be allocated for greenfield projects, in some countries, it's as high as 90%. Overall, around USD 1,145 billion is expected to be invested during FY 2016-25 in the electricity transmission sectors across various countries. Approximately, 74% of this investment is expected to be spent on developing new high voltage projects, while 22% is envisaged to be spent on replacement and upgrades of transmission assets.

Geographically, Asia led by China and India will account for the highest investment levels at 56% of the total for the six regions, followed by Europe and North America respectively. At present, most utilities and transmission system operators are focussed on achieving their short- to medium-term grid expansion targets. Majority of the investment-intensive projects (mostly UHVDC, UHVAC, and HVDC) are also slated for completion over the next five years.

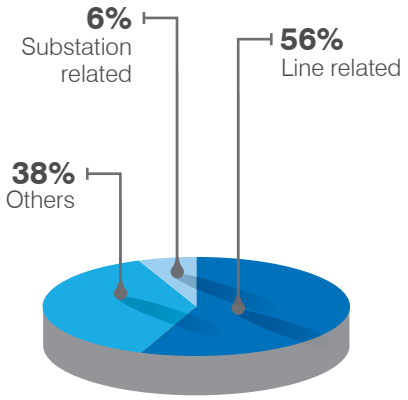
Capital Expenditure on transmission network (USD Billion)



Expected Capex in transmission by category for 2016-25 (%)



Expected Capex in transmission by type for 2016-25 (%)



(Source: Global Transmission Report)

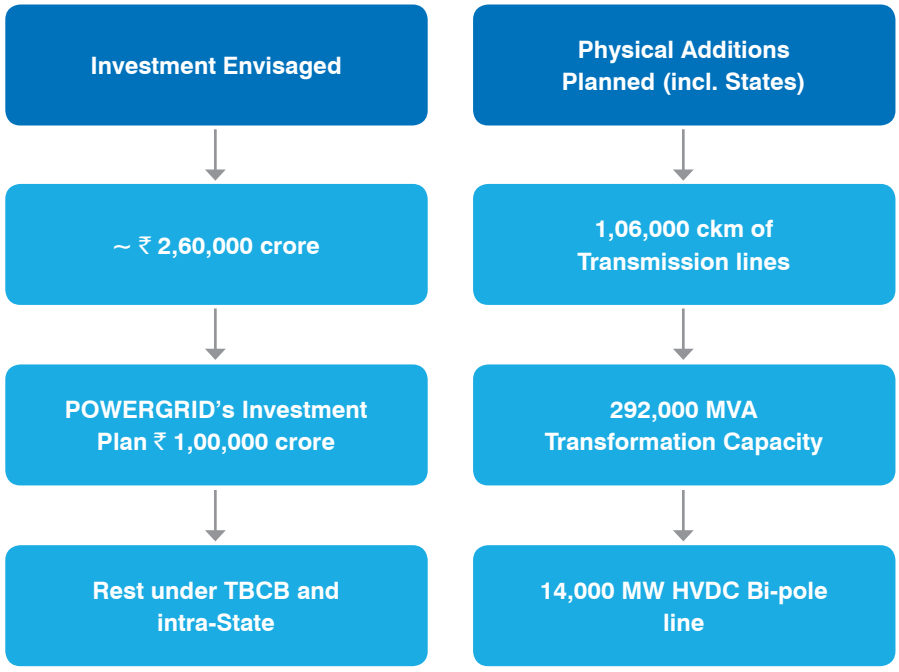
A. Domestic Transmission and Distribution –

The Indian power system is one of the largest operating synchronous grids in the world. As on November 30, 2017, the capacity of the transmission system of 220 kV and above voltage levels in the country was 3,81,671 circuit kilometres (ckm) of transmission lines and 7,91,570 MVA of transformation capacity of substations. During FY 2017-18 (April-November 2017), over 13,800 ckm of transmission lines have been commissioned and as on November 30, 2017, the total transmission capacity of the inter-regional links is 78,050 MW. Structural reforms in the power sector were initiated in the Government to unbundle the vertically integrated state utilities. The focus has been on connecting planned/new power plants located in remote areas to load centres to meet the country's growing demand. Despite this, growth in transmission lines has lagged behind that in generation capacity. Another focus area has been strengthening and expanding the existing network to improve network reliability and efficiency, by investing in higher voltages such as 400 kV and 765 kV.

Various reforms being undertaken by the Government are positively impacting India's power sector. In the wake of surging domestic coal production and competitive solar tariffs, the country's power sector is becoming increasingly stable with the revival of stressed coal assets and boosting strong interest of private sector in developing solar assets.

i. New Lines to cover demand-supply gap across regions - 13th Plan

Under the prospective transmission plan FY 2014-34 , it is envisaged that NR shall have a deficit of about 18,500-22,200 MW, while the deficit of SR shall be about 13,000 to 19,100 MW at the end of 13th Plan. Therefore, under the 13th National Electricity Plan (13th NEP), it is estimated that approximately ₹ 2,60,000 crore would be invested, this reflects significant growth in the power transmission sector. About ₹ 1,60,000 crore would come from states and the other ₹ 1,00,000 crore from Power Grid Corporation of India. The Government is planning to increase the size of projects and scope of work in transmission. Also, the interconnections with neighbouring countries like Bangladesh, Nepal, Bhutan, Sri Lanka is given emphasis in the plan.



- The total expected addition of transmission lines during this plan is expected at 1,05,580 ckm, taking the cumulative addition at the end of the plan to 4,70,515 ckm. Inter-state lines with a capacity of around 56,000 MW are being planned by the end of the 13th Plan. Inter-regional capacity addition during the 13th Plan is estimated at 45,700 MW. Further, the 13th Plan will see 2,92,000 MV addition of transformer capacity from 6,87,637 MV to 9,79,637 MV and HVDC Bi-pole line will almost double with the addition of 14,000 MW of HVDC Bi-pole line during this plan reaching to 30,500 MV at the end of the plan

  (Source: www.pib.nic.in, www.mercomindia.com)

- Expected transmission system addition during 13th Plan (i.e. FY 2017-22)

ii. Renewable Energy addition to giving a major push in transmission addition

- The Government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives, etc. Ministry of New and Renewable Energy has taken various measures for achieving the target of renewable energy capacity to 175 GW by the year 2022. These include suitable amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation and for providing Renewable Generation Obligation; setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor Project etc.
- The National Solar Mission aims to promote the development and use of solar energy with the objective to reduce the cost of solar power generation through long-term policy, large-scale deployment goals, aggressive R&D and the domestic production of critical raw materials, components, and products. Renewable energy is becoming increasingly cost-competitive as compared to fossil fuel-based generation
- India will achieve 40% cumulative Electric power capacity from non-fossil fuel-based energy resources by 2030 with the help of transfer of technology and low-cost International Finance including from Green Climate Fund, as per the Government in its submission to the United Nations Frame Work Convention on Climate Change on Intended Nationally Determined Contribution

Transmission System Types/ Voltage Class	At the end of 10th Plan	At the end of 11th Plan	Expected at the end of 12th Plan	Expected during 13th Plan	Expected at the end of 13th Plan
Transmission Lines (Ckm)					
HVDC Bipole lines	5,872	9,432	15,535	4,280	19,815
765 kV	2,184	5,250	29,431	27,300	56,731
400 kV	75,722	1,06,819	1,57,644	46,000	2,03,644
230/220 kV	1,14,629	1,35,980	1,62,325	28,000	1,90,325
Total Transmission Lines	1,98,407	2,57,481	3,64,935	1,05,580	4,70,515
Substations (MVA)					
765 kV	-	25,000	1,55,000	1,14,000	2,69,000
400 kV	92,942	1,51,027	2,34,372	1,03,000	3,37,372
230/220 kV	1,56,497	2,23,774	2,98,265	75,000	3,73,265
Total Substations	2,49,439	3,99,801	6,87,637	2,92,000	9,79,637
HVDC (MV)					
Bi-Pole Link Capacity	5,000	6,750	13,500	14,000	27,500
Back to Back Capacity	3,000	3,000	3,000	-	3,000
Total HVDC	8,000	9,750	16,500	14,000	30,500

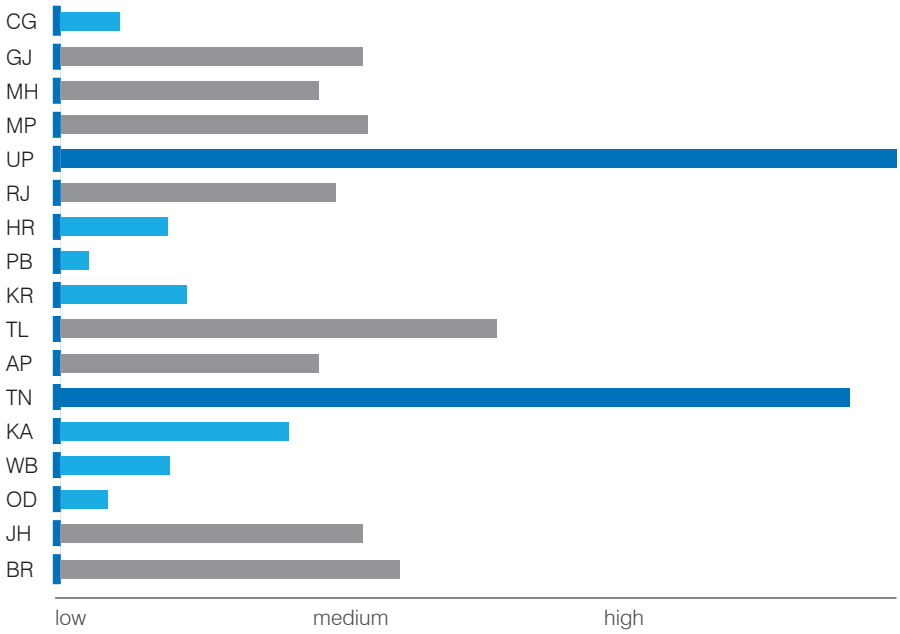
- The total renewable energy capacity is 60,980 MW and solar capacity in India is 16,611 MW as on Nov 2017 and it is projected that a minimum of 41,237 MW of solar will be installed in the five-year period (FY 2017-22). The CEA is giving top-priority to solar, hydro, wind, gas and nuclear-based capacity due to their inherent advantages as India sets to meet its Paris Agreement goal of generating 40% of its electricity from renewable energy sources. The Government of India has planned to add 1,75,000 MW of renewable energy by the end of FY 2021-22

Green Energy Corridor

Recognising the need for strengthening the transmission infrastructure, the Government of India initiated the Green Energy Corridor project worth ₹ 38,000 crore to facilitate the flow and integration of renewable energy into the national grid network. Intra-State Transmission System is being implemented by eight renewable-rich States (Tamil Nadu, Rajasthan, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Himachal Pradesh and Madhya Pradesh) with a total project cost of ₹ 10,141 crore, with funding mechanism consisting of 20% State Equity, 40% Government of India Grant (total ₹ 4,056.67 crore) and 40% KfW loan (500 million EUR).

With more renewable energy being integrated into the grid, the opportunities across the states shall vary in line with richness in the renewable potential of the state. The share of Southern Region comes out to be 38.3% owing to the planned investments in the renewable-rich states of Tamil Nadu, Andhra Pradesh, and Telangana. Further, least investment opportunity will be observed in Eastern Region, which has a share of 16.7% in the total opportunity pie. The Northern and Western region contributes 26% and 19% respectively and hence are the regions identified as moderate Investment opportunity zones for the stakeholders.

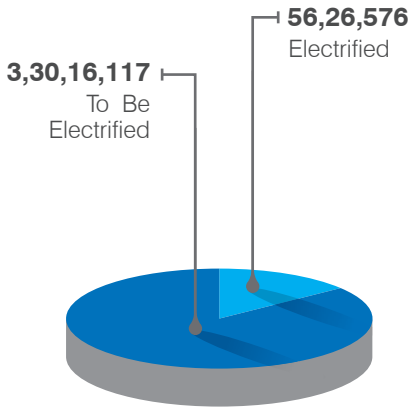
Best Fit States as per investment scenario up to 2019
State-Wise Investment Potential -



iii. Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) Scheme

After Ujwal DISCOM Assurance Yojana (UDAY), Saubhagya Scheme is another more talked about scheme. But, unlike UDAY which at large was dedicated to the distribution facet of the power industry, Saubhagya Scheme shall touch the entire value chain catering to all the three legs – generation, distribution, and transmission. Saubhagya Scheme opens up a wide opportunity zone for all from gencos to power exchanges and traders, transmission utilities to discoms, OEMs to package and component suppliers to EPC players,. Four crore homes to be given free electricity under Saubhagya Scheme. This will lead to an expenditure of ₹ 16,000 crore. This will require 3-4% increase in power requirement in country, thereby requiring more transmission lines.

Household Progress From 11-Oct-2017 Out of 3,86,42,693



Saubhagya Scheme

B. Global Transmission and Distribution-Region-wise trends and opportunities are discussed below:

i. Africa - driven by interconnections and renewables

While there have been efforts towards privatisation of the electricity generation sector, the transmission segments in all African countries continue to be owned and operated by the respective state-owned utilities. Transmission sectors in the African countries have begun to attract attention, mostly driven by the need to better utilise regional resources, with significant financial help from development agencies. Backed by the prospects of selling electricity to Europe, North African countries have developed aggressive plans to utilise their high renewable energy potential and invest in associated transmission infrastructure. Providing the growing population with access to electricity and meeting the increase in loads is also driving investment in the electricity infrastructure in Africa.

Historically, the focus in the region was to expand the existing network to integrate new generation capacities to meet the need of growing population. Another important objective of network expansion has been to provide access to electricity to larger sections of the population, especially in rural and remote areas. 80% of these investments are expected to go into new construction, while replacement or refurbishment market will account for the balance portion.

Around USD 32 billion is estimated to have been invested in Africa's power transmission sector between 2006 and 2015. Investments in the region's transmission networks have remained inadequate, thereby reducing the capability of the networks to stand with contingencies. Potential in Africa is best forecasted in Mckinseys Report titled Powering Africa wherein African Transmission Sector is pegged at USD 345 billion.

Interconnections among the regional power utilities are playing a crucial role in developing the transmission network in Africa. GRIDCo, a state power utility in Ghana, plans to add around 2,426 km of new lines and 10 new substations to Ghana's high voltage grid by 2024. In addition, they are developing a transmission hub project, which would provide inter-connections between major power centres. The country is also planning to construct a second 225 kV interconnection as a part of the WAPP Coastal Transmission Backbone Project aimed at encouraging efficient power trading among the coastal countries of West Africa. Government is also mulling privatisation of Electric Company of Ghana (ECG). It is forecasted that Kenya will generate more than 50% electricity from renewables requiring large transmission investments too.

The West African Power Pool (WAPP) interconnection project is planned for construction of 225 kV lines spanning 1,349 km across the four countries Sierra Leone – Côte d'Ivoire – Liberia – Sierra Leone – Guinea (CLSG). Another important project i.e. Mozambique-Malawi Transmission Interconnection Project, a World Bank funded project, entails construction of 218-km long, 400 kV transmission line is planned to connect Mozambican province of Tete to Phombeya S/S in Malawi.

Growing demand for energy, regulatory and social reforms and the need for infrastructure

investment is making Africa one of the world's top energy investment destinations. As the governments are keen to provide incentives and assurances to attract investors, more foreign players have begun to seek opportunities to partner with governments and local communities.

Zimbabwe Electricity Transmission & Distribution Company (ZETDC) is planning a 400 KV regional interconnector with a capacity of 1,740 MW.

ii. Middle East - driven by growing population and rising standards

Transmission structure in the Middle East has grown at a CAGR of 5% over FY 2006-15 and aggregated to 1,45,769 km lines in 2015. Traditionally, the majority of this transmission lines is owned by government-owned companies. However, in recent years, the sector is evolving due to private sector participation in the region. Primarily, this is on the back of massive investment for developing infrastructure in power and water sector. Over the last 10 years, the Middle Eastern countries have witnessed huge investments in their electricity sectors on the back of their growing populations and rising economic and living standards. Transmission investment was thus largely generation-led. Network expansion also became essential to provide access to electricity and to integrate isolated regions. During the period of FY 2006-15, over USD 66 billion was invested in transmission sector, at a CAGR of 11%. Further, about USD 56 billion is expected to be invested during FY 2016-25 in the transmission sector. Of which, 80% will go to high voltage projects and 15% will be spent on upgradation of existing lines.

iii. Asia - last-mile connectivity

The transmission sectors of the majority of the Asian economies are monopolised by state-owned utilities, whether integrated or separate transmission-only utilities. Recently, some of them have started to privatise. The transmission networks of the region comprise a line length of over 18,50,000 km operating at 100 kV and above voltage levels. The transformer capacity in these countries is estimated to be over 74,80,000 MVA. Asian utilities are undertaking reforms and restructuring to increase the efficiency and transparency of their electricity sectors. This is expected to attract investment from various sources including multilateral funding agencies and private investors. Over the next 10 years, about USD 636 billion is planned to be invested in Asia's power transmission sector. Of the total investment, about 82% would be invested for new projects, while approximately 15% to modernise existing assets.

iv. South-East Asia - regional focus

Cambodia has transmission interconnections with Vietnam, Thailand, and Laos. Due to supply-side constraints, Cambodia faces critical challenges in satisfying its increasing demand. In this regard, regional electricity market integration serves as a useful tool to enhance the domestic electricity sector and to strengthen the regional energy cooperation. In addition to expanding its domestic grid, the country is looking to strengthen its cross-border ties with other Association of Southeast Asian Nations (ASEAN) members. China's power grid developer China Southern Power Grid (CSG) and the Cambodian government have recently signed a Memorandum of Understanding (MoU) regarding cooperation on investment in the transmission system.

> **"AFRICAN POWER TRANSMISSION MARKET HAS A POTENTIAL OF USD 345 BN AS PER REPORT TITLED POWERING AFRICA BY MCKINSEY.**

Indonesia is facing rapidly increasing electricity demand. To meet the increasing demand and connecting the distribution centres with power stations, the country is focussing on interconnecting the main grid networks and expanding the length of the transmission network by 51,961 ckm by 2025. The major focus would be on the development of the 500 kV and 150 kV transmission system in the Java-Bali network and a 500 kV, 275 kV and 150 kV network in eastern and western Indonesia to achieve compatibility between generation capacity and power demand.

v. SAARC - regional focus

There is focus on increasing the power connectivity in this region as these countries are unable to meet its power demand. The development of transmission system in these regions will get a balance between capacity and requirement in efficient manner. There is a large potential in countries like Afghanistan, Bangladesh, Nepal, Sri Lanka and Bhutan as the transmission line development will support the overall economic development of the region.

"NORTH AMERICA - DRIVEN BY RENEWABLES AND LATIN AMERICA DRIVEN BY BOOT PROJECTS POSE A NEW SET OF OPPORTUNITIES.

vi. Europe - driven by strengthening of internal markets and integrating renewable energy

As at the end of 2015, the transmission network in Europe comprised 7,41,929 km. Europe's electricity markets have undergone a significant transformation under the Third Energy Package of European Union (EU), which came into effect in March 2011. Between 2006 and 2015, the average annual investment increased from USD 15.4 billion during the first five years to EUR 20 billion during the second half. This increase was led by construction of interconnections to build an integrated European market. Future investments in European countries are focussed on strengthening the internal markets, integrating renewable energy sources and addressing the security of supply issues. Grid investments over the coming decade will support an expected addition of over 229 GW of net generation capacity.

vii. North America - driven by renewables

North American Power Transmission sector continues to dominate the traditional vertically integrated utilities. Recent years have witnessed the emergence of non-traditional transmission developers and new business models are being pursued to build new transmission assets. As per the revised law, the projects which were traditionally assigned based on geographic location and service territory are now penned to competition. Over the last ten years, capital expenditure in the region has grown at a CAGR of 11.7% from USD 56 billion to USD 163 billion, a significant portion of which has gone in the second half. The United States accounted for 80% of expenditure, while Canada got the remaining amount. Development of new electricity transmission facilities in North America will be driven by the need to connect new generation capacity, especially renewable energy resources. Over the next 10 years, about USD 145-160 billion is expected to be invested in the North American electricity transmission sector. The US will account for 82% of the future investments, while the remaining 18% is expected to be spent by Canadian utilities.

viii. Latin America - driven by BOOT projects

In Chile, 48 projects entailing an investment of USD 1.7 billion is planned due to increasing thrust to connect renewable power stations. Chile's grid coordinator CEN has planned the biggest project of construction of 600 kV high voltage direct current (HVDC) link in the province of Tocopilla to the Metropolitan Region. The project has been proposed to integrate the renewable energy projects, mainly solar and wind expected to come up in the northern part of the country.

In Brazil, BOOT model has been successfully adopted for the building of transmission network. Brazil's power sector regulator Aneel is holding transmission lines auction, to invite private sector players to invest in the country's booming transmission line sector. The Government has successfully auctioned for transmission lines in December 2017. The next major project which entails an investment of USD 2.7 billion will have 24 batches with a total of 60 projects located in 18 states.

In Mexico, the regional power utility Commission Federal de Electricidad (CFE) is working on a project with an estimated investment of USD 1.7 billion. The project is for execution and development of 500 kV high voltage direct current (HVDC) line for transfer of 3,000 MW of wind power.

(Source: www.globaltransmission.info)

3.2 Railways – Driven by Electrification and New Opportunities – DFCC, High-Speed Rails, and Metros

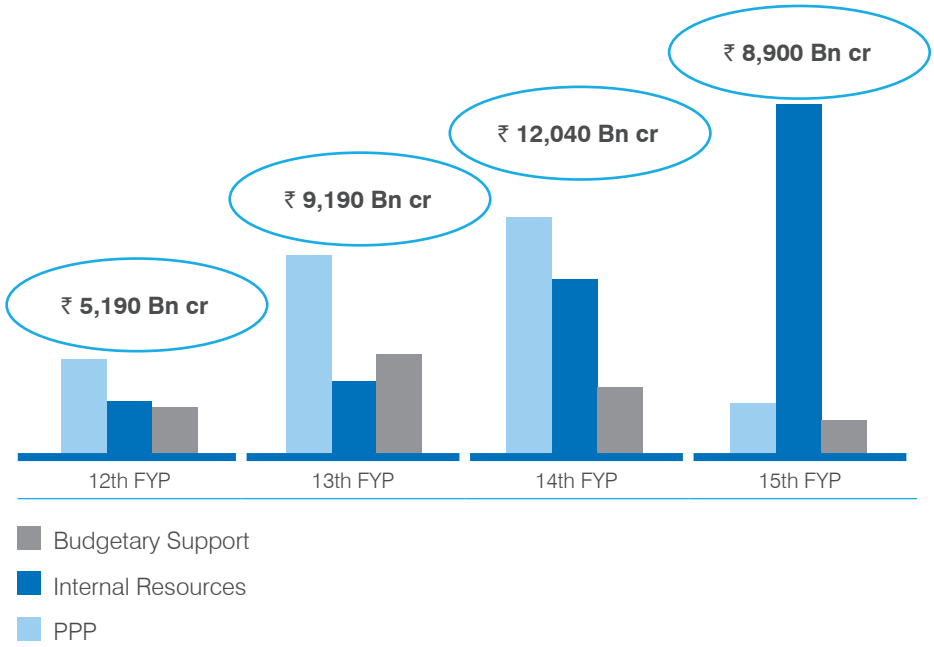
Indian Railway is the world's third largest railway network, fourth largest rail freight carrier in the world and is the largest passenger carrier. But the quality of infrastructure and profitability is considerably low in comparison to other developed countries of the world. There is a substantial dependency on Indian Railway for freight transportation purpose, and thus investment in Indian Railway for the erection of new railway tracks and modernisation of existing infrastructure holds paramount importance. Countries like China, Japan, and many multilateral agencies like World Bank have pledged their financial support for the development of Indian Railway network. In 2017, the sector has achieved 19% growth with an investment of ₹ 1.12 lakh crore, this is despite a higher base of last year, where it achieved 59% growth. In addition, the Government of India has planned investments of ₹ 8.56 lakh crore in the next five years for railway infrastructure. An investment plan in railways in the 12th Plan was ₹ 5,190 billion crore which will

increase to ₹ 9,190 billion crore, ₹ 12,040 billion crore and ₹ 8,090 billion crore in 13th Plan, 14th Plan and 15th Plan on the back of Government's plan to improve the railway infrastructure.

A paradigm shift is underway, manifested in investment plan over FY 2015-19. Systemic changes like funding from LIC/states, creation of DFCC, new metro rail in multiple cities, high-speed rails, 100% electrification targets indicate that railways' investments will far exceed investment in roads. With PGCIL entering into electrification market and upcoming BOOT tenders, railways seem to be on the right track to make a new India. Aimed at improving efficiency and expanding the rail network, the Government has announced following plan for Indian Railways for FY 2018-19:

- The major focus of the Government is to enhance the carrying capacity and strengthen the rail network
- For FY 2018-19, the capital expenditure for the railways has been pegged at ₹ 1.48 lakh crore majorly towards capacity addition, maintenance of track, and redevelopment of stations
- During FY 2018-19, 12,000 wagons, 5,160 coaches, and 700 locomotives will be procured
- 18,000 km of doubling, third and fourth line works and 5,000 km of gauge conversion would augment capacity and transform almost the entire network into broad gauge
- Further, electrification of 4,000 km of railway lines with a focus on safety and modernisation is planned under which 600 railway stations will be redeveloped, equipping them with Wi-Fi and CCTV cameras, the introduction of modern train-sets and escalators for stations with footfalls over 25,000

Govt. Investment Plan till 2032 (in ₹ Billion Crore) in Indian Railways



- Mumbai's suburban rail system is being expanded at the cost of ₹10,000 crore and for Bengaluru 160 km of suburban rail network worth ₹ 17,000 crore has been planned
- Additional opportunities -

i. DFCC

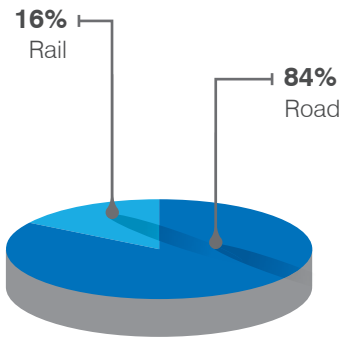
Government is planning to strengthen freight transport segment by building dedicated freight corridor (DFC) in India. Investment outlook in railway infrastructure is shown as below. The Government has planned to construct freight lines along the eastern (1,856-km length) and western (1,504-km length). As

per the Railway Budget 2016-17, three dedicated freight corridors, North-South connecting Delhi to Chennai, East-West connecting Kharagpur to Mumbai and East Coast connecting Kharagpur to Vijayawada, will be completed on priority. Due to the DFC project, added capacity and efficiency of new infrastructure would result in an increased share of railway network to 87% in FY 2021-22 from 84% projected in FY 2016-17.

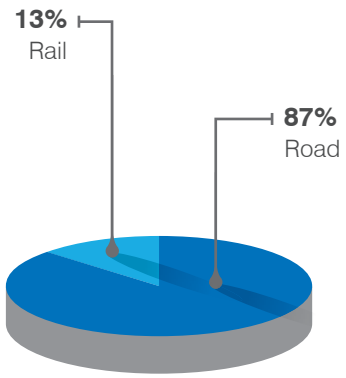
ii. Design-Build Route

Under the design-build route, multiple opportunities are arising in the country. Seven tenders totalling around ₹ 5,300 crore have already been floated. With a strong design team in place, we expect to get a chunk of these opportunities.

DFC Figure Model Mix (2016-17)



DFC Figure Model Mix (2021-22)



iii. Metro / High-Speed Rail

The Government has planned Mumbai-Ahmedabad bullet train project. A provision of ₹ 7,000 crore has been kept in the Budget 2018 for this project. The Indian Railways is planning to complete the project by 2022. A number of new metro rail projects have been planned in cities across the country like Mumbai, Pune, Delhi Phase IV, Bangalore Phase II, Vizag, Varanasi, Agra, Dehradun, Coimbatore. Train protection and warning system is another new opportunity rising in the country.

3.3 Oil and Gas Industry

Currently, India is one of the world's fastest-growing economies. The energy sector plays a vital role in fuelling this growth. Already in this century, India's energy demand has more than doubled, from 4% of the global total to over 7%. By the 2030s, as India's economy is expected to grow at a rate of 7% per annum, it is projected that India will consume more than 10% of the world's energy per annum.

The oil and gas pipeline network also remains a critical factor for the development of oil and gas markets. The Government of India, through Petroleum and Natural Gas Regulatory Board (PNGRB), has awarded many pipelines to different companies through the bidding process. However, the penetration level of pipelines in oil and gas transportation is quite low at 32% in India as compared to 59% in the USA and 79% globally. The low penetration of pipes in the domestic market provides a huge business opportunity.

In lieu of the increasing demand, the Government is seeking to expand its existing gas pipeline network under the National Gas Grid project from 16,121 km to almost 30,000 km and the transmission capacity by 2.4 times from 383.8 mmscmd to 935.6 mmscmd over the next couple of years. The increase in gas demand is aided by demand from user industries such as power generation, city gas distribution, and industrial requirements. As per PNGRB, the gas availability from domestic sources and imports is expected to increase at an annual growth rate of 7.2% to 474 mmscmd by 2030, whereas the realistic demand for Natural Gas is expected to increase at an annual growth of 6.83% to 746.0 mmscmd during the same period. Even as supply is expected to increase at a faster pace, it will still lag the total realistic demand thereby further widening the demand-supply gap. In order to address the supply shortfall, the Government will have to 1) increase investments in the exploration activities and/or 2) increase imports through cross-

border pipelines. Both these options augur well for oil and gas pipeline construction EPC industry.

Oil and Gas industry has planned higher capex mainly on account of exploration and production. The total planned capital spending is estimated at ₹ 89,000 crore for FY 2018-19. This is as against a targeted expenditure of ₹ 87,400 crore, 70% of which has been spent in the first three quarters. Of this targeted capex, ₹ 48,000 crore will be towards exploration and production and on refining and marketing would rise to ₹ 35,800 crore. Investment in petrochemicals would nearly double to ₹ 3,952 crore next fiscal year from ₹ 2,156 crore in the current year.

Oil & Natural Gas Corporation has planned the highest investment among all state oil firms, with a capex target of a little over ₹ 32,000 crore for developing new oil and gas fields and enhancing production from existing fields. Its overseas arm, ONGC Videsh plans to spend ₹ 5,900 crore. Additionally, Indian Oil has planned expenditure of ₹ 22,860 crore. Indian Oil, HPCL, and BPCL are also investing heavily in expanding and upgrading refineries to produce more 'GH' grade fuels. Gas transporter GAIL's spending is set to rise 40% to ₹ 4,700 crore in FY 2018-19 as it enhances investment to complete the ongoing pipeline projects.

3.4 Infrastructure

The infrastructure sector is highly responsible for propelling India's overall development and enjoys intense focus from Government for initiating policies that would ensure the timebound creation of world-class infrastructure in the country. According to the Department of Industrial Policy and Promotion (DIPP), Foreign Direct Investment (FDI) received in Construction Development sector (townships, housing, built-up infrastructure and construction development projects) from April 2000 to December 2017 stood at USD 24.67 billion.

India's infrastructure spending will have to increase by ~₹ 50 trillion in the next four years in order to improve its economic growth. Roads and construction are major drivers of infrastructure growth in India. Focussed Government initiatives aimed at rural and urban infrastructure development, including Smart Cities Mission, Bharatmala, AMRUT, Swachh Bharat Mission (Urban), Pradhan Mantri Awas Yojna (Urban), HRIDAY etc. are expected to be key growth drivers for the construction industry. On the back of this, the construction industry has been witness to a strong order book growth wave powered by large spends on housing, road, ports, water supply, and airport development. Some of the key budget outlay by the Government is as follows:

1. In the road sector, the capex of ₹ 1,22,000 crore has been earmarked for expansion of National Highways (more than 9,000-km length achieved in FY 2017-18). The seamless connectivity of interior, backward and border areas of the country would be achieved under the Bharatmala Pariyojana programme, which has been recently approved.
2. Water supply including sewerage works programme would cover around ₹ 77,640 crore worth of projects under the state governments for 500 cities.
3. Around 99 Smart cities for which a sum of ₹ 2.04 lakh crore outlay was earmarked are under various stages of project completion.
4. A sum exceeding ₹ 44,500 crore has been allotted to the Ministry of Urban Affairs to be spent on PMAY (Urban) and Affordable Housing

(https://www.ibef.org/industry/infrastructure-sector-india.aspx)

> "OIL & NATURAL GAS CORPORATION HAS PLANNED THE HIGHEST INVESTMENT AMONG ALL STATE OIL FIRMS, WITH A CAPEX TARGET OF A LITTLE OVER ₹ 32,000 CRORE FOR DEVELOPING NEW OIL AND GAS FIELDS AND ENHANCING PRODUCTION FROM EXISTING FIELDS.

3.5 Agri Logistics

The agriculture sector in India is expected to generate better momentum in the next few years due to increased investments in agricultural infrastructure, especially warehousing and cold storage. The Indian agri-warehousing sector is flourishing with the Government actively incentivising private investments in warehousing. The inclusion of agri warehousing under priority sector lending, subsidy schemes, tax sops and the Warehousing Act have gone a long way in promoting the sector.

The Union Budget 2018 proposed expansion of warehouse depository and specific exports and imports' related measures in the agriculture sector. In addition, rising exports and higher demand for processed foods will lead to higher storage capacity. The cold storage and agricultural warehousing is expected to witness an investment of ₹ 7,500 crore during the period FY 2018-20. By

developing innovative, scientific and efficient warehousing practices that can revolutionise the agri-warehousing sector, India can play a leading role in ensuring global food security through efficient process management in the entire agricultural value chain.

(Source: IBEF, LiveMint, JLL)

In the last budget, the Government has announced to offer minimum support price (MSP) on 23 crops. The objective is to give remunerative prices to farmers hit by falling prices after a bumper crop. As per the announcement, the MSP would be 50% above the cost of production of remaining rabi (winter) crops as well as Kharif (summer) crops. This is a giant step in meeting the long-pending demand for remunerative MSP for farmers, addressing agrarian distress and moving towards the goal of doubling farmers' income by 2022.

(Source: www.ET.com, www.livemint.com)

4. OUTLOOK

i. Transmission

There is an increasing trend towards the transmission capacity augmentation for renewable corridor, regional and zonal interconnections and deregulation to enhance the use of new PPP models such as BOOT, Lease, and DBFOT globally as well as in India.

With the huge focus of Government on renewables, especially solar in India and ensure last-mile connectivity by schemes such as '24X7 Power for All' and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya), transmission lines catering to green corridor and system strengthening pose a new set of opportunities. Africa as always has immense potential with a lot of cross-country interconnections and renewables projects under planning. The Latin American market also seems to be going in the right direction with lots of competitive bids for private developers happening. Privatisation drives for ECG of Ghana and Electrobras of Brazil, Ausgrid of Australia shall result in new fund flow into the transmission sector of these countries.

In India, apart from PGCIL's sustained and steady capex, state governments and private sector spend on transmission infrastructure is also expected to improve to meet their UDAY-related milestones. During FY 2017-18, we grabbed orders from PGCIL, SEBs as well as private players in India and from Africa, SAARC and MENA internationally. Going forward, KPTL is well positioned to be a key beneficiary of the strong growth prospects, both in India and overseas in Power Transmission.

ii. Railways

Government's thrust on improving the rail and energy infrastructure is also expected to result in rising capex for the sectors. KPTL has over the last 2 years developed in-house capability in railways' design with its 60+ strong design team. Our team has the right mix of railway veterans, private sector executives and functional experts and has gained rich experience with completion of a full cycle of project from Notice Inviting Tender (NIT) to Physical Closure in a number of projects. Our team is ready to deliver in not only conventional composite and OHE projects by CORE, RVNL, and PGCIL but is also well poised to capture a reasonable pie in the upcoming design-build projects and high-speed rails. We would also like to capitalise on the huge global opportunities in SAARC and African markets.

iii. Oil & Gas

Outlook in oil and gas market is positive and is driven by:

1) Government's initiative to increase gas pipeline network,
2) Hydrocarbon Vision 2030 for North-East India, and
3) Investments planned in the Middle East and North America.

KPTL has one of the biggest equipment fleets in the Industry with the capability to handle 7 project spreads simultaneously and is among the very few specialised players in the industry having an in-house capability of doing pipe laying

"THE INDIAN AGRI-WAREHOUSING SECTOR IS FLOURISHING WITH THE GOVERNMENT ACTIVELY INCENTIVISING PRIVATE INVESTMENTS IN WAREHOUSING.

as well as horizontal directional drilling. Moreover, with our significant experience in Oil and Gas market wherein we have completed pipelines from 4" to 48" for over 4,000 kms and executed over 250 stations making us an ideal choice for clients to entrust KPTL with opportunities in Oil and Gas market.

OPERATIONAL REVIEW

The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure comprising power transmission and distribution, railway track laying and electrification, laying of oil and gas pipelines, etc. The Company has a presence in over 50 countries across the globe.

Geographically, the revenue of the Company can be divided into two different segments – domestic and international. Revenue from the domestic segment was ₹ 3,406 crore (59%) and international segment contributed revenue of ₹ 2,373 crore (41%) in 2018.

Transmission and Distribution Business (T&D)

T&D is the major business vertical for the Company and contributes 80% of the total revenue. The revenue in T&D increased to ₹ 4,613 crore in 2018 from ₹ 4,271 crore in 2017. 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 despatches of transmission line towers were 1,96,768 MT and 1,93,877 MT, respectively in 2018 as compared to 1,57,830 MT and 1,69,571 MT in 2017.

The Company erected 1,09,364 MT of transmission towers at various locations domestically and internationally and executed about 2,321 ckm of stringing work to connect the grid to sub-station or sub-station to sub-station in 2018.

During 2018, the T&D business has received the following top projects:

- Orders totalling ₹ 1,092 crore for Substations and Transmission line in West Africa
- Received various Transmission line orders from Afghanistan, Bangladesh & Nepal totalling ₹ 985 crore
- Three orders for transmission line construction, augmentation and supply in overseas markets for ₹ 545 crore
- Transmission line turnkey project by Tamil Nadu Transmission Corporation Limited of ₹ 643 crore

Oil & Gas Pipeline and Railway Business

The revenue in these businesses increased to ₹ 1,092 crore in 2018 from ₹ 681 crore in 2017.

During 2018, these businesses received the following major projects:

- Order for laying of pipeline and associated works from GAIL of ₹ 687 crore
- Railway infrastructure construction project in North-Central Railway division of ₹ 507 crore from RVNL (project awarded in consortium)
- Gas pipeline and associated station work for ₹ 506 crore from IOCL
- Railway Electrification order from PGCIL in East Central Railway of ₹ 318 crore

Construction

The order booked by JMC during 2018 was around ₹ 3,339 crore and value of the order on hand as on March 31, 2018, stood at around ₹ 7,616 crore. During the year, JMC bagged certain prestigious orders, some of which are as under:

> **T&D IS THE MAJOR BUSINESS VERTICAL FOR THE COMPANY AND CONTRIBUTES 80% OF TOTAL REVENUE. THE REVENUE IN T&D INCREASED TO ₹ 4,613 CRORE IN 2018 FROM ₹ 4,271 CRORE IN 2017.**

- Various water projects in Madhya Pradesh totalling ₹ 708 crore
- Two residential projects in West India for ₹ 452 crore
- Order from Karnataka Power Transmission Corporation Limited for construction of office building of ₹ 125 crore

FINANCIAL REVIEW

On a standalone basis, the Company reported revenue of ₹ 5,779 crore in 2018 as against ₹ 5,011 crore in 2017, an increase of 15% over the last year.

Revenue in the power transmission and distribution business increased by 8% to ₹ 4,613 crore in 2018 from ₹ 4,271 crore in 2017. Oil and Gas Pipeline and Railway business recorded a growth of 60% in 2018 over 2017. Core EBITDA (excl. other income) grew by 19% in 2018 over 2017. PAT was up by 20% in 2018 to ₹ 322 crore from ₹ 269 crore in 2017 mainly on account of increased operational efficiency and order selection.

Net fixed assets (including capital work in progress), at the end of 2018 stood at ₹ 543 crore as against ₹ 524 crore in the previous year. During the year under review, the depreciation was at ₹ 77 crore and net addition in the fixed asset is ₹ 94 crore. Net current assets increased

"NET FIXED ASSETS (INCLUDING CAPITAL WORK IN PROGRESS), AT THE END OF 2018 STOOD AT ₹ 543 CRORE AS AGAINST ₹ 524 CRORE IN THE PREVIOUS YEAR.

to ₹ 1,301 crore as against ₹ 930 crore in the previous year due to increase in trade receivables in line with growth of the business. Borrowing levels of the Company are ₹ 774 crore in 2018 as against ₹ 696 crore in 2017. The net debt is ₹ 693 crore in 2018 against ₹ 484 crore in 2017. The Borrowing levels remain at a comfortable level with net debt/equity ratio of 0.25:1. The finance cost declined to around 1.8% of the revenue during 2018 as against around 2% of the revenue during 2017. 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 15%, with revenue of ₹ 8,742 crore in 2018 as compared to ₹ 7,629 crore during 2017. Net debt at consolidated level stood at ₹ 3,057 crore in 2018 as against ₹ 2,602 crore in 2017. The consolidated order book of the Company is in excess of ₹ 20,020 crore at the end of year.

RISK MANAGEMENT

1. Macroeconomic Risks	The Company's business may be affected by interest rates, changes in Government policy, taxation and other economic developments in the Indian and overseas market in which the Company operates.
	Mitigation Strategy: The Company has defined conservative internal prudential norms. The Company ensures a favourable debt/equity ratio, moderate liquidity, strong clientele with timely payment track record and focus on select markets to minimise the impact in adverse conditions. The Company has geographically diversified into multiple countries thereby reducing its dependency on one market or country.
2. Financial Risks	Volatility in financial markets including fluctuations in foreign exchange rates and interest rates impact the Company's cash flows including debt financing. 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. In the present uncertain time, it becomes more difficult to judge the market and take appropriate decision.
	Mitigation Strategy: Liquidity management is integrated with business planning and cash flow projections. The Company opportunistically refinances its debt with favourable 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	The Company's business is significantly dependent on availability, cost, and quality of raw materials and fuels for the construction and development of projects taken. The principal raw materials include steel, zinc, aluminium conductors, copper, diesel oil, concrete, cement, metal, ballasts, reinforcement bars, electrodes, valves, etc. Prices and supply of these are varied due to economic conditions, competition, production levels, and import duties, etc.
	Mitigation Strategy: The Company passes on such impacts to its clients partially or completely, by adding price escalation clause in the majority of the contracts. In case of firm price contracts, Company tries to pass on back-to-back firm price contract to its vendor/contractor and/or also hedge itself through price discovery, wherever possible. It measures and manages these risks centrally and carries out periodic reviews of these risks at appropriate levels.
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 on a 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, managing locational issues, availability of timely skilled manpower and these can lead to cost overruns. Also, the industry is inherently hazardous. Unsafe conditions/acts leading to loss of life and injury may result in capital, 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 conducting all its activities in such a manner so as to avoid harm to employees and the community.
6. People Risk	The scarcity of management resources along with growing costs poses a 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: The Company continues to strengthen its cybersecurity policies, standards, technical safeguard, ongoing monitoring of new and existing threats and IT security awareness initiatives which include IT disaster recovery, emergency response and business continuity management capabilities to enable reduction of the impact of any cybersecurity event.
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, the 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.

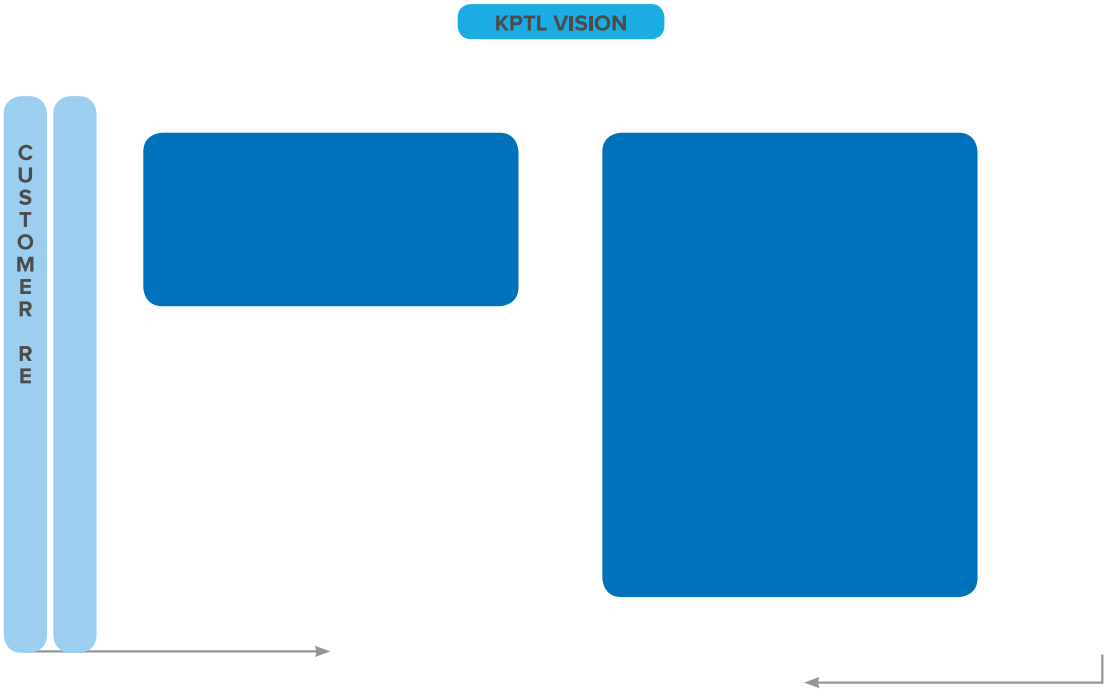
INTERNAL CONTROLS

The Company operates through ERP system – SAP and has implemented adequate internal controls for achieving efficiency in operations, optimum utilisation of the Company's resources, effective monitoring systems and compliance with laws and regulations.

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 Financial Controls' (IFC) in the Company. The said department has been set up as a multi-disciplinary team that delivers assurance across all areas of risk including strategic and commercial, safety and operational, compliance and control and financial risks across all business segments. The Department deploys Computer-Assisted Audit Techniques (CAATs) and various other Online Monitoring and Data Analytics mechanisms across various IT systems of the Company, and provides assurance to its stakeholders through regular, focussed risk reviews and audits, that the Internal Controls are adequately designed and deployed to manage the key business risks of the Company and are operating effectively. All reported observations are maintained in Online Databases ensuring comprehensiveness, ease of accessibility and structured follow-up.

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.

Planned attributes are implemented by means of various defined process as per the following models –



project sites, optimising the natural resources by various process-related approaches, etc.

(ii) Through awareness creation by means of campaigns inside and outside the organisation,

(iii) Setting up safe and environment-friendly plants/establishments in accordance with the requirements,

(iv) Producing energy by utilising biomass as fuel and accepting carbon credit,

(v) Regular monitoring of environmental legal requirements and its compliances,

(vi) Software-based MIS introduced in Transmission and Substation business enabling the Company to generate reports giving analysis and statistical data of unsafe acts like fall of objects, failure by labour to use PPEs like safety shoes, S Pad gum boots, etc. so that Company can adopt a focussed approach and take accurate preventive actions with structured follow-ups.

Lessons learned during project execution were shared throughout the organisation by way of well-documented HSE learnings and HSE alerts. Further, as a part of the health initiative, mass blood donation camps were organised across the Company. The Company has also extended its EHS activities outside the organisation and safety officers of the Company conducted fire safety programme at Government schools and educated them about fire safety and prevention control techniques in case of unexpected fire incident occurs. The Company also conducted first aid awareness training for students and teachers of Govt. schools from time to time.

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

The management systems of the Company related to its manufacturing plants of Gandhinagar and Raipur and International division is compliant with below certifications:

Certificate No.	Scope of Certification	Management System	Plants/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 (Unit 1) and International Division
8013-E15-001	Manufacture and Supply of Tower Parts for Power Transmission Lines up to 1200 kV	ISO 14001:2015 Environment Management System	Gandhinagar Plants (Unit 1 + Unit 2)
8013-OHSAS-001	Manufacture and Supply of Tower Parts for Power Transmission Lines up to 1200 kV	BS OHSAS 18001:2007 Occupational Health and Safety Management System	Gandhinagar Plants (Unit 1 + Unit 2)
10570-QMS & EMS	Manufacture and Supply of Tower Parts for Power Transmission Lines (up to 1200 kV)	ISO 9001:2015 Quality Management System, and ISO 14001:2015 Environment Management System	Raipur Plants

Awards & Recognition - Occupational Safety, Health, and Environment

The ardent efforts of the Company to achieve consistent safety performance have been well appreciated and the Company has won several accolades. National Safety Council, established by Ministry of Labour, Government of India has also bestowed upon the Company two awards for exemplary safety practices at its manufacturing plant and a Transmission Line Project. The details of such awards/recognitions are as under:

Sr. No.	Institution	Awarded Project / Plant	Sector	Award Received
1	Occupational Safety & Health Award, 2017 organised by Grow Care India, New Delhi	765 kV D/c Hyderabad-Wardha Transmission Line Project	Construction	Gold
2		400 kV Multi Circuit Ballari-Rampura Transmission Line Project	Construction	Silver
3		Manufacturing Plant located at Sector 28, Gandhinagar	Manufacturing	Gold
4	16th Annual Green Tech Safety Award, 2017 organised by Green Tech Foundation	Outstanding Achievements in Safety Management at Manufacturing Plant located at Sector – 28, Gandhinagar	Engineering	Gold
5	NSCI Safety Awards-2017 organised by National Safety Council, Ministry of Labour, Government of India	Meritorious Occupational Safety and Health (OSH) performance and implementing effective OSH Management Systems, practices and procedures at a manufacturing plant – Sector 25, Gandhinagar	Manufacturing	Bronze (Suraksha Puraskar)
6		Meritorious Occupational Safety and Health (OSH) performance and implementing effective OSH Management Systems, practices and procedures and developing and strengthening effective Client – Contractor – Subcontractor chain for achieving high standards of OSH at 765 kV D/C Chittorgarh Ajmer TL Project	Construction	Certificate of Appreciation

The Company has also won accolades from its Clients for stringently following safety norms (viz. Certificate of Excellence received from Tamilnadu Transmission Corporation Limited (TANTRANSCO) to recognise excellence in preserving safety norms at 400 kV AIS Sub-station – Bay Extn Project – Palavadi)

To promote EHS attributes, KPTL celebrates Road Safety Week, National Safety Week, Fire Safety Day, Environment Day, AIDS Awareness Week, etc.

CORPORATE SOCIAL RESPONSIBILITY

The Company has engaged in CSR activities for more than two decades and has contributed in the areas of healthcare, education, environmental sustainability, women empowerment, etc. from time to time. The Company always has been at the forefront of voluntary CSR. As part of furthering its CSR outreach, the Company started Kalpa Seva Arogya Kendra in Mumbai to provide specialised healthcare (consultation and treatment) at subsidised rates. Primarily, this centre would be supporting non-surgical consultation/ checkup camps, awareness camps by specialists, etc. to the beneficiaries under one roof. Details regarding CSR initiatives taken by the Company during the year under review are available in ***Annexure A*** to the Directors' Report.

HUMAN RESOURCES

Over the years, our leadership team has focussed on ensuring the growth of KPTL and expansion of its global footprint. At KPTL, we take pride in stating that we have many business and function leaders who have grown through the ranks and have been successfully leading the organisation. Nevertheless, looking at the opportunities and challenges coming our way in this VUCA (volatile, uncertain, complex and ambiguous) world, we are ready to assert ourselves to ensure that business is not affected.

Our HR practices focus on defining and building practices, which we continually upgrade to match with the changing business environment, technology, and demography. We consistently revisit our policies and processes in the areas of culture, capability, competency with a commitment to make KPTL a future-ready organisation. Our vision and values are the building blocks of our culture and contribute to our future readiness. Since KPTL is consistently on a trajectory of growth, we support this growth with our seamless people strategy, building careers and competencies, leadership development and driving performance excellence.

We understand the importance of developing homegrown talent to lead our teams across the globe. Over the years, we have advanced our capability building programmes to meet the challenges of business and to ensure that the best talent remains with the organisation:

- **KALP (Kalpataru Accelerated Leadership Program):** The Kalpataru Accelerated Leadership programme (KALP) aims at developing Kalpataru's future leaders
- **Executive Coaching:** Coaching has played a positive role at KPTL as a platform to hone the leadership of key role holders by furthering their leadership journey both personally and professionally
- **Mentorship (Developmental Leaders):** Purpose of this programme is to develop a leadership pool
- **Executive Education:** programme aims at providing global perspective and improving their skills
- **Key Contributors' Incentive:** Aims at retaining key talent

- **Building Leadership Pipeline:** At KPTL, we also emphasise the need to develop a strong leadership pipeline for the organisation

All these initiatives along with our employee engagement initiatives, comprehensive and business learning and organisational development offerings helps us in engaging and preparing them for contemporary, futuristic skill and competencies, which help in delivering better results for continual growth of KPTL.

Our approach has brought us recognition at two forums:

- World HRD Congress 2018, recognised KALP (Kalpataru Accelerated Leadership Program) as the 'Best Organisation Development (OD) Program and the HR head of the Company was recognised as "The 100 Top HR Minds (India)"
- 10th CIDC Vishwakarma Awards 2018, under two categories:
  - KLC recognised as one of the two recipients of the award in best practices for "Construction Skill Development – Code J1", and
  - 12 supervisors of KPTL TLD projects received "Achievements award for Artisans & Supervisors – Code G1 & G2"

It was the dream of our Company and its visionary leaders to develop a "Temple of Learning". As a result of this commitment to training and personal and professional development of Kalpataru team members, the Kalpa-Vriksha Learning Centre (KLC) was established in 2007.

KLC is equipped with excellent facilities including 3 training halls (2 halls can accommodate 60 students each and third hall can accommodate 40 students), meeting/discussion rooms, well-equipped library, computer centre and residential facilities which can accommodate up to 100 participants.

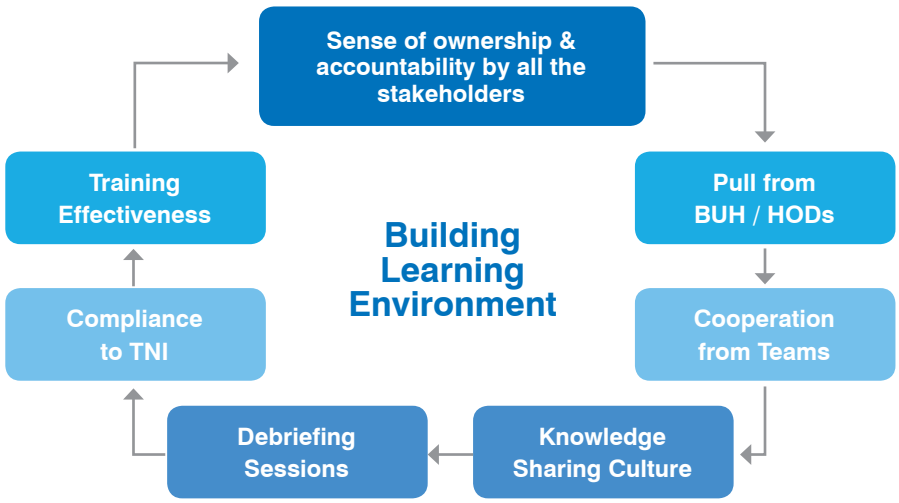
CAUTIONARY STATEMENT

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.

"OUR VISION AND VALUES ARE THE BUILDING BLOCKS OF OUR CULTURE AND CONTRIBUTE TO OUR FUTURE READINESS. SINCE KPTL IS CONSISTENTLY ON A TRAJECTORY OF GROWTH, WE SUPPORT THIS GROWTH WITH OUR SEAMLESS PEOPLE STRATEGY, BUILDING CAREERS AND COMPETENCIES, LEADERSHIP DEVELOPMENT AND DRIVING PERFORMANCE EXCELLENCE.

L&D Objectives are aligned to Business Goals

- Provide opportunities for skill enhancement and personality development for all the employees
- Build leadership pipeline at all levels
- Promote use of e-Learning modules and increase training reach to all employees



DIRECTORS' REPORT

TO,
THE MEMBERS,

Your Directors are pleased to present the 37th ANNUAL REPORT of your Company together with the Audited Financial Statements (standalone and consolidated) for the financial year ended March 31, 2018.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

	2017-18	2016-17
Revenue from Operations	5,778.50	5,010.74
Profit before Depreciation, Tax and amortization expense	575.94	480.28
Less:Depreciation and amortization expenses	76.60	77.70
Profit before Tax	499.34	402.58
Tax Expense	177.34	133.50
Profit for the period	322.00	269.08
Other Comprehensive Income(net of tax)		
Items that will be reclassified subsequently to Profit or Loss	4.66	(4.23)
Items that will not be reclassified subsequently to Profit or Loss	0.92	(1.04)
Total Comprehensive Income for the period	327.58	263.81
Retained Earnings – Opening balance	1,314.97	1,105.89
Add: Profit for the period	322.00	269.08
Less: Dividends including Dividend Tax	36.25	-
Less: Transfer to Debenture Redemption Reserve	50.00	50.00
Less: Transfer to General Reserve	10.00	10.00
Retained Earnings – Closing balance	1,540.72	1,314.97

OPERATIONAL HIGHLIGHTS

The standalone revenue of your Company increased by 15.32 % to ₹ 5,778.50 Crores as against ₹ 5,010.74 Crores in the previous financial year on back of strong execution in Railway & Pipeline businesses. Total export revenue (including overseas projects) was ₹ 2,372.76 Crores or approx. 41.06% of revenues in financial year 2017-18.

The standalone net profit for the year increased by 19.67% to ₹ 322.00 Crores as against ₹ 269.08 Crores in the previous financial year. The Company successfully delivered on the profitability front with EBIDTA margins on standalone level at 10.90% primarily driven by cost rationalizations, productivity enhancement initiatives and working capital efficiencies. The Company also achieved substantial reduction in its finance costs through better working capital management, which in turn resulted in improvement in profitability.

Your Company has supplied 1,93,877 MTs of Transmission Line Towers as against 1,69,571 MTs in preceding year, which is higher by 14.33%

Your Company has a standalone order book in excess of ₹ 12,400 Crores excluding fairly placed bids. Your Company has received orders in excess of ₹ 9,300 Crores in the current financial year 2017-18, which is an impressive 51% increase as compared to last year. The current year order inflow has been consistent across all business namely Transmission & Sub-station, Pipeline and Railways. The diversification focus has led to success in securing significant orders in non T&D business with healthy margins. On the back of solid order book, your Company is confident of delivering its guidance for coming years on both revenue and profitability front.

The Consolidated revenue of your Company increased by 14.58% to ₹ 8,741.72 Crores as against ₹ 7,629.15 crores in the previous financial year.

The Consolidated net profit for the year increased by 76.90% to ₹ 278.27 Crores as against ₹ 157.30 Crores in the previous financial year due to better performance of developmental assets and interest rate reductions.

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 2,000 unsecured, rated, listed, non-convertible, redeemable, taxable Debentures of the face value of ₹ 10 Lakhs each aggregating to ₹ 200 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) The Company has received Certificate of Excellence from Tamilnadu Transmission Corporation Limited (TANTRANSCO) recognizing the Company's excellence in preserving safety norms at 400 kV AIS Sub-station – Bay Extn Project – Palavadi)

DIRECTORS' REPORT

B) World HRD Congress 2018, recognized KALP (Kalpataru Accelerated Leadership Program), as 'Best Organization Development (OD) Program" and the HR head of the Company was recognized as "The 100 Top HR Minds (India)".

C) Your Company received awards at "10th CIDC Vishwakarma Awards – 2018" in following categories:

- Achievement Award for Best Artisans and Supervisors – 12 Supervisors
- Achievement Award for Construction Skill Development – Kalpataru Learning Centre

D) National Safety Council, Ministry of Labour, Government of India has honoured your Company with Bronze award (Suraksha Puraskar) to recognize Meritorious Occupational Safety and Health (OSH) performance and implementing effective OSH Management Systems, practices and procedures at manufacturing Plant – Sector 25, Gandhinagar. It has also honoured your Company with Certificate of Appreciation to recognize Meritorious Occupational Safety and Health (OSH) performance and implementing effective OSH Management Systems, practices & procedures and developing & strengthening effective Client – Contractor – Subcontractor chain for achieving high standards of OSH at 765 KV D/C Chittorgarh Ajmer Transmission Line Project

E) Your Company received two awards in Dun and Bradstreet Infra Awards 2017:

- Construction & Infrastructure Development (Power)
- 400KV Multi Circuit Transmission Line from Ballari Pooling station to Ramapura Limits in Karnataka, under Special Mention: Power Transmission segment.

F) ECGC honored your Company for long standing association with ECGC on its Diamond Jubilee Celebrations

G) Your Company received Award for Export Excellence from EEPC India, Western Region for "Star Performer 2015-16 Project Exports – Large Enterprise"

H) Your Company was honoured with Gold category Award for Outstanding Achievements in Safety Management at Manufacturing Plant located at Sector – 28, Gandhinagar at 16th Annual Green Tech Safety Award, 2017 organized by Green Tech Foundation

I) Your Company was awarded following 3 awards at Occupational Safety & Health Award, 2017 organized by Grow Care India, New Delhi:

- Gold Award in Construction sector for 765 KV D/c Hyderabad Wardha Transmission Line Project
- Gold Award in Manufacturing sector for Manufacturing Plant located at Sector – 28, Gandhinagar
- Silver Award in Construction Sector for 400 KV Multi Circuit Ballari – Rampura Transmission Line Project

J) Raipur manufacturing plant of your Company received Silver Certificate of Merit at India Manufacturing Excellence Awards 2017 conceptualized by Frost & Sullivan and FICCI for appreciating efforts done by the Plant and its personnel in enhancing manufacturing and Supply chain excellence

K) Your Company received Performance Award in "Power Awards 2017" organized by Energy Department, Govt. of Karnataka for completing the "Project for Construction of 400KV Multi Circuit Transmission Line from Ballari Pooling Station to Rampura Limits" ahead of Contractual Completion Schedule.

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, 2018 and the date of Directors' Report i.e. May 25, 2018.

DIVIDEND

Your Directors are also pleased to recommend dividend for the year ended March 31, 2018 @ ₹ 2.5 (125%) 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, 2018:

Amount transferred to	Amount in ₹ Crores
General Reserve	10.00
Debenture Redemption Reserve	50.00

DIRECTORS' REPORT

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 of your Company is provided below.

- JMC Projects (India) Ltd.

  JMC Projects (India) Limited ("JMC Projects" or "JMC") is a USD 400 million Engineering, Construction, Projects company, with global operations in South Asia and Africa which makes it one of the leading Construction companies in India. It is certified under ISO 9001:2015 (Quality Management), ISO 14000:2004 (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 projects, Smart City projects), Construction of Buildings (High-rise, Integrated Township, Residential, Commercial, IT Parks, Institutional, Hospital, Sports Complex, Tourism), Industrial & 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-focused approach and a sharp focus on world-class quality have enabled JMC to maintain a leadership position in its major lines of business. Characterised by professionalism, high standards of corporate governance and sustainability, JMC continues to evolve, seeking better ways of engineering to meet emerging challenges leveraging the power of People-Processes-Technology (PPT).

  JMC has a strong order book in excess of ₹ 7,600 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 1.10 million MT. The activities include warehousing, primary processing, 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 71.52 % equity shares of SSLL.

During the year under review, no new Company has become Subsidiary or 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 except Kalpataru Power Transmission Nigeria Limited which was voluntary wound up during FY 2016-17 to be effective from expiry of 3 months from January 12, 2017.

Accordingly, as on the date of this Report, your Company have 20 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 detailed information to any Members of the Company who may be interested in obtaining the same. The Annual Accounts of the Subsidiary Companies are also uploaded on the website of the Company i.e. www.kalpatarupower.com and will also be kept open for inspection at the Registered Office of your Company and that of the respective Subsidiary Company.

CONSOLIDATED FINANCIAL STATEMENTS

Your Directors have pleasure in attaching the Audited Consolidated Financial Statements 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

The members of the Company at the Annual General Meeting held on August 11, 2017 has appointed:

DIRECTORS' REPORT

(1) Mr. Mofatraj P. Munot (DIN: 00046905) as an Executive Chairman of the Company for a period of 5 years beginning from April 1, 2017 to March 31, 2022 (both days inclusive).

(2) Ms. Anjali Seth (DIN: 05234352) as an Independent Director of your Company for a term of 3 years commencing from May 19, 2017 upto May 18, 2020 and shall not be liable to retire by rotation.

(3) Mr. Subodh Kumar Jain (DIN: 07085318) as Director of your Company, liable to retire by rotation.

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

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. Imtiaz Kanga (DIN: 00136272) 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/reappointed 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, 2018. The dates on which the Board Meetings were held are May 19, 2017, August 11, 2017, November 13, 2017, December 8, 2017, February 7, 2018 and March 26, 2018.

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.

All recommendation of the Audit Committee was accepted by the Board of Directors of the Company.

KEY MANAGERIAL PERSONNEL (KMP)

Mr. Manish Mohnot, Managing Director & CEO, Mr. Kamal Kishore Jain, Director (Finance) & CFO and Mr. Rahul Shah, Company Secretary of your Company 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.

DIRECTORS' REPORT

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. Deloitte Haskins & Sells, 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 by your Company on CSR activities during the year are set out in ***Annexure A*** of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

CSR activities of your Company related to Health sector and in particular "Kalpa-Seva Arogya Kendra" were recognized and your Company won "Gujarat CSR Leadership Awards" organized by World CSR Day in the category of "Concern for Health"

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 and are operating as intended.

STATUTORY AUDITOR AND AUDITORS' REPORT

M/s. Deloitte Haskins & Sells, Ahmedabad (Firm Registration No. 117365W), Statutory Auditors of the Company has completed ten years as Statutory Auditors of your Company. Considering the requirements of Section 139(2) of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, they shall cease to hold office from the conclusion of ensuing Annual General Meeting. The Board places on record its sincere appreciation for the services rendered by M/s. Deloitte Haskins & Sells during their tenure as Statutory Auditors of the Company.

The Board of Directors of the Company at their meeting held on May 25, 2018, based on the recommendation of the Audit Committee, recommended appointment of M/s. B S R & Co. LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022) as the Statutory Auditors of the Company to hold office from the conclusion of ensuing 37th Annual General Meeting till the conclusion of 42nd Annual General Meeting of the Company, subject to compliance of the various provisions of Companies Act, 2013.

M/s. B S R & Co. LLP has expressed its willingness to be appointed as the Statutory Auditors of the Company and also confirmed its eligibility in compliance with the provisions of Section 139, 141 and other applicable provisions of the Companies Act, 2013.

Statutory Auditor's comments on your Company's accounts for year ended March 31, 2018 are self-explanatory in nature and do not require any explanation as per provisions of

DIRECTORS' REPORT

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 2017-18. The Report of the Secretarial Auditor for the FY 2017-18 is annexed to this report as ***Annexure B.***

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

COST AUDITOR

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 business 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 2017-18.

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 where 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 ("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.

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.***

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.***

There has been no change in the policy since last financial year.

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.

DIRECTORS' 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(a) of Section 134 and 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, 2018 forms part of this report as ***Annexure G.***

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. 42 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. 46 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.

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 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, 2018, 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;

DIRECTORS' REPORT

(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, 2018 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 2017-18.

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

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

ANNEXURE A TO DIRECTORS' REPORT

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. The activities undertaken during the year are running of multi specialty dispensary Kalp-Seva Arogya Kendra, education, promotion of yoga, assistance to flood victims, setting up of models based mini science laboratories in government schools, ambulance for ill / injured villagers, improving infrastructure facilities in government schools etc. As a part of furthering its CSR outreach, the Company started Kalpa Seva Arogya Kendra in Mumbai to provide specialized healthcare (consultation and treatment) at subsidized rates. Primarily this center would be supporting non-surgical consultation/ checkup camps, awareness camps by specialists etc. to the beneficiaries under one roof.

While the focus of CSR initiatives were in the areas around Company operations, your Company has also undertook projects where societal needs were existing.

CSR Policy of the Company is available on the Company's website (weblink http://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: ₹ 10,620.55 Lakhs calculated as per CSR Rules

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 212.41 Lakhs

5. Details of CSR Spent during the financial year.

a) Total amount to be spent for the financial year: **₹ 212.41 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@	91.55	91.55	Kalpataru Welfare Trust
2.	Provide medical services to poor and needy through the "Kalpa Seva Arogya Kendra - Gandhinagar"	Promoting Health Care	Gandhinagar, Gujarat	42.00	38.98	144.63	Kalpataru Welfare Trust
3.	Construction of School building under Sansad Adarsh Gram Yojana at Gram Adgaon, Amravati, Maharashtra	Promoting Education	Amravati, Maharashtra	49.00	48.38	48.38	Direct
4.	Awareness about Yoga on World Yoga Day	Promoting Health Care	Gandhinagar, Gujarat	1.00	1.00	1.00	Direct
5.	Food Packets to Flood victims of Gujarat	Eradicating Hunger	Across Gujarat	2.50	2.50	2.50	GIDC Engineering Complex Association
6.	Upliftment of Rural & Tribal Poor and Urban Slum Dwellers by curing avoidable blindness through "Project Rashtriya Netra Yagna"	Promoting Healthcare & Rural Development	North eastern states of India	10.00	10.00	30.00	Vision Foundation of India
7.	Contribution of Van for transporting poor children to Schools and disable / abandoned elders to Rehabilitation centres	Promoting Education and healthcare	Ooty, Nilgiris District, Tamil Nadu	7.00	7.00	7.00	Smyrna Fellowship Trust

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.	Setting up Mini Science Laboratory consisting of interactive Mathematics & Science working models at Government Schools	Promoting Education	Gandhinagar, Gujarat Raipur, Chattisgarh	10.00	6.78	6.78	Direct
9.	Educational support to the needy students	Promoting Education	PAN India	5.00	5.00	10.00	Gajendra Nidhi Trust
10.	Infrastructural Development of Government Schools and Clean water at health centres through water cooler	Promoting Education and healthcare	Raipur, Chattisgarh	16.00	7.60	7.60	Direct
11.	Ambulance for ill / injured villagers	Promoting healthcare	Hazaribagh, Jharkhand	4.50	3.38	3.38	Direct
12.	Expenditure on administrative overheads	Administrative expenses	-	1.26	1.26#	5.07	-
	TOTAL			489.81	223.44	357.89	

** The amount indicated in this column above is the direct expenditure on project or programs.*
 # The amount indicated in this column above is the overhead expenditure on project or programs.
*** Budget Outlay represents the amount the Company has budgeted in its CSR plan*
@ Amount planned to be invested over a 3 year period i.e. 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.

Manish Mohnot
(DIN: 01229696)
Managing Director & CEO

Sajjanraj Mehta
(DIN: 00051497)
Chairman of CSR Committee

ANNEXURE B TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018. 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, 2018 (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, 2018 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;

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 (Buyback of Securities) Regulations, 1998; (during the year under review not applicable to the Company) and

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

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 all material aspects of 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 generally complied with the material aspects of 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.

ANNEXURE B TO DIRECTORS' REPORT

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 `
25/05/2017	8.45 % Unsecured Redeemable Listed Rated Taxable Non-Convertible Debenture (NCDs)	100,00,00,000/-
27/09/2017	8.11 % Unsecured Redeemable Listed Rated Taxable Non-Convertible Debenture (NCDs)	100,00,00,000/-

ii. During the period under review on maturity the Company has redeemed 10.50 % Unsecured Redeemable Listed Rated Non-Convertible Debentures aggregating to ₹ 100,00,00,000/- on 5th September, 2017.

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

Date: May 25, 2018
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: May 25, 2018
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 2017-18 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2017-18 are as under:

SN	Name of Director/KMP and Designation	Remuneration of Director / KMP for Financial year 2017-18 (₹ in crore)	% change in Remuneration in the Financial Year 2017-18	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Mofatraj P. Munot Executive Chairman	10.1	*	160.83
2	Mr. Parag M. Munot Promoter Director	2.42	134.95	38.54
3	Mr. Sajjanraj Mehta Non Executive Independent Director	0.49	19.51	7.80
4	Mr. Vimal Bhandari Non Executive Independent Director	0.35	20.69	5.57
5	Mr. Narayan K Seshadri Non Executive Independent Director	0.34	21.43	5.41
6	Mr. K. V. Mani Non Executive Independent Director	0.32	-39.62	5.10
7	Ms. Anjali Seth Non Executive Independent Director	0.18	20.00	2.87
8	Mr. Subodh Jain Non Executive Director	0.12	#	1.91
9	Mr. Imtiaz Kanga Promoter Director	0.13	333.33	2.07
10	Mr. Manish Mohnot Managing Director & CEO	9.51	24.97	151.43
11	Mr. Kamal Kishore Jain Director (Finance) & Chief Financial Officer	2.41	25.52	38.38
12	Mr. Rahul C. Shah Company Secretary & Compliance Officer	0.49	11.36	7.80

* Remuneration received in FY 2017-18 is not comparable with remuneration received in FY 2016-17 owing to change in designation and hence % increase is not stated.

\# Details not given as Mr. Subodh Kumar Jain was appointed as Non-Executive Director w.e.f. 19th May, 2017

ii) The median remuneration of employees of the Company during the financial year under review was ₹ 6.28 lakhs.

iii) In the Financial year under review, there was an increase of 8.28% in the median remuneration of employees.

ANNEXURE C1 TO DIRECTORS' REPORT

iv) There were 2,722 permanent employees on the rolls of Company as on March 31, 2018

v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2017-18 was 9.63%. Increase in the managerial remuneration for FY 2017-18 is not comparable with FY 2016-17 owing to re-designation of Mr. Mofatraj P. Munot as an executive chairman w.e.f. 1st April, 2017 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

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

ANNEXURE D1 TO DIRECTOR'S REPORT

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

1. PURPOSE

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

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

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

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

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

ANNEXURE D1 TO DIRECTOR'S REPORT

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

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

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

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

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

(k) "Senior Management" means personnel in employment of the Company who are members of core management team excluding Directors comprising all members of management one level below the executive directors, including the KMP, Functional Head and Business Unit Heads.

(l) 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.

4. NOMINATION AND REMUNERATION COMMITTEE

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

In 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 regard.

The distribution of Commission amongst the NEDs is placed before the Board. The Commission is distributed on

ANNEXURE D1 TO DIRECTOR'S REPORT

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 ₹ 50,000/- per meeting to the NEDs for attending the meetings of the Board and ₹ 25,000/- for attending meeting of the Audit Committee and same amount for meeting of Nomination & Remuneration 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, 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.

The distribution of Commission amongst the NEDs will be placed before the Board. The Commission will be distributed on the basis of their attendance and contribution at the Board and certain Committee Meetings as well as time spent on operational matters of the Company.

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.

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 from 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.

e) Remuneration of non-executive directors of other companies / peers of similar size in terms of turnover, profit and net worth. Peer comparison shall be effective and rational assessment and not just numbers.

7. REMUNERATION OF EXECUTIVE DIRECTORS

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and 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.

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 commission as percentage of commission 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 Remuneration Committee, subject to overall ceilings and applicable statutory provision stipulated in Section 197 of the Companies Act 2013 and other applicable provisions as may be applicable time to time.

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

7.3 Facilities

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

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

7.4 Remuneration in case of no profit or inadequate profit

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

8. STOCK OPTIONS TO EMPLOYEES / DIRECTORS

As and when desirable or requested by the Board, the Committee will perform function in respect to devising

ANNEXURE D1 TO DIRECTOR'S REPORT

b) Individual credit rating as per HR performance appraisal, achievements during last two years, major role played in successful bidding of moderate projects, contribution in getting landmark projects, challenging initiatives, key role played in winning of prestigious award to the Company.

c) Critical responsibility handled and successful completion of task assigned by the Board / management of the Company.

d) Qualification, experience, skills and tenure of services in the Company.

e) Contemporary sector specific positions, risk profile of the Company and strategic retain of competent professionals.

f) Overall industry standard, future prospect of the Division and the Company and present market scenario of similarly based professionals.

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.

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

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

10.3 Variable Pay and Incremental in Remuneration of Senior Management

While recommending about Variable Pay and Increment in Remuneration of the Senior Management, the Committee, inter alia, considers the following focal criteria with appropriate weightage.

a) Performance of the Company during relevant financial year in terms of turnover and cash profit.

b) Performance achieved by the Division where the performance is quantifiable and part of profit center. In other cases, overall performance of the Department and quality of information flow.

c) Individual KRA rating and opinion of the CEO / Executive Director.

d) Technical skill or nuance in knowledge and practical competency in areas of works or functions where he is employed in the Company.

e) Prospects of the Division and business plan of the Company in medium to long run objectives.

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 following remuneration structure is being followed in the Company.

a) Fixed Components includes (i) fixed pay which is up to 70% of the gross salary and (ii) flexi pay for rest of the salary part which depends on the Employee preference how to distribute the same in prescribed components of flexible pay.

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

ANNEXURE D1 TO DIRECTOR'S REPORT

Variable Pay component in the CTC mainly as per the grade in following manner.

Entitlement / Grade	Variable Pay -%of CTC
Top Management	
Senior Management	
Mid Management	
Junior Management	
Frontline Management	
Staff	

Variable pay is calculated, inter alia, on the basis of individual performance on individual KRA; subject to minimum achievement of 70 % on KRA.

KRAs Achievement	Variable Pay %
<70%	Nil
70% - 200%	Equal to % achievement
> 200%	in proportion to achievement subject to maximum 225%

The intention of the Company for the Variable Pay is to recognize the efforts taken by the Employee to achieve his/her KRAs. Generally it will not be impacted by performance/non-performance of any other factor.

12. PERFORMANCE MANAGEMENT SYSTEM (PMS)

12.1 Objectives of the PMS

The Company follows the set Performance Management System to achieve following objectives.

a) Alignment of individual goals with organizational objectives and annual employee rewards with organizational performance.

b) Promote performance centric work culture through performance review on regular intervals, regular feedback, coaching, training and other managerial interventions.

c) Get the inputs for other HR systems i.e. rewards, annual increments, promotion, career planning, succession management, learning and development.

12.2 Role of the Committee in the PMS and Increment

The PMS is being carried out by the Department Heads and HR Team as per set system and practice of the Company. The Nomination and Remuneration Committee may discuss with CEO, HR Head, and Senior Management of the Company about process being followed in respect to PMS and gives its suggestions keeping in view the objectives of the PMS.

In respect to the increment in remuneration of the Employees, the Committee shall consider the following major aspects in giving its recommendation. The Committee would recommend overall amounts or range of percentage of increment of all the Business Units.

a) Turnover, profit earned, orders received during the year and value of balance order book of particular Business Unit - as a % of the respective parameter of the Company as whole and target achievement, project completion status, critical situation of the projects of the Unit, if any.

b) Performance of the Business Unit and the Company during relevant financial year and % growth as compared to previous year.

c) Discussion with the respective Business Head / Department Head about current employment market, major development in industry, known expansion plan of peers / competitors, major risk anticipate about critical projects, likelihood of delay in completion of projects, contractual term and possible damage or litigations in case of delay.

12.3 Criteria for Payment of increment and variable pay

Following shall be the major criteria in relation to Variable Pay and increment.

Annual Increment	Variable pay
1. Increment is linked to the performance score at corporate, Business Unit (BU) and Project respectively.	Variable pay will be paid on the basis of employee's performance on KRAs

ANNEXURE D1 TO DIRECTOR'S REPORT

Annual Increment	Variable pay
2. Increment % of A Rating employees will be equal to Performance score at Corporate, BU and Project level, subject to maximum of 15% and minimum of 5%	Minimum eligibility criteria for payment of Variable pay is 70% achievement on KRAs
3. B and C rating employees will get 2.5% and 5% less than A rating respectively	

12.4 Appraisal and Review Authority Matrix

The Company shall follow the following authority matrix in respect PMS. However the Matrix may vary in appropriate cases and if the circumstances so warrant.

Appraisee	Appraiser	Next Superior Review	Review by internal committee
Site Staff – Execution			
Site Staff – Support Functions			
Site In-charges / Project Managers (PMs)			
BU Functional Staff			
BU Functional Heads			
Corporate Functional Staff			
BU Heads Corporate			
Functional Heads			

13. EMPLOYEES' GROWTH AND WELL-BEING

Every year, the Company sponsors a batch of employees for post graduate diploma in management course conducted by reputed university or college to enhance managerial skills for middle and senior level employees.

Management firmly believes that employees are corner stone of the organization and investing in them thoughtfully and strategically reaps rewards that pay-off in the long run. Through regular training and skill enhancement program, Company strives to bring congruence between personal career goals of the employees and overall objective of the organization. The Company has put in comprehensive system in place for identifying and addressing various training needs at all the levels of the organization. Management believes this help in creating challenges and empowering work environment that rewards dedication and work ethics to employees. The Company also provides training on behavioral aspects, such as personality development, communication skills etc. to help improving their efficiency. These training programs include technical trade, managerial skills, functional skills, behavioral skills, etc.

The Company regularly conducts programs for employees and their families like, annual picnic, medical checkups at regular interval, distribution of long service awards etc.

14. 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.

15. AMENDMENTS IN THE POLICY

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

On behalf of the Board of Directors

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

ANNEXURE D2 TO DIRECTOR'S REPORT

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

1. CRITERIA / QUALIFICATION FOR APPOINTMENT AS DIRECTOR

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

- Should possess formal qualification, relevant experience and track record, integrity etc.
- Should have knowledge on skills, processes, etc.
- Should not be disqualified as per Section 164 of the Companies Act, 2013.
- Should have professional and / or specialist skills in areas of business of the company, having reputation as opinion maker.
- Should 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 DIRECTOR'S REPORT

- The candidate should posses 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

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

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. **Your Company shifted Tariff Meter at both the Biomass Plants of your Company that helps in reducing the transmission losses of electricity. Transmission losses reduced at Padampur power plant by 0.35% and at Uniara power plant by 0.24%.**

2. **Your Company has replaced APH (Air Pre Heater) at Biomass Padampur power plant, which helps in energy conservation by improving boiler efficiency.**

3. **Your Company has conducted energy audit through "TUV Sud" (Authorized by Bureau of Energy Efficiency) at both the Biomass power plants and your Company has implemented most of the suggestions relating to energy saving and is evaluating other suggestions for implementation.**

4. **Due to benefits derived from fitting of LED Lights at various locations, during the year under review, your Company replaced conventional CFL Lights with LED Lights for Boiler Lighting at Uniara power plant and factory area of both the Biomass power plants.**

5. **At Uniara power plant, your Company conducted conversion of DOL starter to variable frequency drive on one turbine condensate pump, which resulted in reduction of energy consumption by 8 Kw/hour. Further, your Company also replaced 3.7 Kw motor of ETP pump with 2.2 Kw motor, which resulted in reduction of energy consumption by 1 Kwh/hour.**

6. **It is company's continuous endeavor to use energy efficient lights and therefore, your 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:

- Traditional Electricity is powered by fossil fuels **that leave a huge carbon footprint. To shift from conventional sources of energy and in order to promote usage of natural sources of energy, your Company installed 303.3 KWp roof top solar plant at factory (Main plant) located in Gandhinagar which will generate approx. 1200 unit per day. Similar Projects are being planned for other manufacturing units and projects.**

- Your Company has used apart from the main **biomass fuel-Mustard Crop Residue-other alternative biomass fuels for its Biomass Power Plants like Cotton, Guar, Paddy, Gram, Sugarcane, Kidney beans crop residues as well as forestry wastes of Juli Flora, Eucalyptus, Kheenp etc., in order to ensure the availability of biomass in various seasons throughout the year.**

(iii) the capital investment on energy conservation equipment: Your Company made capital investment of ₹ 1.47 Crores on energy conservation equipment during the year under review.

(B) Technology absorption-

(i) the efforts made towards technology absorption

- Overall technology improvements were carried **out in order to improve galvanizing process. Your Company has started monitoring Zinc coating using online analytics and IOT. Further, closed loop flux regeneration system is being used to avoid rinsing processor. Besides, cooling tower is used in quenching process and replacement of additional heating system by using exhaust flue gas of furnace for heating oven.**

- Your Company appointed a consultancy firm to **improve plant operational efficiency & change management by applying Lean, SPES, TPM, QMS etc. principles for inventory reduction, objective galvanizing, technology upgradation, backward integration through extension at site, multi manning improvements, re-work elimination (Six Sigma Projects) etc.**

ANNEXURE E TO DIRECTORS' REPORT

- Introduction of technology intensive remote **sensing techniques in survey and project execution like LiDAR aerial surveys technology, drone surveys technology etc. which enables the collection of survey data accurately even for dense areas in short time frame with minimum harm to tropical ecology, minimum safety issues and disturbance to local community**

- 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.**

- Your Company has deployed two Moisture **Balance Meter one at Uniara power plant and other at Padampur power plant to correctly and instantly assess the moisture in all kinds of biomass during the course of procurement.**

- Your Company has deployed Portable Co-**Analyzer at Biomass Uniara Plant to monitor the Carbon Monoxide and Oxygen level in boiler for better fuel combustion in boiler.**

- Polycrystalline modules installed in roof top solar **plant has been procured from internationally recognized manufacturers maximizing the energy output.**

- **Research and Development:**

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

(ii) the benefits derived:

- Roof top solar plant inherently avoid the potential **land use and environmental concerns with zero emissions. Besides this, it improves the quality of life in an economic sense within the framework of environmental sustainability.**

- Other than the main fuel i.e. Mustard Crop **Residue (MCR), now at Padampur Biomass Power Plant, your Company have used 32% alternate fuels and at Uniara Biomass Power Plant your Company have used 5% alternate fuels during the year under review. This helped your Company in having desired fuel availability, lower cost and lesser working capital requirement.**

- Instant dust and moisture checking machines **helped for better quality control at the time of procurement and wet and dusty fuel is made useful to consume & improve fuel consumption & plant efficiency.**

- **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.

(iii) 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;

ANNEXURE E TO DIRECTORS' REPORT

(iv) the expenditure incurred on Research and Development:

	(₹ in Crores)
	2017-18
Capital Expenditure	0.96
Revenue Expenditure	7.01
Total	7.97
Total R&D expenditure as a percentage of total turnover	0.14%

(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	1,809.56
Foreign Exchange Outgo	977.20

On behalf of the Board of Directors

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

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 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.

ANNEXURE F TO DIRECTORS' REPORT

2.3.2.External Factors

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

b. **Statutory Provisions and Regulatory concern:** The Board should keep in mind the restrictions imposed by Companies Act or any other applicable laws with regard to declaration of dividend and quantum of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

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

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.

ANNEXURE F TO DIRECTORS' REPORT

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

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

ANNEXURE G TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018.

[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 : mktg@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 5th Floor, 506 to 508, Amarnath Business Centre – 1 (ABC-1), Beside Gala Business Centre, Nr. 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.	Manufacture of metal frameworks or skeletons for construction and parts thereof (towers, masts, trusses, bridges etc.)	25112	79.83%

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	72.97	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. 101, Kalpataru Synergy, Santacruz (East), Mumbai -400055	U45200MH2007PLC173306	Subsidiary	100	2(87)(ii)
5.	Adeshwar Infrabuild Ltd. 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 Private Limited Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U28113GJ2011PTC064272	Subsidiary	100	2(87)(ii)
8.	Alipurduar Transmission Limited Plot No. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U40109GJ2015PLC095114	Subsidiary	100	2(87)(ii)
9.	Kohima-Mariani Transmission Limited** A-63, FIEE Complex, 3rd Floor, Okhla Industrial Area Phase 2,New Delhi - 110 020	U40102DL2016GOI290060	Subsidiary	100	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)

ANNEXURE G TO DIRECTORS' REPORT

Sr. No.	Name of Company & Address.	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
13.	Kalpataru IBN Omairah Company Limited*** 6733, Ash Shuhada Exit -9, Ali Al Maruzi Street, Nr. Saleha Petrol Pump, Riyadh -13241, KSA	N.A.	Subsidiary	65	2(87)(ii)
14.	JMC Mining and Quarries Ltd. A-104, Shapath – 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380051	U45201GJ1996PLC028732	Subsidiary	100	2(87)(ii)
15.	Brij Bhoomi Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East) Mumbai -400055	U74900MH2010PTC261958	Subsidiary	100	2(87)(ii)
16.	Wainganga Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2011PTC264642	Subsidiary	100	2(87)(ii)
17.	Vindhyachal Expressway Pvt. Ltd. 6th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2012PTC271978	Subsidiary	100	2(87)(ii)
18.	Saicharan Properties Ltd. 101, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai -400055	U45201MH2006PLC166598	Subsidiary	100	2(87)(ii)
19.	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)
20.	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)
21.	Jhajjar KT Transco Pvt. Ltd. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U45204GJ2010PTC060815	Associate	49.72	2(6)
22.	Kurukshetra Expressway Pvt. Ltd. Toll Plaza Gangaicha Jaat,NH-71 village Gangaicha Jaat,Mastapur post office Rewari Rewari-123401	U45400HR2010PTC040303	Associate	49.57	2(6)

* *Representing aggregate % of equity shares held by the Company and/or through its subsidiaries*

** *The Company has entered into Share Purchase Agreement on 2nd May, 2018 with Techno Electric & Engineering Company Limited ("Techno") to sell 26% stake in Kohima-Mariani Transmission Limited to Techno.*

*** *Kalpataru IBN Omairah Company Limited is a Joint Venture Company of your Company with IBN Omairah Contracting Company Limited*

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, 2017 i.e. on the basis of SHP of March 31, 2017)				No. of Shares held at the end of the year (as on March 31, 2018 i.e. on the basis of SHP of March 31, 2018)				% 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	28,811,867	-	28,811,867	18.77	28,911,867	-	28,911,867	18.84	0.07
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	59,791,796	-	59,791,796	38.96	59,791,796	-	59,791,796	38.96	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other									
f-1) Promoter Trust	2,331,000	-	2,331,000	1.52	2,331,000	-	2,331,000	1.52	-
Sub-total(A)(1):	90,934,663	-	90,934,663	59.26	91,034,663	-	91,034,663	59.32	0.07
(2) Foreign									
a) NRIs – Individuals	300,000	-	300,000	0.20	-	-	-	-	-0.20
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total:(A) (2):	300,000	-	300,000	0.20	-	-	-	-	-0.20
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	91,234,663	-	91,234,663	59.45	91,034,663	-	91,034,663	59.32	-0.13
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	27,437,586	-	27,437,586	17.88	29,548,300	-	29,548,300	19.25	1.38
b) Banks / FI	50,889	2,000	52,889	0.03	77,141	-	77,141	0.05	0.02
c) Central Govt. (IEPF Authority)	-	-	-	-	93,493	-	93,493	0.06	0.06
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	621,390	-	621,390	0.40	4,447,762	-	4,447,762	2.90	2.49
g) FIIs / FPIs	11,019,883	1,000	11,020,883	7.18	7,968,480	1,000	7,969,480	5.19	-1.99
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-

ANNEXURE G TO DIRECTORS' REPORT

Category of Shareholder	No. of Shares held at the beginning of the year (as on April 1, 2017 i.e. on the basis of SHP of March 31, 2017)				No. of Shares held at the end of the year (as on March 31, 2018 i.e. on the basis of SHP of March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	39,129,748	3,000	39,132,748	25.50	42,135,176	1,000	42,136,176	27.46	1.96
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corporate									
i) Indian	8,741,593	8,500	8,750,093	5.70	5,479,133	6,000	5,485,133	3.57	-2.13
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	9,773,611	548,935	10,322,546	6.73	11,041,888	441,285	11,483,173	7.48	0.76
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	1,301,381	96,000	1,397,381	0.91	1,127,231	96,000	1,123,231	0.80	-0.11
c) Others (specify)	-	-	-	-	-	-	-	-	0.00
c-1) Trusts	4,689	-	4,689	0.00	500	-	500	0.00	0.00
c-2) Hindu Undivided Family	390,066	-	390,066	0.25	441,506	-	441,506	0.29	0.03
c-3) Non Resident Indians (Repat)	677,062	6,000	683,062	0.45	694,863	6,000	700,863	0.46	0.01
c-4) Non Resident Indians (Non Repat)	754,148	-	754,148	0.49	801,066	1,000	802,066	0.52	0.03
c-5) Clearing Members	791,174	-	791,174	0.52	153,259	-	153,259	0.10	-0.42
Sub-total (B)(2):-	22,433,724	659,435	23,093,159	15.05	19,739,446	550,285	20,289,731	13.22	-1.83
Total Public Shareholding (B)=(B)(1)+(B)(2)	61,563,472	662,435	62,225,907	40.55	61,874,622	551,285	62,425,907	40.68	0.13
C. Shares held by Custodian for GDRs & ADRs (C)	-	-	-	-	-	-	-	-	0.00
Grand Total (A+B+C)	152,798,135	662,435	153,460,570	100.00	152,909,285	551,285	153,460,570	100.00	0.00

ANNEXURE G TO DIRECTORS' REPORT

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2017 i.e. on the basis of SHP of March 31, 2017)			Shareholding at the end of the year (as on March 31, 2018 i.e. on the basis of SHP of March 31, 2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares*	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares*	
1	Kalpataru Constructions Pvt. Ltd.	2,33,50,000	15.22%	11.29%	2,33,50,000	15.22%	8.71%	-
2	K C Holdings Private Ltd.	2,11,42,600	13.78%	6.36%	2,11,42,600	13.78%	7.56%	-
3	Mr. Mofatraj Pukhraj Munot	1,14,05,822	7.43%	-	1,14,05,822	7.43%	-	-
4	Kalpataru Properties Pvt. Ltd.	1,36,46,196	8.89%	2.61%	1,36,46,196	8.89%	1.83%	-
5	Mr. Parag Mofatraj Munot ##	1,34,63,615	8.77%	2.51%	1,34,63,615	8.77%	2.16%	-
6	Ms. Tara Kanga	15,54,130	1.01%	-	18,54,130	1.21%	-	0.20
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%	-	-
9	Ms. Sunita Vijay Choraria	8,71,650	0.57%	-	8,71,650	0.57%	-	-
10	Kalpataru Holdings Private Ltd	3,33,000	0.22%	-	3,33,000	0.22%	-	-
11	Mr. Mohammed Ismail Kanga	3,00,000	0.20%	-	-	-	-	-0.20
12	Mr. Imtiaz Kanga	3,00,000	0.20%	-	1,00,000	0.06%	-	-0.14
13	Mr. Imran Kanga	-	-	-	-	-	-	-
14	Ms. Ishrat Kanga	-	-	-	-	-	-	-
15	Ms. Ismat Imtiaz Kanga	100,000	0.06%	-	-	-	-	-0.06
16	Ms. Chandra Amar Munot	10,000	0.01%	-	10,000	0.01%	-	-
17	Mr. Jash Choraria	7,000	0.00%	-	7,000	0.00%	-	-
18	Ms. Khushali Rajesh Golechha	7,000	0.00%	-	7,000	0.00%	-	-
19	Mr. Rajesh Bhagchand Golechha	7,000	0.00%	-	7,000	0.00%	-	-
20	Mr. Umang Golechha	7,000	0.00%	-	7,000	0.00%	-	-
21	Mr. Vijay K Choraria	7,000	0.00%	-	7,000	0.00%	-	-
22	Mrs. Yasmin Imtiaz Kanga	2,00,000	0.13%	-	3,00,000	0.20%	-	0.07
23	Aaryaveer Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.51%	-	-
24	Saachi Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.51%	-	-
25	Shubhika Benefit Trust**	7,77,000	0.51%	-	7,77,000	0.51%	-	-
	Total	9,12,34,663	59.45%	22.77%	9,10,34,663	59.32%	20.26%	-0.13

* *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 is held by Mr. Mofatraj Pukhraj Munot in the capacity of Trustee of the said Trusts.*

ANNEXURE G TO DIRECTORS' REPORT

iii) Change in Promoters' Shareholding

Sr. No	Name	Shareholding at the beginning of the year (01-04-2017)		Transaction during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	Mrs. Yasmin Imtiaz Kanga	2,00,000	0.13%	01 Apr 2017			2,00,000	0.13%
				24 Jul 2017	1,00,000	Transfer	3,00,000	0.20%
	At the end of the year			31 Mar 2018	-	-	3,00,000	0.20%
2	Ms. Ismat Imtiaz Kanga	1,00,000	0.07%	01 Apr 2017			1,00,000	0.07%
				24 Jul 2017	(1,00,000)	Transfer	0	0%
	At the end of the year			31 Mar 2018	-	-	0	0%
3	Mr. Imtiaz Kanga	3,00,000	0.20%	01 Apr 2017			3,00,000	0.20%
				06 Apr 2017	(2,00,000)	Transfer	1,00,000	0.07%
	At the end of the year			31 Mar 2018	-	-	1,00,000	0.07%
4	Mr. Mohammed Ismail Kanga	3,00,000	0.20%	01 Apr 2017			3,00,000	0.20%
				21 Dec 2017	(3,00,000)	Transfer by way of Gift	0	0%
	At the end of the year			31 Mar 2018	-	-	0	0%
5	Ms. Tara Ismail kanga	15,54,130	1.01%	01 Apr 2017			15,54,130	1.01%
				21 Dec 2017	3,00,000	Acquired by way of Gift	18,54,130	1.21%
	At the end of the year			31 Mar 2018	-	-	18,54,130	1.21%

ANNEXURE G TO DIRECTORS' REPORT

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

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	1,32,15,867	8.6119	01 Apr 2017			1,32,15,867	8.6119
				21 Jul 2017	3,400	Transfer	1,32,19,267	8.6141
				11 Aug 2017	50,500	Transfer	1,32,69,767	8.6470
				18 Aug 2017	6,000	Transfer	1,32,75,767	8.6509
				25 Aug 2017	89,100	Transfer	1,33,64,867	8.7090
				10 Nov 2017	(5,00,000)	Transfer	1,28,64,867	8.3832
				24 Nov 2017	(6,96,500)	Transfer	1,21,68,367	7.9293
				09 Feb 2018	(6,300)	Transfer	1,21,62,067	7.9252
	AT THE END OF THE YEAR						1,21,62,067	7.9252
2	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	40,67,492	2.6505	01 Apr 2017			40,67,492	2.6505
				28 Apr 2017	(60,796)	Transfer	40,06,696	2.6109
				05 May 2017	(1,490)	Transfer	40,05,206	2.6099
				12 May 2017	(2,030)	Transfer	40,03,176	2.6086
				19 May 2017	(22,622)	Transfer	39,80,554	2.5939
				26 May 2017	(9,198)	Transfer	39,71,356	2.5879
				07 Jul 2017	2,795	Transfer	39,74,151	2.5897
				14 Jul 2017	(17,245)	Transfer	39,56,906	2.5785
				04 Aug 2017	6,716	Transfer	39,63,622	2.5828
				11 Aug 2017	(169)	Transfer	39,63,453	2.5827
				25 Aug 2017	(2,420)	Transfer	39,61,033	2.5811
				01 Sep 2017	(36,808)	Transfer	39,24,225	2.5572
				29 Sep 2017	15,162	Transfer	39,39,387	2.5670
				06 Oct 2017	(7,764)	Transfer	39,31,623	2.5620
				13 Oct 2017	(369)	Transfer	39,31,254	2.5617
				27 Oct 2017	66	Transfer	39,31,320	2.5618
				03 Nov 2017	(368)	Transfer	39,30,952	2.5615
				01 Dec 2017	33	Transfer	39,30,985	2.5616
				08 Dec 2017	1,157	Transfer	39,32,142	2.5623
				19 Jan 2018	(1,652)	Transfer	39,30,490	2.5612
				26 Jan 2018	(227)	Transfer	39,30,263	2.5611
				23 Feb 2018	3,735	Transfer	39,33,998	2.5635
				31 Mar 2018	24,662	Transfer	39,58,660	2.5796
	AT THE END OF THE YEAR						39,58,660	2.5796

ANNEXURE G TO DIRECTORS' REPORT

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	33,15,138	2.1603	01 Apr 2017			33,15,138	2.1603
				15 Dec 2017	31,800	Transfer	33,46,938	2.1810
				19 Jan 2018	(50,000)	Transfer	32,96,938	2.1484
				16 Mar 2018	5,50,000	Transfer	38,46,938	2.5068
	AT THE END OF THE YEAR						38,46,938	2.5068
4	DSP BLACKROCK SMALL CAP FUND	32,58,800	2.1235	01 Apr 2017			32,58,800	2.0435
				21 Apr 2017	(92,421)	Transfer	31,66,379	2.0633
				28 Apr 2017	5,51,500	Transfer	37,17,879	2.4227
				05 May 2017	24,648	Transfer	37,42,527	2.4388
				12 May 2017	10,186	Transfer	37,52,713	2.4454
				01 Sep 2017	(63,316)	Transfer	36,89,397	2.4041
				29 Sep 2017	67,686	Transfer	37,57,083	2.4482
				13 Oct 2017	80,330	Transfer	38,37,413	2.5006
				17 Nov 2017	43,832	Transfer	38,81,245	2.5291
				15 Dec 2017	(75,102)	Transfer	38,06,143	2.4802
				22 Dec 2017	(493,64)	Transfer	37,56,779	2.4480
				29 Dec 2017	(24,554)	Transfer	37,32,225	2.4320
				12 Jan 2018	(62,271)	Transfer	36,69,954	2.3915
				19 Jan 2018	(31,665)	Transfer	36,38,289	2.3708
				26 Jan 2018	(96,291)	Transfer	35,41,998	2.3081
				02 Feb 2018	(18,017)	Transfer	35,23,981	2.2963
				09 Feb 2018	(64,070)	Transfer	34,59,911	2.2546
	AT THE END OF THE YEAR						34,59,911	2.2546
5	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	49,20,369	3.2063	01 Apr 2017			49,20,369	3.2063
				28 Apr 2017	(1,50,000)	Transfer	47,70,369	3.1085
				05 May 2017	(2,868)	Transfer	47,67,501	3.1067
				19 May 2017	(8,352)	Transfer	47,59,149	3.1012
				02 Jun 2017	(33,550)	Transfer	47,25,599	3.0794
				09 Jun 2017	(2,55,616)	Transfer	44,69,983	2.9128
				16 Jun 2017	(50,092)	Transfer	44,19,891	2.8801
				14 Jul 2017	(7,16,718)	Transfer	37,03,173	2.4131
				11 Aug 2017	(27,475)	Transfer	36,75,698	2.3952
				18 Aug 2017	(1,00,000)	Transfer	35,75,698	2.3300

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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
				01 Sep 2017	(24,101)	Transfer	35,51,597	2.3143
				22 Sep 2017	(2,45,046)	Transfer	33,06,551	2.1547
				06 Oct 2017	(1,13,566)	Transfer	31,92,985	2.0807
				10 Nov 2017	(30,874)	Transfer	31,62,111	2.0605
				17 Nov 2017	(5,200)	Transfer	31,56,911	2.0571
				15 Dec 2017	(35,634)	Transfer	31,21,277	2.0339
		X0) Transfer	31,071365	092F05472018	(13,612)	Transfer	31,07,665	2.025115 Dec 201

67(arb 2018)30310.03(,4071676))-875(T)95.497(ransfer)-2097.53235,9,7965

2) Transfer

arb 2018

8,3072) Transfer

arb 2018

ayc 201799,5834)

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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
7	IDFC STERLING EQUITY FUND	0	0.0000	01 Apr 2017			0	0.0000
				14 Jul 2017	11,84,944	Transfer	11,84,944	0.7721
				21 Jul 2017	1,30,011	Transfer	13,14,955	0.8569
				28 Jul 2017	53,160	Transfer	13,68,115	0.8915
				18 Aug 2017	81,933	Transfer	14,50,048	0.9449
				25 Aug 2017	7,318	Transfer	14,57,366	0.9497
				01 Sep 2017	31,996	Transfer	14,89,362	0.9705
			Tj□-521. SCNc□4521(Tj□-55.)□7j45213□□					

ANNEXURE G TO DIRECTORS' REPORT

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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	SBI MAGNUM MULTICAP FUND	0	0.0000	01 Apr 2017			0	0.0000
				16 Jun 2017	3,92,000	Transfer	3,92,000	0.2554
				10 Nov 2017	5,00,000	Transfer	8,92,000	0.5813
				17 Nov 2017	6,976	Transfer	8,98,976	0.5858
				24 Nov 2017	4,28,624	Transfer	13,27,600	0.8651
				22 Dec 2017	67,325	Transfer	13,94,925	0.9090
				12 Jan 2018	(2,300)	Transfer	13,92,625	0.9075
				26 Jan 2018	64,838	Transfer	14,57,463	0.9497
				02 Feb 2018	81,087	Transfer	15,38,550	1.0026
				23 Feb 2018	(7,950)	Transfer	15,30,600	0.9974
	AT THE END OF THE YEAR						15,30,600	0.9974
9	ADITYA BIRLA SUN LIFE INSURANCE COMPANY LIMITED	0	0.0000	01 Apr 2017			0	0.0000
				07 Apr 2017	5,71,261	Transfer	5,71,261	0.3723
				14 Apr 2017	2,02,450	Transfer	7,73,711	0.5042
				21 Apr 2017	1,20,956	Transfer	8,94,667	0.5830
				28 Apr 2017	290	Transfer	8,94,957	0.5832
				05 May 2017	18,000	Transfer	9,12,957	0.5949
				12 May 2017	2,00,000	Transfer	11,12,957	0.7252
				02 Jun 2017	30,482	Transfer	11,43,439	0.7451
				22 Sep 2017	71,300	Transfer	12,14,739	0.7916
				06 Oct 2017	75,000	Transfer	12,89,739	0.8404
				20 Oct 2017	44,000	Transfer	13,33,739	0.8691
				19 Jan 2018	(7,449)	Transfer	13,26,290	0.8643
	AT THE END OF THE YEAR						13,26,290	0.8643
10	UTI- INFRASTRUCTURE FUND	10,60,185	0.6909	01 Apr 2017			10,60,185	0.6909
				19 May 2017	(15,185)	Transfer	10,45,000	0.6810
				29 Sep 2017	45,000	Transfer	10,90,000	0.7103
	AT THE END OF THE YEAR						10,90,000	0.7103

ANNEXURE G TO DIRECTORS' REPORT

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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
11	HSBC INDIAN EQUITY MOTHER FUND	17,03,104	1.1098	01 Apr 2017			17,03,104	1.1098
				28 Apr 2017	(50,000)	Transfer	16,53,104	1.0772
				19 May 2017	(3,509)	Transfer	16,49,595	1.0749
				09 Jun 2017	(11,237)	Transfer	16,38,358	1.0676
				23 Jun 2017	(1,07,368)	Transfer	15,30,990	0.9976
				14 Jul 2017	(3,00,000)	Transfer	12,30,990	0.8022
				22 Sep 2017	(88,133)	Transfer	11,42,857	0.7447
				10 Nov 2017	(6,625)	Transfer	11,36,232	0.7404
				17 Nov 2017	(1,116)	Transfer	11,35,116	0.7397
				08 Dec 2017	(33,000)	Transfer	11,02,116	0.7182
				09 Feb 2018	(35,552)	Transfer	10,66,564	0.6950
				16 Mar 2018	(88,058)	Transfer	9,78,506	0.6376
				23 Mar 2018	(1,388)	Transfer	9,77,118	0.6367
	AT THE END OF THE YEAR						9,77,118	0.6367
12	ICICI PRUDENTIAL INFRASTRUCTURE FUND	27,34,902	1.7822	01 Apr 2017			27,34,902	1.7822
				07 Apr 2017	(14,761)	Transfer	27,20,141	1.7725
				12 May 2017	(2,592)	Transfer	27,17,549	1.7708
				26 May 2017	(12,336)	Transfer	27,05,213	1.7628
				09 Jun 2017	(20,891)	Transfer	26,84,322	1.7492
				16 Jun 2017	(81,177)	Transfer	26,03,145	1.6963
				07 Jul 2017	(52,401)	Transfer	25,50,744	1.6621
				14 Jul 2017	(1,61,503)	Transfer	23,89,241	1.5569
				18 Aug 2017	(56,662)	Transfer	23,32,579	1.5200
				01 Sep 2017	(73,966)	Transfer	22,58,613	1.4718
				15 Sep 2017	(17,865)	Transfer	22,40,748	1.4601
				29 Sep 2017	(1,01,229)	Transfer	21,39,519	1.3942
				06 Oct 2017	(1,53,039)	Transfer	19,86,480	1.2945
				13 Oct 2017	(95,622)	Transfer	18,90,858	1.2321
				20 Oct 2017	(73,067)	Transfer	18,17,791	1.1845
				27 Oct 2017	(1,65,367)	Transfer	16,52,424	1.0768
				03 Nov 2017	(3,21,888)	Transfer	13,30,536	0.8670
				10 Nov 2017	(80,536)	Transfer	12,50,000	0.8145
				24 Nov 2017	(2,22,330)	Transfer	10,27,670	0.6697

ANNEXURE G TO DIRECTORS' REPORT

SN	NAME	Shareholding at the beginning of the year (01-04-2017)		Transactions during the year			Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		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
				01 Dec 2017	(17,895)	Transfer	10,09,775	0.6580
				08 Dec 2017	(78,042)	Transfer	9,31,733	0.6071
				15 Dec 2017	(50,415)	Transfer	8,81,318	0.5743
				26 Jan 2018	(15,831)	Transfer	8,65,487	0.5640
				16 Feb 2018	(11,799)	Transfer	8,53,688	0.5563
				09 Mar 2018	(6,607)	Transfer	8,47,081	0.5520
				16 Mar 2018	(7,081)	Transfer	8,40,000	0.5474
				23 Mar 2018	(31,144)	Transfer	8,08,856	0.5271
				31 Mar 2018	(38,856)	Transfer	7,70,000	0.5018
	AT THE END OF THE YEAR						7,70,000	0.5018
13	DIMENSIONAL EMERGING MARKETS VALUE FUND	8,34,607	0.5439	01 Apr 2017		Transfer	8,34,607	0.5439
				07 Apr 2017	(2,581)	Transfer	8,32,026	0.5422
				28 Apr 2017	(28,454)	Transfer	8,03,572	0.5236
				18 Aug 2017	(2,597)	Transfer	8,00,975	0.5219
				25 Aug 2017	(2,231)	Transfer	7,98,744	0.5205
				01 Sep 2017	(7,304)	Transfer	7,91,440	0.5157
				29 Sep 2017	(13,952)	Transfer	7,77,488	0.5066
				03 Nov 2017	(20,799)	Transfer	7,56,689	0.4931
				10 Nov 2017	(11,355)	Transfer	7,45,334	0.4857
				17 Nov 2017	(18,442)	Transfer	7,26,892	0.4737
				24 Nov 2017	(3,268)	Transfer	7,23,624	0.4715
				01 Dec 2017	(5,708)	Transfer	7,17,916	0.4678
				08 Dec 2017	(5,425)	Transfer	7,12,491	0.4643
				29 Dec 2017	(6,570)	Transfer	7,05,921	0.4600
				05 Jan 2018	(2,439)	Transfer	7,03,482	0.4584
				09 Feb 2018	(3,986)	Transfer	6,99,496	0.4558
				16 Feb 2018	(4,946)	Transfer	6,94,550	0.4526
				02 Mar 2018	(8,869)	Transfer	6,85,681	0.4468
	AT THE END OF THE YEAR						6,85,681	0.4468

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 01-04-2017		Date	Increase / (decrease) in shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
DIRECTORS								
1	Mr. Mofatraj P. Munot	1,14,05,822	7.43	01-04-2017	-		1,14,05,822	7.43%
	At the end of the year			31-03-2018	-		1,14,05,822	7.43%
2	Mr. Parag M. Munot	1,34,63,615	8.77	01-04-2017	-	-	1,34,63,615	8.77%
	At the end of the year			31-03-2018	-	-	1,34,63,615	8.77%
3	Mr. Sajjanraj Mehta	10,000	0.01	01-04-2017	-	-	10,000	0.01
	At the end of the year			31-03-2018	-	-	10,000	0.01
4	Mr. Imtiaz Kanga	3,00,000	0.20	01-04-2017	-	-	3,00,000	0.20
				06-04-2017	(2,00,000)	Transfer by way of gift	1,00,000	0.07
	At the end of the year			31-03-2018	-	-	1,00,000	0.07
KMPs								
1	Mr. Kamal Kishore Jain	500	0.00	01-04-2017	-	-	500	0.00
	At the end of the year			31-03-2018	-	-	500	0.00

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	39,015.80	30,527.20	-	69,543.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	959.17	-	-	959.17
Total (i+ii+iii)	39,974.97	30,527.20	-	70,502.17
Change in Indebtedness during the financial year				
Addition	3,854.30	20,885.58	-	24,739.88
Reduction	-5,284.58	-10,527.20	-	-15,811.78
Net Change	-1,430.28	10,358.38	-	8,928.10
Indebtedness at the end 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	2,012.43	-	-	2,012.43
Total (i+ii+iii)	38,544.69	40,885.58	-	79,430.27

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	Total Amt.
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	3.60	3.00	6.60
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	0.01	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	6.50	6.50	13.00
	As % profit	-	-	-
5.	Others, specify	-	-	-
	TOTAL (A)	10.1	9.51	19.61
	CEILING AS PER THE ACT (being 5% of the net profits of the Company calculated as per Section 198 of the Act)			24.97

B. Remuneration to other Directors

1. Independent Directors

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Director					Total Amt
		Mr. Sajjanraj Mehta	Mr. Vimal Bhandari	Mr. Narayan K. Seshadri	Ms. Anjali Seth	Mr. K.V. Mani	
1	Fee for attending Board / Committee meetings	0.04	0.05	0.04	0.03	0.02	0.18
2	Commission	0.45	0.30	0.30	0.15	0.30	1.50
3	Others, please specify	-	-	-	-	-	-
	TOTAL (B1)	0.49	0.35	0.34	0.18	0.32	1.68

ANNEXURE G TO DIRECTORS' REPORT

2. Other Non-Executive Directors

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Director			Total Amt
		Mr. Parag M. Munot	Mr. Subodh Jain	Mr. Imtiaz Kanga	
1	Fee for attending Board / Committee meetings	0.02	0.02	0.03	0.07
2	Commission	2.40	0.10	0.10	2.60
3	Others, please specify	-	-	-	-
	TOTAL (B2)	2.42	0.12	0.13	2.67
	TOTAL B = B(1) + B(2)				4.35
	TOTAL MANAGERIAL REMUNERATION*				23.96
	OVERALL CEILING AS PER ACT (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				4.99

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

C. Remuneration to Managerial Personnel Other MD/Manager/WTD

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Mr. Kamal Kishore Jain, Chief Financial Officer	Mr. Rahul Shah Company Secretary	Total Amt.
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.40	0.49	2.89
	(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	2.41	0.49	2.90

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			NOT APPLICABLE		
	Punishment					
	Compounding					
B.	DIRECTORS					
	Penalty			NOT APPLICABLE		
	Punishment					
	Compounding					
C.	OTHER OFFICERS IN DEFAULT					
	Penalty			NOT APPLICABLE		
	Punishment					
	Compounding					

On behalf of the Board of Directors

Place: Mumbai
Date: May 25, 2018

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :

Our Philosophy on Corporate Governance is a reflection of our value system encompassing our values, culture, policies and relationships with our stakeholders. Integrity and Transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. At KPTL, we feel proud to belong to a Group whose visionary founders laid the foundation stone for good governance long back and made it a part of value system of the business.

Business Ethics, Customer Centricity and Quality are few core Values in all dealings of KPTL which not only helps to enhance and retain trusts of all stakeholders' but also contribute significantly for sustainable growth of the Company and its Stakeholders. The Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, contractors, vendors, Lenders, investors and the society at large.

We believe that an active, well-informed and Independent Board is necessary to ensure the highest standards of Corporate Governance. The Board thus oversees the Management's functions and protects enduring interest 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 March 31, 2018, the Board of Directors consisted of 10 Directors, out of which 8 are Non-Executive Directors, 1 is Executive Chairman and 1 is Managing Director & CEO. Out of 8 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.

During the year under review, Mr. Mofatraj P. Munot was appointed as an Executive Chairman for a period of 5 years w.e.f. 1st April, 2017. Further, during the year under review, Ms. Anjali Seth, was appointed as an Additional Director in the category of Independent Director for a period of 3 (three) years w.e.f. 19th May, 2017. Further, Mr. Subodh Kumar Jain was appointed as an Additional Director in the category of Non-Executive Director w.e.f. 19th May, 2017 on a rotational basis.

None of the Director of the Company is on the Board of more than 7 listed companies as an Independent Director. Further, none of the Director of the Company is acting as a Whole Time Director of any listed Company as well as Independent Director in more than 3 listed Companies. None of the Director of the Company is a Member of more than 10 Committees and no Director is the Chairperson of more than 5 committees across all the public 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 March 31, 2018 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 May 19, 2017, August 11, 2017, November 13, 2017, December 8, 2017, February 7, 2018 and March 26, 2018

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

REPORT ON CORPORATE GOVERNANCE

C. Directors' attendance and Directorship held

The name and category of Directors on the Board, 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, 2018 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)	4	No	12	-	1
Mr. Sajjanraj Mehta	Non - Executive (Independent)	5	Yes	2	1	1
Mr. Vimal Bhandari	Non - Executive (Independent)	6	Yes	7	1	3
Mr. Narayan K. Seshadri	Non - Executive (Independent)	5	Yes	17	4	5
Mr. K. V. Mani	Non – Executive (Independent)	4	Yes	1	-	1
Ms. Anjali Seth	Non - Executive (Independent) Woman Director***	6	Yes	8	3	7
Mr. Subodh Kumar Jain	Non – Executive****	3	Yes	4	-	-
Mr. Imtiaz I. Kanga	Non – Executive (Promoter)	6	Yes	17	-	-
Mr. Manish Mohnot	Managing Director & CEO	5	Yes	5	-	2

* *Re-designated as an Executive Chairman of the Company w.e.f. April 01, 2017.*

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

*** *Appointed as an Independent Director w.e.f. May 19, 2017.*

**** *Appointed as a Non-Executive Director w.e.f. May 19, 2017.*

\# *Including Private Limited Companies.*

D. Separate meeting of Independent Directors

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

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

E. 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.

REPORT ON CORPORATE GOVERNANCE

F. 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 has been obtained.

The declaration of 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 is as under:

DECLARATION

All Board Members and Senior Management Personnel have, for the year ended March 31, 2018 affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Regulation 17 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

For Kalpataru Power Transmission Limited

Place: Mumbai
Date: May 25, 2018

Manish Mohnot
Managing Director & CEO
DIN: 01229696

III. AUDIT COMMITTEE:

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

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

The Audit Committee has the power to investigate any activity within its terms of reference, seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, 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 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 the statutory auditors;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of clause (c) of sub-section (3) of section 134 of the Companies Act, 2013
  - Changes, if any,in accounting policies and practices & reasons for the same
  - Major accounting entries involving estimates based on the exercise of judgment by management

REPORT ON CORPORATE GOVERNANCE

- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- modified opinion (s) in the draft audit report

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

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

REPORT ON CORPORATE GOVERNANCE

- 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 5 times during the year on May 19, 2017, August 11, 2017, November 13, 2017, February 7, 2018 and March 26, 2018 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	4/5
Mr. Mofatraj P. Munot	Executive-Promoter	Member	5/5
Mr. Vimal Bhandari	Non Executive-Independent	Member	5/5
Mr. Narayan K. Seshadri	Non Executive-Independent	Member	4/5

The Director (Finance) & CFO, Statutory Auditors and Group Head - Audit and Assurance are the regular invitees to the Committee Meetings. Other executives are invited as and when required. 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 Chairman of the Audit Committee of the Company was present at the last Annual General Meeting of the Company held on August 11, 2017.

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.

   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;

REPORT ON CORPORATE GOVERNANCE

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

The Committee met 1 time during the year on May 19, 2017 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	1/1
Mr. Mofatraj P. Munot	Executive-Promoter	Member	1/1
Mr. Sajjanraj Mehta	Non Executive-Independent	Member	1/1

Performance Evaluation

The Board has prepared performance evaluation policy for evaluating performance of Individual Directors including Chairman of the Company, Board as a whole and its Committees, thereof. The criteria of the Board evaluation includes Board composition, 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 its Meeting held on May 25, 2018.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own, the Non Independent and Independent Directors individually as well as the evaluation of the working of various Committees at their Meetings held on May 25, 2018 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.

Director's Remuneration

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employee is available on the website of your Company www.kalpatarupower.com. There has been no change in the policy since last financial year. The Remuneration Policy is in consonance with the existing industry practice.

Remuneration paid or payable to Chairman and Managing Director & CEO for the FY 2017-18 is as under:

(₹ in Crores)

Name of Director	Salary	Perquisites	Contribution to PF	Commission / Incentive	Total	Stock Options granted
Mr. Mofatraj P. Munot	3.60	-	-	6.50	10.10	-
Mr. Manish Mohnot	2.84	0.01	0.16	6.50	9.51	-

REPORT ON CORPORATE GOVERNANCE

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

In terms of agreement/appointment approved by Members, commission/incentive to Mr. Mofatraj P. Munot, Executive Chairman and Mr. Manish Mohnot, Managing Director & CEO 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 2017-18 is as under:

(₹ in Crores)

Name of Director	Sitting Fees	Commission	Total
Mr. Parag M. Munot	0.02	2.40	2.42
Mr. Sajjanraj Mehta	0.04	0.45	0.49
Mr. Vimal Bhandari	0.05	0.30	0.35
Mr. Narayan K. Seshadri	0.04	0.30	0.34
Mr. K. V. Mani	0.02	0.30	0.32
Ms. Anjali Seth	0.03	0.15	0.18
Mr. Subodh Jain	0.02	0.10	0.12
Mr. Imtiaz Kanga	0.03	0.10	0.13

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.

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 2017-18 not exceeding in aggregate 1% of net profits for the financial year 2017-18, calculated under Section 198 of the Companies Act, 2013.

Information of Directors as on March 31, 2018 is as under:-

Name	Age	Designation	Date of initial appointment	Shares held
Mr. Mofatraj P. Munot	73	Executive Chairman	June 27, 1989	1,14,05,822
Mr. Parag M. Munot	48	Director	September 30, 1991	1,34,63,615
Mr. Sajjanraj Mehta	66	Director	July 25, 1998	10,000
Mr. Vimal Bhandari	59	Director	June 28, 2002	Nil
Mr. Narayan K. Seshadri	60	Director	January 29, 2007	Nil
Mr. K. V. Mani	74	Director	January 19, 2014	Nil
Ms. Anjali Seth	59	Director	March 28, 2015	Nil
Mr. Subodh Kumar Jain	63	Director	May 19, 2017	Nil
Mr. Imtiaz Kanga	65	Director	March 08, 2016	1,00,000
Mr. Manish Mohnot	45	Managing Director & CEO	November 01, 2006	Nil

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.

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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 is to hear the complaint and grievances of various securities holders so as ensure that timely relief is extended to securities holders including members in respect of their compliant. Additionally, the Committee also looks into the member's requests/complaints, if any, related to non-receipt of balance sheet, non-receipt of declared dividend, revalidation of dividend warrants etc. and redress the same expeditiously.

The Committee met four times during the year on May 19, 2017, August 11, 2017, November 13, 2017 and February 07, 2018 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	4/4
Mr. Manish Mohnot	Managing Director & CEO	Member	4/4
Mr. Parag M. Munot	Non-Executive –Promoter	Member	3/4

Mr. Rahul Shah, Company Secretary of the Company also acts as Compliance Officer of the Company.

During the year, the Company received 4 Complaints 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, 2018. 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.

REPORT ON CORPORATE GOVERNANCE

The Committee met Four times during the year on May 19, 2017, August 11, 2017, November 13, 2017 and February 07, 2018. 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. SUBSIDIARY COMPANIES:

The List of Subsidiary and Associate Companies of the Company, is already provided in Directors' Report.

There are no Subsidiaries of the Company that are Unlisted Material Indian Subsidiary 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 Indian subsidiary company but it is a Listed company. The review of annual financial statement and investments, if any, made by Unlisted Subsidiary Companies is done by the Audit Committee on regular basis. The minutes of Board Meetings of Unlisted Subsidiary Companies are being placed before the Board of Directors of the Company from time to time.

"Unlisted Material Indian subsidiary" means an unlisted subsidiary, incorporated in India, whose income or net worth exceeds 20% of the consolidated income or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year.

VIII. GENERAL BODY MEETING:

a. The details of last 3 Annual General Meetings (AGMs) of the Company are as under:

Financial Year	Date	Time	Venue
2016-2017	August 11, 2017	4:00 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2015-2016	August 12, 2016	4:30 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar
2014-2015	September 29, 2015	3:30 p.m.	Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate Sector-25, Gandhinagar

Special Resolution in Last 3 AGMs

In AGM held on August 11, 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 April 1, 2017 to March 31, 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.

In AGM held on August 12, 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.

In AGM held on September 29, 2015, 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.

REPORT ON CORPORATE GOVERNANCE

IX. DISCLOSURES:

a) Management Discussion and Analysis

Annual Report has a detailed chapter on Management Discussions 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 representation from Senior Management Personnel that there was no material significant financial and commercial transactions entered into by them alongwith their Relative where they have personal interest, that may have a potential conflict with the interest of the Company at large.

The Company has formulated a policy on dealing with Related Party Transactions, such policy has been disclosed of the Company's website http://www.kalpatarupower.com/corporate-governance/

c) Accounting treatment

The Company has followed accounting treatment as prescribed in Indian Accounting Standard applicable to the Company.

d) Risk Management

The Risk Management Committee is there 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 or strictures were imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

f) Whistle Blower Policy (Vigil Mechanism)

The Company 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 are 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 Employee has been denied access to the Audit Committee. The functioning of the vigil mechanism is being monitored by the Audit Committee from time to time.

The Whistle Blower Policy has been disclosed on the company's website http://kalpatarupower.com/corporate-governance/

g) Familiarisation programme for Independent Directors

The Company has familiarized its Independent Director's regarding the Company, their roles, rights, responsibilities and liabilities in the Company. Presentations are made by senior management to the Independent Directors covering nature of Industry, business model, business performance and operations, challenges & opportunities available etc. The Company has familiarized its Independent Directors about Vision and Growth Plan of next 3 years. The Company has also familiarized its Independent Directors about business plan of the subsidiaries of the Company. The newly appointed Independent directors are imparted with familiarization programme which involves visit to the Company's plants, apprising about manufacturing process etc. wherein the inductee is introduced to the plant heads and various functional heads. Certain

REPORT ON CORPORATE GOVERNANCE

programme are merged with the Board/Committee meetings for the convenience of the Directors. Also, separate programs are conducted for them as per their requirement. Regular updates on relevant statutory, regulatory changes encompassing important laws are circulated to the Directors. Further, the Directors are encouraged to attend the training programmes being organized by various regulators/bodies/institutions. The Details of such familiarisation programme for Independent Directors has been disclosed on the Company's website http://kalpatarupower.com/corporate-governance/

h) Policy for determining 'material' subsidiaries

The company has formulated a policy for determining 'material' subsidiaries, such policy has been disclosed on the company's website http://kalpatarupower.com/corporate-governance/

i) Commodity Price Risk/Foreign Exchange Risk and Hedging Activities

Commodities form a major part of the raw materials required for Company's Products portfolio and hence Commodity price risk is one of the important market risk for the Company. The commodities are priced using pricing benchmarks and commodity derivatives are priced using exchange-traded pricing benchmarks. Your Company has a robust framework and governance mechanism in place to ensure that the organization is adequately protected from the market volatility in terms of price and availability. The Risk Management Committee of KPTL, based on intelligence and monitoring, forecasts commodity prices and movements and based on the exposure and risk management policy, takes the decision on hedging strategy and advises the Procurement team on cover strategy.

The Company has managed the foreign exchange risk with appropriate hedging activities in accordance with policies of the Company. The aim of the Company's approach to manage currency risk is to leave the Company with the no material residual risk. The Company uses forward exchange and option contracts to hedge against its foreign currency exposures which have become certain. Foreign exchange transactions are adequately covered with reference to the amount of total exposure at any point in time. The Company does not enter into any derivative instruments for trading or speculative purposes. The details of foreign exchange exposures as on March 31, 2018 are disclosed in Note No. 48 in Notes to the standalone financial statements.

X. 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 stipulated time period under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has published its Quarterly Results in Economic Times – English & Gujarati / Financial Express - English & Gujarati, Jai Hind / Nav Gujarat Samay / Gandhinagar Samachar - Gujarati.

The Results of the Company were displayed on web site www.kalpatarupower.com and the same were also submitted to the Stock Exchanges after the conclusion of the Board Meeting. 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. 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

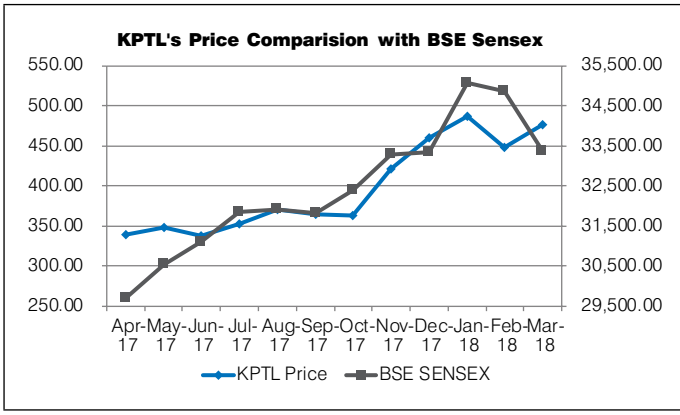
The Company has complied with all the applicable mandatory requirements under various Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has obtained a certificate from its Statutory Auditors M/s. Deloitte Haskins & Sells, Chartered Accountants to 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 appointed separate persons as Chairman and Managing Director & CEO etc.

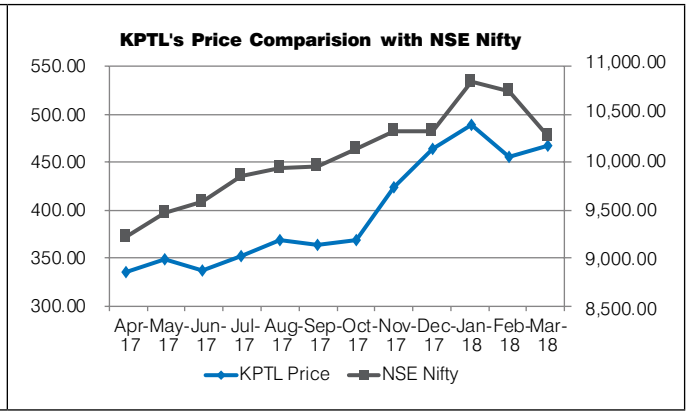
REPORT ON CORPORATE GOVERNANCE

➤ **Stock Market Data**

Monthly High and Low price of the Company's shares with a face value of ₹ 2 each for financial year 2017-2018 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-17	361.85	315.00	30,184.22	29,241.48	358.00	314.35	9,367.15	9,075.15
May-17	367.00	330.00	31,255.28	29,804.12	367.90	329.20	9,649.60	9,269.90
Jun-17	354.00	322.60	31,522.87	30,680.66	355.25	322.00	9,709.30	9,448.75
Jul-17	375.00	330.30	32,672.66	31,017.11	374.90	329.05	10,114.85	9,543.55
Aug-17	404.45	335.00	32,686.48	31,128.02	404.60	333.00	10,137.85	9,685.55
Sep-17	386.00	343.70	32,524.11	31,081.83	385.00	342.80	10,178.95	9,687.55
Oct-17	384.00	342.05	33,340.17	31,440.48	384.55	354.30	10,384.50	9,831.05
Nov-17	473.60	369.90	33,865.95	32,683.59	475.00	370.00	10,490.45	10,094.00
Dec-17	502.00	418.30	34,137.97	32,565.16	503.50	418.80	10,552.40	10,033.35
Jan-18	535.95	435.95	36,443.98	33,703.37	535.00	434.85	11,171.55	10,404.65
Feb-18	506.85	389.90	36,256.83	33,482.81	505.00	400.85	11,117.35	10,276.30
Mar-18	513.20	440.00	34,278.63	32,483.84	512.35	417.60	10,525.50	9,951.90





➤ **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,
Email: ahmedabad@linkintime.co.in
Tel. & Fax: 91 79 26465179

➤ **Share Transfer System**

Shareholders'/Investors' are requested to send share transfer related documents directly to our RTA whose address is given above. A Committee of the Company is authorised to approve transfer of shares. If the transfer documents are in order, the transfer of share(s) is registered within 15 days of receipt of transfer documents by our RTA.

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. The Company has also carried out Quarterly Secretarial Audit for the reconciliation of Share Capital as required under SEBI circular No. 16 dated December 31, 2002.

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.

➤ **Distribution of Shareholding: (As on March 31, 2018)**

No. of Shares of ₹ 2 each	Members		No. of Share Held	
	Number	% of Total	Number	% of Total
Upto – 500	20,287	79.34	20,96,718	1.37
501 – 1,000	2,640	10.33	21,44,380	1.40
1,001 – 2,000	1,159	4.53	16,77,533	1.09
2,001 – 3,000	416	1.63	10,41,908	0.68
3,001 – 4,000	228	0.89	8,14,301	0.53
4,001 – 5,000	161	0.63	7,38,340	0.48
5,001 – 10,000	285	1.11	19,98,011	1.30
10,001 – And Above	394	1.54	14,29,49,379	93.15
Total	25,570	100.00	15,34,60,570	100.00

➤ **Shareholding Pattern as on March 31, 2018**

SN	Category	No. of Shares held	% of Shares held
A	Promoter & Promoter Group Share Holding :		
	Indian	9,10,34,663	59.32%
	Foreign	-	-
B	Public Share Holding :		
	1. Institutional :		
	Mutual Funds	2,95,48,300	19.25%
	Foreign Institutional Investor / Foreign Portfolio Investor	79,69,480	5.19%
	Financial Institutions / Banks	77,141	0.05%
	Insurance Companies	44,47,762	2.90%
	2. Central Government / State Government (IEPF Authority)	93,493	0.06%
	3. Non-Institutional :		
	Individuals	1,27,06,404	8.28%
	Trusts / HUF	4,42,006	0.29%
	NRIs	15,02,929	0.98%
	Clearing Members	1,53,259	0.10%
	Bodies Corporate	54,85,133	3.57%
	Total	15,34,60,570	100.00%

**Out of above, Promoters & Promoter group have pledged 3,10,86,770 Equity Shares constituting 34.15% of their holding in the Company and 20.26% 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**

  99.64% Shares are in demat form as on March 31, 2018

  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 March 31, 2018

- **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
2010-11	July 29, 2011	September 04, 2018
2011-12	August 04, 2012	September 06, 2019
2012-13	July 25, 2013	August 28, 2020
2013-14	September 27, 2014	October 27, 2021
2014-15	September 29, 2015	November 02, 2022
Interim Dividend 2015-16	March 14, 2016	April 14, 2023
2016-17	August 11, 2017	September 13, 2024

During the year under review, the Company has credited ₹ 3.78 lakhs to the Investor Education and Protection Fund (IEPF) pursuant to applicable provisions of Companies Act, 2013.

During the year under review, in accordance with the provisions of Companies Act, 2013, the Company has transferred 93,493 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 August 11, 2017 (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

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

➤ **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
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: May 25, 2018

REPORT ON CORPORATE GOVERNANCE

CEO/CFO Certificate

Board of Directors
Kalpataru Power Transmission Limited

We, Manish Mohnot, Managing Director & CEO and Kamal Kishore Jain, Director (Finance) & CFO, 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, 2018 and that to the best of our knowledge and belief:

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

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

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

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

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

(i) That there is no significant changes in internal control over financial reporting during the year;

(ii) That there is no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(iii) That there is no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Mumbai
Date : May 25, 2018

Manish Mohnot
Managing Director & CEO

Kamal Kishore Jain
Director (Finance) & CFO

CERTIFICATE ON CORPORATE GOVERNANCE

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF
KALPATARU POWER TRANSMISSION LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter reference no. KPTL/SK/2017-18/#1 dated September 25, 2017.

2. We, Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of KALPATARU POWER TRANSMISSION LIMITED ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Managements' Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), 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 and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which 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. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2018.

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.

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

Gaurav J Shah
Partner
Membership No. 35701

Place: Mumbai,
Date: May 25, 2018

BUSINESS RESPONSIBILITY REPORT

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	:	rahul.shah@kalpatarupower.com
6.	Financial year reported	:	April 1, 2017 to March 31, 2018

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 plant in Rajasthan.
.

Industrial Group	Description
251	Manufacture of structural metal products, tanks, reservoirs and steam generators
421	Construction roads and railways
422	Construction of utility projects
351	Electricity Power Generation, Transmission and Distribution
271	Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus

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. EPC contracting services for cross-country pipelines, terminals and gas gathering stations across diverse territories
3. 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.

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 20 international locations. The major locations include Senegal, Afghanistan, UAE, Uganda and Tanzania.

b) **Number of National Locations**

KPTL is undertaking business activity in over 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

BUSINESS RESPONSIBILITY REPORT

Section B: Financial Details of the Company

1.	Paid up capital (INR) :	:	₹ 30.69 Crores
2.	Total turnover (INR)	:	₹ 5,778.50 Crores
3.	Total profit after taxes (INR)	:	₹ 322.00 Crores
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax: 0.69%		

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. The activities are running of multi specialty dispensary Kalp-Seva Arogya Kendra, Education, Promotion of Yoga, assistance to Flood victims, setting up of models based mini Science laboratories in government schools, Ambulance for ill / injured villagers, improving infrastructure facilities in government Schools etc. As part of furthering its CSR outreach, the Company started Kalpa Seva Arogya Kendra in Mumbai to provide specialized healthcare (consultation and treatment) at subsidized rates. Primarily this center would be supporting non-surgical consultation/checkup camps, awareness camps by specialists etc. to the beneficiaries under one roof.

For detailed information regarding CSR Activities of the Company, you may refer ***Annexure A*** to Directors' Report.

CSR activities of your Company related to Health sector and in particular "Kalpa-Seva Arogya Kendra" were recognized and your Company won "Gujarat CSR Leadership Awards" organized by World CSR Day in the category of "Concern for Health".

Section C: Other Details

1. Does the Company have any subsidiary company / companies?

Yes, the Company has 20 subsidiary companies (including step-down subsidiaries) in India and abroad as on March 31, 2018.

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).

Business Responsibility initiatives of the parent company are applicable to the subsidiary companies 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%]

Stakeholders have the ability to influence the way a company is perceived. As a part of its BR initiatives, KPTL engages with several stakeholders like suppliers, contractors, local communities, government and other entities in the value chain. The Company promotes BR initiatives in its value chain. At present, the number of entities which directly participate in the BR initiatives would be less than 30%.

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 : 01229696
Name : Mr. Manish Mohnot
Designation : Managing Director & CEO

b) Details of the BR head:

DIN (if applicable): N.A.
Name: Mr. Kamal Kishor Jain
Designation: Director (Finance) & CFO
Telephone number: +91 79 232 14 109
Email id: kkj@kalpatarupower.com

BUSINESS RESPONSIBILITY REPORT

2. Principle-wise (as per NVGs) BR policy / policies

a) Details of Compliance (Reply in Y/N)

Sr. No.	Questions	Ethics, Transparency and Accountability	Sustainable & safe Goods and Services	Well-being of all employees	Interests of disadvantaged and marginalized Stakeholders	Promote human rights	Protection of Environment	Policy Advocacy	Inclusive growth and equitable development	Provide value to their customers and consumers
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for.	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify?	All the policies are compliant of respective principles of nVG guidelines, the Companies Act, 2013 and confirm to International standards of ISO 9001, ISO 14001 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	-
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 Second Business Responsibility Report as per the national voluntary Guidelines on Social, Environmental and Economic Responsibility of Business (nVG) and as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which is published as a part of Annual Report. The Company shall publish BR Report annually. The Company currently does not publish a separate Sustainability Report.

The Hyperlink for viewing this report is www.kalpatarupower.com.

Section E: Principle-wise Performance

Principle 1: Business should conduct and govern themselves with Ethics, Transparency and Accountability

1. **Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group /Joint Ventures /Suppliers /Contractors /NGOs / Others?**

   The Company is committed to the prevention, deterrence and detection of fraud, bribery and all other corrupt business practices and has adequate control measures in place to address the issues relating to same in its specific Anti Bribery and Corruption policy. The Company 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.**

Stakeholder	Received in FY 16-17	Satisfactorily resolved by Management (%)
Employees*	1	100%
Vendor	NIL	N.A.
Company	NIL	N.A.
Investor	4	100%
Society	NIL	N.A.
Total	5	100%

**Queries related to the employee basic needs were received from employees from time to time and were resolved.*

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?**

   The Company has an annual production capacity of over 1,80,000 MT of transmission towers at its three state-of-the-art manufacturing facilities in India and an ultra-modern tower testing facility. The manufacturing units deploy leading Management practices such as Total Productive Management (TPM), 5S & Lean Manufacturing Techniques to ensure continuous reduction in consumption of raw material, energy, water, consumables, packaging material and so on across its manufacturing units.

   In an ever-changing technological landscape, all our efforts are directed towards achieving sustainable development. Technology improvements and dedicated research has helped the Company to manage and monitor energy consumption and the Company has been able to achieve reduction in index wastage of steel by more than 4%, improvement in the index consumption of gas by more than 9%, reduction in indexed power consumption by approximately 10% per MT of production etc. leading to energy

BUSINESS RESPONSIBILITY REPORT

said impact on environment, the Project Execution team is trained and supervised in planned manner. For specific Projects, the Company prepares Environmental and Social Management Plan (ESM Plan) setting out how a particular project shall be developed by carrying out Environmental Impact Assessment and providing thereof mitigation measures to mitigate possible negative impact. During geotechnical studies proper drilling practices are established, debris that impedes the normal flow of surface water are removed, install methods to trap harmful sediments, use methods of deforestation that destroys minimum vegetation cover (shrub or herbaceous), implement best bush fire management procedures etc. The Company deploys technology intensive remote sensing techniques in survey and project execution like LiDAR aerial surveys technology, drone surveys technology etc. which enables the collection of survey data accurately even for dense areas in short time frame with minimum harm to tropical ecology, minimum safety issues and disturbance to local community.

Our construction and infrastructure projects ensure minimal environmental impact and safe operations. 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. 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"

Apart from these initiatives, the Company has two dedicated Biomass power generation plants 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. Gold Standard is the only premium quality standard for carbon emission reduction projects with added sustainable development benefits and guaranteed environmental integrity. The Company actively works on minimum Auxiliary Consumption, Minimum Water Consumption and minimum raw material consumption per unit of power generation.

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 promotes environmental harmony (including compliance to statutory requirement including stringent emission related norms), safety, human rights and ethics apart from the economic considerations as a part of sourcing procedure. The Company discourages use of wood & plastics in most products & services procured in Supply Chain & encourages use of environment friendly goods & services. The respective policies of KPTL extends to suppliers/vendors/sub-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. KPTL ensures compliance of statutory laws and regulations including labour laws.

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 strives to build 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 the manufacturing plants of the Company at Gandhinagar and Raipur. These steps have led to creation of employment opportunities and skill development of the local population.

The Company also encourages local contractors for doing the construction / installation work to promote local labourers.

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.

BUSINESS RESPONSIBILITY REPORT

However, being EPC Company, project procurement 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. Steel scrap, zinc waste, etc., are reclaimed to the extent possible. As a part of our sustainability roadmap, the Company is increasing its focus on recycling of products. The Company complies with all applicable regulatory requirements pertaining to waste disposal as prescribed by the regulatory agencies.

   Further, Ash is generated from burning Agriculture waste at Biomass power plant and Bed Ash is good for manure additives in the fields and Fly ash is used by Cement industries.

Principle 3: Business should promote the wellbeing of all employees

1. **Please indicate total number of employees:**
   The Company has a total of 2,722 employees as on March 31, 2018.

2. **Please indicate total number of employees hired on temporary/contractual/casual basis:**
   The Company has a total of around 7,900 employees hired on temporary/contractual/casual basis as on March 31, 2018.

3. **Please indicate the number of permanent women employees:**
   The Company has 74 women employees as on March 31, 2018.

4. **Please indicate the number of permanent employees with disabilities:**
   The Company has 11 permanent employees with disabilities as on March 31, 2018.

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

BUSINESS RESPONSIBILITY REPORT

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 LMS, an e-learning platform, which each individual employee can access. Various Technical & Behavioural modules are available on LMS, to name few – Tower Erection, Open Foundation, Cube Testing, Pile Testing, Kalpataru Code of Conduct, PMS guidelines, Finance for non-finance, Negotiation Skills, Advance Excel and around other 20 soft skill modules.

Major programs / initiatives in FY17-18 conducted for employee skill upgradation are as under:

- Project Management Certification Course with objective of migration from Construction Management to Project **management**
- Conducted more than 40 focused trainings across India and overseas locations internally covering 1300+ participants
- Sponsored specific training programs, Coaching, Job Rotation, Programs on Team Building, Collaboration & Effective **Communication Skills**
- Trainings on Positive Attitude, Personality Development, Wellness etc.

During FY 2017-18, KPTL conducted 527 Programs in various fields for skill up-gradation of its workforce spanning over 4,717 man-days and in total 6,482 participants participated in such programs from time to time. Approx. 87% of the permanent employees while 90% of permanent women employees received skill up-gradation trainings during FY 2017-18.

The employees and laborers 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 2017-18, 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.

BUSINESS RESPONSIBILITY 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. Our stakeholders are at the core of our decision-making process and the Company engages with them regularly through various engagement modes. We conduct business professionally to create value for all stakeholders ensuring that we are a responsible partner that serves the wider interests of society.

   The key categories and their modes of engagements are as below:

Stakeholders	Medium of Engagement
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, town hall meetings etc.
Clients / Customers	Client meetings, monthly / quarterly Project review meetings, Performance Reports etc.
Local community	Visits, Camps, Corporate Social initiatives, meetings with villagers, farmers etc.
Investors and shareholders	Investor meetings, Investor Conferences, Conference Calls, Annual General meetings, Press Releases, Investor Presentations, Annual Report etc.
Bankers / Lenders	Regular review meetings, Pre-defined Reports etc.
Suppliers	Site visits, Supplier's visit, personal / telephonic interactions etc.
Contactors	Monthly review meet and Annual meet with Contractors 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. On a need basis, under its CSR activities, the Company carries out baseline surveys to identify such sections of society which are in utmost need of a particular social program and based on such study, the Company implements its CSR activities to ensure optimum penetration of its welfare activities.

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.**

   The CSR initiatives of the Company are aimed at improving lives of weaker sections of society and contribute to sustainable living of communities. The Company runs Kalpa Seva Arogya Kendra to provide medical services to economically underprivileged sections of the society in and around Gandhinagar, Gujarat on regular basis. As part of furthering its CSR outreach, the Company started Kalpa Seva Arogya Kendra in Mumbai to provide specialized healthcare (consultation and treatment) at subsidized rates. The Company also contributed for Construction of School building under Sansad Adarsh Gram Yojana at Gram Adgaon, Amravati, Maharashtra, contribution of VAN for transporting poor children to Schools and disable / abandoned elders to Rehabilitation center, contribution of Ambulance for ill / injured villagers, Upliftment of Rural & Tribal Poor and Urban Slum Dwellers by curing avoidable blindness through "Project Rashtriya Netra Yagna", contributing food packets for Flood victims of Gujarat Flood etc.

For the benefit of poor underprivileged children and enhancing their aptitude capacity and skills to learn science and mathematics in more effective and interesting way, the Company set up Mini Science Laboratory consisting of interactive Mathematics & Science working models at 3 Government Schools. Further, the Company also carried out infrastructural development at government school (Khorpa, Raipur) by constructing Cycle Shed etc.

An Annual Report on such activities carried out by the Company for well-being of community at large is annexed as ***Annexure A*** to the Director's Report.

Principle 5: Business should respect and promote human rights

1. **Does the Company's policy on human rights cover only the company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others?**

   The Company, within its sphere of influence promotes the awareness and realization of human rights across its value chain by establishing 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 specifying and ensuring high standards of Environment, Occupational Health & Safety at manufacturing facilities and project sites during development and implementation stages of Project Construction etc. The Environmental, Occupational Health & Safety Policy (EOHS Policy) of the Company covers the Company and its Contractors & all other relevant stakeholders. The EOHS Policy encourages the Company to conserve resources, reduce environmental impact and seeks to enhance the awareness among employees and make business decision aiding sustainability.

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, the Company carries out initiatives to ensure minimization of environmental impact through mitigation and offset initiatives. 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

BUSINESS RESPONSIBILITY REPORT

3. **Does the Company identify and assess potential environmental risks? Y/N**

   Yes, the Company does identify 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 Execution (which involves Survey & Soil Investigation, Access Roads, Foundation, Erection and Stringing), the Company prepares Environmental Impact Assessment Plan, 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 thereafter Project specific Environmental and Social Management Plan in drawn up 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 was 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 was 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 was 276281/t CERs.

   Both the above projects have achieved Gold Standard Certification. Gold Standard is the only premium quality standard for carbon emission reduction projects with added sustainable development benefits and guaranteed environmental integrity.

   Periodical Compliance Reports, as applicable are submitted to CPCB and SPCB from time to time.

5. **Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy etc.? Y/N. If yes, provide hyperlink to web page etc.**

   The Company installed 303.3 KWp roof top solar plant at Gandhinagar factory (Main Plant) to generate renewable solar energy to shift from conventional sources of energy and promote usage of renewable sources of energy. The Company also has four windmills installed to generate renewable energy for captive consumption. 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.

6. **Are the Emissions / Waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?**

   Yes, the emissions / waste generated are within the permissible limits given by CPCB/SPCB.

7. **Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e. not resolved to satisfaction) as of end of financial year.**

   There are no show cause / legal notices received from CPCB/SPCB which are pending as of end of financial year.

BUSINESS RESPONSIBILITY REPORT

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. The Broad areas under the purview of Advocacy policy are Energy Security, Enhancing competition and transparency in power sector, electricity distribution reforms and promotion of renewable energy.

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 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.

   As part of furthering its CSR outreach, KPTL has started Kalpa Seva Arogya Kendra in Mumbai, which is operated through Kalpataru Welfare Trust and it collaborates with well-meaning NGOs and individuals in the healthcare sector to provide specialized healthcare (consultation and treatment) at subsidized rates. Primarily this center is supporting non-surgical consultation/checkup camps, awareness camps by specialists etc. to the beneficiaries under one roof.

   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 Rural Development, Promoting Education, Eradicating Hunger etc.

BUSINESS RESPONSIBILITY REPORT

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?**

   Yes, the Company has done impact assessment of its 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 INR and the details of projects undertaken?**

   The Company's direct monetary contribution to community development projects under its CSR Policy in FY 2017-18 was ₹ 223.44 lakhs. An Annual Report on details of such 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.**

   Community collaboration and participation is encouraged at all stages of KPTL's community development / CSR initiatives. The Company extensively engages with the community which helps in identifying needs of stakeholders. CSR Projects undertaken based on needs of particular section of community leads to greater sense of ownership. 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 2017-18?**

   There are no customer complaints / consumer cases pending as of end of financial year 2017-18. 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)**

   Not Applicable

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 received Performance Award in "Power Awards 2017" organized by Energy Department, Govt. of Karnataka for completing the "Project for Construction of 400KV Multi Circuit Transmission Line from Ballari Pooling Station to Rampura Limits" ahead of Contractual Completion Schedule. Tamilnadu Transmision Corporation Limited (TANTRANSCO) bestowed on KPTL Certificate of Excellence for 400 KV AIS Substation Bay-Extn Project -Palavadi Project for stringently following safety norms. Various other national and international clients has issued satisfactory Project completion reports to KPTL from time to time.

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: May 25, 2018

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To
The Members of
KALPATARU POWER TRANSMISSION LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Kalpataru Power Transmission Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on thestandalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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 Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells,
Chartered Accountants,
(Firm's Registration No. 117365W)

Gaurav J Shah
Partner
Membership No. 35701

Place: Mumbai
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting 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.

For Deloitte Haskins & Sells,
Chartered Accountants,
(Firm's Registration No. 117365W)

Gaurav J Shah
Partner
Membership No. 35701

Place: Mumbai
Date: May 25, 2018

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kalpataru Power Transmission Limited of even date)

(i) In respect of the Company's fixed assets

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

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

(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date. 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 of land and buildings that have been taken on lease and disclosed as fixed asset in the standalone Ind AS financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, and Value Added Tax which have not been deposited as on March 31, 2018 on account of disputes are given below:

Sr No	Name of the statute	Nature of Dues	Assessment/ Financial Year	Amount* (₹ in Lakhs)	Forum where dispute is pending	Amount paid under protest/ refund withheld by department (₹ in Lakhs)
1	The Finance Act, 1994	Service Tax	2003-04,2007-08 to 2011-12 & 2014-15	3224.89	Customs, Excise and Service Tax, Appellate Tribunal	497.68
2	The Customs Act, 1962	Customs Duty	2010-11 & 2011-12	23.18	Customs, Excise and Service Tax Appellate Tribunal, Chennai	-
3	The Customs Act, 1962	Customs Duty	2014-15	13.54	CESTAT-Mumbai	1.10
4	The Madhya Pradesh VAT Act, 2002	VAT	2011-12	17.50	Madhya Pradesh Commercial Tax Appellate Board	110.00
5	The Gujarat VAT Act, 2003	VAT	2005-06 & 2010-11	248.74	Gujarat Value Added Tax Tribunal	85.00
6	The Gujarat VAT Act, 2003	VAT	2012-13 & 2013-14	234.71	Joint Commissioner of Commercial Tax Appeal	49.00
7	Maharashtra VAT Act, 2002	VAT	2007-08, 2010-11	2,266.39	Deputy Commissioner of Appeal	171.73
8	Uttar Pradesh VAT Act, 2008	VAT	2007-08 & 2013-14	13.14	Additional Commissioner - Appeal	2.00
9	Uttar Pradesh VAT Act, 2008	VAT	2005-06 to 2007-08	408.05	Commercial Tax Tribunal, UP	-
10	West bengal VAT Act,2003	VAT	2013-14	208.76	Joint commissioner of Appeal	61.85
11	West bengal VAT Act,2003	VAT	2004-05	12.34	Appellate Tribunal West Bengal and Revision Board of Calcutta	12.00
12	Haryana VAT Act, 2003	VAT	2012-13 & 2013-14	793.53	Punjab and Haryana High court	139.00
13	Haryana VAT Act, 2003	VAT	2011-12	58.74	Joint Commissioner of Appeal	128.00
14	Haryana VAT Act, 2003	VAT	2009-10	34.06	Haryana VAT Tribunal	13.97
15	Orissa VAT Act, 2004	VAT	2009-10 to 2013-14	453.14	High court of Orissa	175.00
16	Chhattisgarh VAT Act 2005	VAT	2012-13	429.91	Deputy Commissioner of Appeal	759.91
17	Global Income Tax Act, Algeria	Income Tax and Turnover Tax	2006 to 2009	2,631.15	Minisrty of Finance Department of Central Contention, Algeria	920.95

*net of amount paid under protest/net of refund withheld by department

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone Ind AS financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells,
Chartered Accountants,
(Firm's Registration No. 117365W)

Gaurav J Shah
Partner
Membership No. 35701

Place: Mumbai
Date: May 25, 2018

BALANCE SHEET

as at March 31, 2018

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5(i)	52,026.66	51,531.56
(b) Capital Work in Progress		1,665.94	264.30
(c) Intangible Assets	5(ii)	650.68	569.31
(d) Financial Assets			
(i) Investments	6	78,493.04	71,596.40
(ii) Trade Receivables	7 (i)	8,847.79	8,448.13
(iii) Loans	8 (i)	51,394.93	47,234.82
(iv) Others	9 (i)	3,219.52	3,822.73
(e) Deferred Tax Assets (net)	10	3,124.01	4,103.18
(f) Other Non Current Assets	11(i)	4,154.26	5,359.09
		2,03,576.83	1,92,929.52
Current Assets			
(a) Inventories	12	48,283.14	45,418.24
(b) Financial Assets			
(i) Trade Receivables	7 (ii)	3,29,197.78	2,76,352.20
(ii) Cash and Cash Equivalents	13	7,483.11	20,646.81
(iii) Other Balances with Banks	14	679.96	451.20
(iv) Loans	8 (ii)	2,507.56	1,303.56
(v) Others	9 (ii)	2,566.40	3,272.74
(c) Current Tax Assets (net)	15	-	1,276.28
(d) Other Current Assets	11(ii)	1,33,567.61	68,882.57
		5,24,285.56	4,17,603.60
TOTAL ASSETS		7,27,862.39	6,10,533.12
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	16	3,069.21	3,069.21
(b) Other Equity	17	2,73,935.00	2,44,802.03
		2,77,004.21	2,47,871.24
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18 (i)	39,119.92	32,115.46
(ii) Trade Payable	19 (i)	9,478.29	3,610.54
(b) Provisions	21 (i)	2,644.89	2,165.26
(c) Other Non-Current Liabilities	22 (i)	5,381.11	195.75
		56,624.21	38,087.01
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18 (ii)	24,973.02	23,146.44
(ii) Trade Payables	19 (ii)	1,97,390.10	1,56,219.12
(iii) Other Financial Liabilities	20	16,990.08	15,977.90
(b) Provisions	21 (ii)	26,390.62	29,640.69
(c) Other Current Liabilities	22 (ii)	1,26,841.71	99,590.72
(d) Current Tax Liabilities (net)	15	1,648.44	-
		3,94,233.97	3,24,574.87
TOTAL EQUITY AND LIABILITIES		7,27,862.39	6,10,533.12
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 55		

In terms of our report attached
For **Deloitte Haskins & Sells,**
Chartered Accountants

Gaurav J Shah
Partner
Mumbai : May 25, 2018

Kamal Kishore Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note	2017-18	2016-17
Revenue from Operations	23	5,77,850.32	5,01,073.66
Other Income	24	4,800.88	4,934.37
TOTAL INCOME		5,82,651.20	5,06,008.03
EXPENSES			
Cost of Materials Consumed	25	2,64,159.87	2,03,432.75
Changes in Inventories	26	(2,063.31)	109.94
Excise Duty on Sale of Goods		3,730.53	11,667.69
Erection, Sub-Contracting and other Project Expenses	39	1,50,057.67	1,39,501.99
Employee Benefits Expenses	27	34,874.08	29,180.22
Finance Costs	28	10,328.53	9,818.31
Depreciation and Amortization Expenses	5	7,659.74	7,769.96
Other Expenses	29	63,970.43	64,269.73
TOTAL EXPENSES		5,32,717.54	4,65,750.59
Profit Before Exceptional Items and Tax		49,933.66	40,257.44
Exceptional Items		-	-
Profit Before Tax		49,933.66	40,257.44
Tax Expenses			
Current Tax		17,050.00	14,583.00
Deferred Tax		683.73	(1,233.00)
Profit for the year		32,199.93	26,907.44
Other Comprehensive Income			
Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating foreign operation		1,599.73	(1,849.80)
Gain/(Loss) on hedging instruments		(887.43)	1,203.03
Income tax on above items		(246.53)	223.85
		465.77	(422.92)
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Gain /(Loss) on Defined Plan Liability		141.31	(159.11)
Income tax on Actuarial Gain /(Loss)		(48.91)	55.07
		92.40	(104.04)
Total Comprehensive Income for the year		32,758.10	26,380.48
Earnings per Equity Share (of ₹ 2 each)			
Basic and Diluted (₹)	38	20.98	17.54
Significant Accounting Policies and			
Notes forming part of the Financial Statements	1 to 55		

In terms of our report attached
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Mumbai : May 25, 2018

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DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

CASH FLOW STATEMENT

For the year ended March 31, 2018

(₹ in lakhs)

Particulars	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	32,199.93	26,907.44
Adjustments for :		
Income Tax Expense	17,733.73	13,350.00
Depreciation and Amortization Expenses	7,659.74	7,769.96
Finance Costs	10,328.53	9,818.31
Dividend Income	(341.25)	(229.21)
Interest Income	(4,314.83)	(4,495.90)
Loss on sale of assets (net)	63.14	41.82
Bad Debt written off	788.01	-
Provision for Expected Credit Loss	1,420.17	(262.93)
Unrealised Foreign Exchange(Gain)/ Loss (net)	(2,700.87)	1,973.61
Net (Gain)/ Loss arising on financial assets measured at FVTPL	1.62	(28.11)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	62,837.92	54,844.99
Adjustments for:		
Trade and other Receivables	(1,12,004.78)	(56,899.41)
Inventories	(2,646.35)	(3,049.38)
Trade and other Payables	76,292.32	52,808.58
CASH GENERATED FROM OPERATIONS	24,479.11	47,704.78
Income Tax Paid	(14,131.34)	(15,531.48)
CASH GENERATED FROM OPERATING ACTIVITIES	10,347.77	32,173.30
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for Property, Plant and Equipment	(10,889.07)	(6,089.80)
Proceeds from disposal of Property, Plant and Equipment	254.49	327.32
Investment in Subsidiaries	(7,007.00)	(19,605.26)
Loans given to Subsidiaries and Joint Ventures	(3,766.30)	(2,627.77)
Repayment of loans by Subsidiaries and Joint Ventures	1,931.99	5,564.73
Interest Received	606.11	956.91
Dividend Received	341.25	229.21
Deposits with Banks	(226.82)	100.00
CASH GENERATED USED IN INVESTING ACTIVITIES	(18,755.35)	(21,144.66)

(₹ in lakhs)

Particulars	2017-18	2016-17
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	373.67	9,214.18
Proceeds from Issue of Non Convertible Debentures	20,000.00	10,000.00
Redemption of Non Convertible Debentures	(10,000.00)	-
Repayment of Long Term Borrowings	(4,325.41)	(3,955.02)
Short Term Borrowings (net)	1,789.87	(5,559.35)
Finance Cost Paid	(9,094.94)	(10,009.21)
Dividend Paid , including dividend tax	(3,625.13)	-
CASH GENERATED USED IN FINANCING ACTIVITIES	(4,881.94)	(309.40)
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	125.82	(145.59)
D. NET INCREASE/[DECREASE] IN CASH AND CASH EQUIVALENTS	(13,163.70)	10,573.65
E. Opening Cash and Cash Equivalents	20,646.81	10,073.16
F. Closing Cash and Cash Equivalents	7,483.11	20,646.81

NOTES:

(i) The Cash Flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Cash Flow Statements.

(ii) Cash and Cash Equivalents at the end of the year comprises:	As at 31st March, 2018	As at 31st March, 2017
(a) Cash on hand	160.31	109.89
(b) Cheques on hand	-	8,368.11
(c) Balance with Banks		
(i) In current accounts	5,686.62	11,798.33
(ii) In Fixed Deposit Accounts	1,636.18	370.48
Cash and Cash Equivalents as per Cash flow statement	7,483.11	20,646.81

(iii) Effective April 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

(iv) Previous year figures have been regrouped to conform with those of the current year

In terms of our report attached
For **Deloitte Haskins & Sells,**
Chartered Accountants

Gaurav J Shah
Partner
Mumbai : May 25, 2018

Kamal Kishore Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2018

A : Equity Share Capital

Particulars	(₹ in Lakhs) Amount
Balance as at April 1, 2016	3,069.21
Changes in equity share capital during financial year 2016-17	-
Balance as at March 31, 2017	3,069.21
Changes in equity share capital during financial year 2017-18	-
Balance as at March 31, 2018	3,069.21

B : Other Equity

(₹ in Lakhs)

Particulars	Reserves & Surplus				Other Comprehensive Income / (Loss)			Total
	Debentures Redemption Reserve	Securities Premium Reserve	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, 2016	2,500.00	77,942.17	28,308.74	1,10,589.15	(594.59)	(298.10)	(25.82)	2,18,421.55
Profit for the Year 2016-17	-	-	-	26,907.44	-	-	-	26,907.44
Other Comprehensive Income/(Loss) for the year (net of tax)	-	-	-	-	785.91	(1,208.83)	(104.04)	(526.96)
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)	-	-	-	-
Balance as at March 31, 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 including distribution tax				(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)	273,935.00

In terms of our report attached
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Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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 is Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India

2. Basis of preparation of Financial Statement

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. The date of transition to Ind AS is April 1, 2015.

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(N).

Impairment of Investments

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note 4 (E).

4. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue Recognition

(i) Revenue from construction contracts

Revenue from construction contracts is recognized based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately.

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

Revenue is adjusted towards liquidated damages and price variations, wherever applicable. Escalation, variations in contract work and other claims are included to the extent that the amount can be measured reliably and its receipt is considered probable. Revenue is recognised to the extent of cost incurred that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably.

(ii) Revenue from other contracts

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

(iii) Others

Revenue from Bio-mass division is recognized on supply of electricity generated to the customer.

Dividends are recorded when the right to receive payment is established. Interest income is recognized on time proportion basis.

B. Operating cycle

Operating cycle for the business activities of the company 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.

C. 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

D. Foreign Currency

In preparing the financial statements, transaction in foreign currencies i.e other than the company's functional currency are recognised at rate of exchange prevailing for the month on the dates of the transactions.

Foreign currency monetary assets and liabilities, remaining unsettled at the end of the year 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 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 the balance sheet
- income and expenses at the exchange rate prevailing on the date of transaction
- resulting exchange difference are recognized in other comprehensive income.

E. 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

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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.

F. 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.

G. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan, under Group Gratuity Cash Accumulation Schemes 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.

H. Non-current assets held for sale

Non-current assets and disposal Group of 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 (or disposal group) 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 (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

I. 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.

J. 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 a provision is 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).

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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.

K. Government Grant

Government grants are not recognized until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

L. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Initial recognition and measurement

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than Financial asset and 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.

This category generally applies to trade and other receivables.

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

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

Financial liabilities and equity instruments

Classification as debt or equity

Financial instruments are classified as a liability or equity according to the substance of the contractual arrangement and not its legal form.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a company are recognised at the proceeds received, net of issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost. Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative Contracts

The Company enters into derivative financial instruments to hedge foreign currency / price risk on unexecuted firm commitments and highly probable forecast transactions.

Such derivatives financial instruments are initially recognized at fair value on the date on which the derivative contracts are entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in the statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

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 18.

M. 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.

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

N. Depreciation

Depreciation is provided on all depreciable fixed assets over useful life of the assets estimated by the management. Useful life of these assets are different from the useful life prescribed under Part C of Schedule II to the Companies Act, 2013.:

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 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 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.

For transition to Ind AS, the company elected to continue with carrying value of all its Property, plant, equipment and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as deemed cost as of the transition date.

O. Impairment

a) Financial asset

Company applies as per Ind AS 109 expected credit loss model for recognizing impairment loss on trade receivables, other contractual rights to receive cash or other financial asset.

b) Non-Financial asset

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the fair value less cost of disposal and their value in use. Value in use is arrived at by discounting the future cash flows to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset for which the estimates of future cash flows have not been adjusted. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss.

P. 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 other period presented.

Q. 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.

R. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules,2018. The new standard is effective for accounting periods beginning on or after 1 April,2018. 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, 2018

5. PROPERTY, PLANT, EQUIPMENTS AND INTANGIBLE ASSETS.

(₹ in Lakhs)

Particulars	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As at 1st April 2017	Additions	Deductions	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	2,491.58	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
R& D 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

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	As at 1st April, 2016	Additions	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2017	As at 1st April, 2016	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2017	As at 31st March, 2017
(i) PROPERTY, PLANT AND EQUIPMENTS											
Leasehold Land	2,491.58	-	-	-	2,491.58	-	-	-	-	-	2,491.58
Freehold Land	4,662.19	-	-	-	4,662.19	-	-	-	-	-	4,662.19
Buildings	12,739.32	1,304.07	1.15	-	14,042.24	495.58	574.64	0.01	-	1,070.21	12,972.03
Plant and Equipment	34,368.29	2,885.12	404.15	(973.75)	35,875.51	5,306.79	5,375.87	160.11	(668.22)	9,854.33	26,021.18
Electric Installation	586.67	14.99	0.69	0.13	601.10	76.61	84.64	0.09	0.10	161.26	439.84
Furniture and Fixtures	927.59	131.21	21.41	(9.91)	1,027.48	240.98	150.84	6.40	(5.13)	380.29	647.19
Office Equipments	1,095.95	480.89	42.34	(17.14)	1,517.36	285.80	331.44	13.27	(10.19)	593.78	923.58
Vehicles	3,870.46	1,337.12	270.20	(557.33)	4,380.05	1,149.01	1,036.98	190.95	(594.73)	1,400.31	2,979.74
R & D Assets											
Leasehold Land	46.83	-	-	-	46.83	-	-	-	-	-	46.83
Buildings	31.76	-	-	-	31.76	5.05	2.02	-	-	7.07	24.69
Plant & Equipment	261.57	102.76	-	-	364.33	31.66	49.06	-	-	80.72	283.61
Electric Installation	1.80	-	-	-	1.80	0.08	0.05	-	-	0.13	1.67
Furniture and Fixtures	0.01	-	-	-	0.01	-	-	-	-	-	0.01
Office Equipments	35.68	7.77	0.40	-	43.05	17.86	11.69	0.38	-	29.17	13.88
Vehicle	-	24.50	-	-	24.50	-	0.96	-	-	0.96	23.54
Total (i)	61,119.70	6,288.43	740.34	(1,558.00)	65,109.79	7,609.42	7,618.19	371.21	(1,278.17)	13,578.23	51,531.56
(ii) INTANGIBLE ASSETS											
Software (Other than internally generated)											
R&D Assets	4.41	-	-	-	4.41	0.90	0.90	-	-	1.80	2.61
Others	437.22	387.58	-	-	824.80	107.23	150.87	-	-	258.10	566.70
Total (ii)	441.63	387.58	-	-	829.21	108.13	151.77	-	-	259.90	569.31
Total (i+ii)	61,561.33	6,676.01	740.34	(1,558.00)	65,939.00	7,717.55	7,769.96	371.21	(1,278.17)	13,838.13	52,100.87

Notes : (a) Please refer note 49 for security created on property plant & equipments. In addition, one car has been pledged with civil court, Armenia.

(b) Buildings includes ₹ 0.11 Lakhs (Previous Year ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
6. INVESTMENTS - NON CURRENT						
A Investments - carried at cost						
(a) In Equity Instruments of Subsidiaries						
Quoted,						
JMC Projects (India) Limited [refer note 6.1 (a)]	INR	10	2,25,62,881	2,25,62,881	32,086.97	32,086.97
Unquoted,						
Shree Shubham Logistics Limited [refer note 6.1(b)]	INR	10	5,25,16,660	5,25,16,660	11,631.34	11,631.34
Energylink (India) Limited	INR	10	5,20,00,000	5,20,00,000	5,200.00	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	INR	10	1,61,90,000	1,61,90,000	5,654.00	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	INR	10	4,14,69,986	2,14,50,000	14,502.00	7,495.00
Kohima-Mariani Transmission Limited	INR	10	10,000	10,000	1.00	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 IBN Omairah Company Limited	SAR	1000	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					39,890.05	32,883.05
Total of Investments in Equity of Subsidiaries					71,977.02	64,970.02
(b) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited	INR	10	1,12,64,286	1,12,64,286	3,815.00	3,815.00
Total of Investments in Equity instruments carried at cost					75,792.02	68,785.02

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Face Value Currency	Face Value Per Share/ Unit	No. of Shares / Units As at 31st March, 2018	No. of Shares / Units As at 31st March, 2017	Amount As at 31st March, 2018	Amount As at 31st March, 2017
B. 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	93.93	95.55
Unquoted,						
Investments in Non-Convertible Preference Shares of a Subsidiary,						
Shree Shubham Logistics Limited	INR	10	1,35,00,000	1,35,00,000	1,166.18	1,110.65
Equity instruments						
Transpower Engineering Limited	INR	10	100	100	-	-
Total of Investments Carried at fair value through profit or loss (FVTPL)					1,310.11	1,256.20
C. Interest Free Loans to Subsidiaries in the nature of Equity Support carried at cost					1,390.91	1,555.18
Grand Total					78,493.04	71,596.40
Aggregate carrying amount of Quoted Investments					32,230.90	32,232.52
Market Value of Quoted Investments					1,23,652.97	59,846.76
Aggregate amount of Unquoted Investments					46,262.14	39,363.88

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.

(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 and 1,09,39,500 (Previous Year - 1,09,39,500) shares of Alipurduar 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 for providing financial assistance to them.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
7. TRADE RECEIVABLES		
(Unsecured Considered good)		
(i) Non Current	10,158.30	9,176.84
Less : Allowance for expected credit loss	(1,310.51)	(728.71)
TOTAL	8,847.79	8,448.13
(ii) Current	3,33,328.74	2,79,887.82
Less : Allowance for expected credit loss	(4,130.96)	(3,535.62)
TOTAL	3,29,197.78	2,76,352.20
8. LOANS		
(Unsecured Considered good)		
(i) Non Current		
Loan to related parties (Refer Note 46)		
to Subsidiaries	51,029.68	46,869.57
to Joint Venture Company	365.25	365.25
TOTAL	51,394.93	47,234.82
(ii) Current		
Loan to related parties (Refer Note 46)		
to Subsidiaries	2,507.56	1,303.56
TOTAL	2,507.56	1,303.56
9. OTHER FINANCIAL ASSETS		
(i) Non Current		
Security Deposits	3,219.52	3,822.73
TOTAL	3,219.52	3,822.73
(ii) Current		
Security Deposits	1,076.46	806.26
Accrued Income	673.60	8.68
Others	816.34	2,457.80
TOTAL	2,566.40	3,272.74

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 1st April, 2017	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2018
10. DEFERRED TAX ASSET (NET)				
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	4,878.86	(1,360.00)	(553.67)	2,965.19
Provision for Expected Credit Loss and Fair value of financial assets and liabilites	816.58	357.32	307.14	1,481.04
Employee benefits	68.74	-	(48.91)	19.83
TOTAL	4,103.18	(683.73)	(295.44)	3,124.01

Particulars	As at 1st April, 2016	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2017
2016-17				
Deferred tax assets / (liabilities) in relation to:				
Property, Plant and Equipment	(1,779.00)	118.00	-	(1,661.00)
Expenses deductible / income taxable in other tax accounting period	3,593.73	644.91	640.22	4,878.86
Provision for Expected Credit Loss and Fair value of financial assets and liabilites	762.86	470.09	(416.37)	816.58
Employee benefits	13.67	-	55.07	68.74
TOTAL	2,591.26	1,233.00	278.92	4,103.18

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
11.	**OTHER ASSETS**		
(i)	Non Current		
	Capital Advances	2,945.47	773.29
	Advance Rental	420.97	-
	Prepaid Expenses	74.16	37.83
	VAT Credit and WCT Receivable	713.66	3,737.66
	Advance to Suppliers	-	810.31
	TOTAL	4,154.26	5,359.09
(ii)	Current		
	Taxes and duties Recoverable	958.83	1,868.08
	Cenvat Credit Receivable	-	2,154.08
	VAT Credit and WCT Receivable	11,596.35	8,427.75
	GST Receivable	17,646.51	-
	Export Benefits Receivable	3,407.00	2,479.80
	Taxes Paid Under Protest	1,118.14	1,161.06
	Advance to Suppliers	9,784.70	5,037.54
	Prepaid Expenses	3,975.45	3,640.98
	Amount Due from Customers under Construction Contracts	84,831.44	43,902.80
	Advance Rental	210.48	210.48
	Others	38.71	-
	TOTAL	1,33,567.61	68,882.57

11.1	**Amount due from/ (to) Customers under Construction Contracts in progress at the end of the reporting period**		
	Construction cost incurred plus recognised profits less recognised losses to date	11,69,963.60	8,32,240.86
	Less: Progress billing	11,08,440.16	8,04,371.74
		61,523.44	27,869.12
	Recognised as amounts due:		
	- from Customers under Construction Contract	84,831.44	43,902.80
	- to Customers under Construction Contract (Refer Note 22)	(23,308.00)	(16,033.68)
		61,523.44	27,869.12

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
12. INVENTORIES		
Raw Materials and Components	19,231.55	22,837.48
(including goods in transit ₹491.66 lakhs)(Previous Year ₹ Nil)		
Work-in-progress	3,218.67	3,188.07
Finished goods	9,498.41	7,658.63
Store, Spares, Construction Materials and Tools	15,625.31	11,103.74
Construction Work-in-Progress	336.57	450.62
Scrap	372.63	179.70
TOTAL	48,283.14	45,418.24

12.1 Amount of ₹ 60.12 Lakhs (Previous Year ₹ 38.43 Lakhs) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Inventories of ₹ 1030.90 Lakhs (Previous Year ₹ 1,423.71 Lakhs) are expected to be utilised after twelve months.

12.3 Refer accounting policy 4 F for valuation of inventories

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
13. CASH AND CASH EQUIVALENTS		
Balance With Banks		
In Current Accounts	5,686.62	11,798.33
In Fixed Deposit Accounts	1,636.18	370.48
Cheques on hand	-	8,368.11
Cash on Hand	160.31	109.89
TOTAL	7,483.11	20,646.81

14. OTHER BALANCES WITH BANKS		
Unpaid Dividend Accounts	35.14	33.20
Deposits with original maturity more than 3 months but less than 12 months	644.82	418.00
TOTAL	679.96	451.20

15. CURRENT TAX		
Advance Income Tax and TDS (net of pro visions)	(1,648.44)	1,276.28
TOTAL	(1,648.44)	1,276.28

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
16. EQUITY		
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 2018		As at 31st March 2017	
	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 2018		As at 31st March 2017	
	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	1,21,62,067	7.93	1,32,15,867	8.61

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
17. OTHER EQUITY		
Share Premium Account :		
As per last Balance Sheet	77,942.17	77,942.17
Debentures Redemption Reserve :		
As per last Balance Sheet	7,500.00	2,500.00
Add : Transferred from Surplus in the Statement of Profit & Loss	5,000.00	5,000.00
Less : Transferred to General Reserve	2,500.00	-
	10,000.00	7,500.00
General Reserve :		
As per last Balance Sheet	29,308.74	28,308.74
Add : Transferred from Debenture Redemption Reserve	2,500.00	-
Add : Transferred from Surplus in the Statement of Profit & Loss	1,000.00	1,000.00
	32,808.74	29,308.74
Surplus in the Statement of Profit and Loss :		
As per last Balance Sheet	1,31,496.59	1,10,589.15
Add : Profit for the year	32,199.93	26,907.44
Less : Dividend on Equity Shares		
[Dividend per Share ₹ 2.00 (Previous Year ₹ Nil)]	3,069.21	-
Less : Corporate Tax on Dividend	555.92	-
Less : Transfer to Debenture Redemption Reserve	5,000.00	5,000.00
Less : Transfer to General Reserve	1,000.00	1,000.00
	1,54,071.39	1,31,496.59
Other Comprehensive Income / (Loss)		
As per last Balance Sheet	(1,445.47)	(918.51)
Add: Other comprehensive income / (loss) for the year	558.17	(526.96)
	(887.30)	(1,445.47)
TOTAL	2,73,935.00	2,44,802.03

17.1 Share premium account is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

17.2 Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

17.3 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, items included in the general reserve will not be reclassified subsequently to profit or loss.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018		As at 31st March, 2017	
	Non-Current	Current	Non-Current	Current
18. (i) NON CURRENT BORROWINGS				
Secured - At amortised cost				
Term Loan				
Foreign Currency Loans				
From Banks	-	-	-	2,074.84
Rupee Loans				
From Banks	9,119.92	3,324.90	12,115.46	2,206.26
Unsecured - At amortised cost				
Non-Convertible Redeemable Debentures	30,000.00	10,000.00	20,000.00	10,000.00
Amount disclosed under the head "Other				
Financial Liabilities" (Refer Note 20)	-	(13,324.90)		(14,281.10)
TOTAL	39,119.92	-	32,115.46	-

18.1 Details of Unsecured Non-Convertible Redeemable Debentures :

Redemption Profile	As at 31st March, 2018	As at 31st March, 2017	Interest	Date of Allotment
Redeemable at face value in 2 equal annual instalments starting from 27.09.2021	10,000.00	-	8.11% p.a. payable annually	September 27, 2017
Redeemable at face value in 3 equal annual instalments starting from 25.05.2020	10,000.00	-	8.45% p.a. payable annually	May 25, 2017
Redeemable at face value on 15.05.2020	10,000.00	10,000.00	7.90% p.a. payable annually	March 17, 2017
Redeemable at face value on 20.05.2018	10,000.00	10,000.00	9.55% p.a. payable annually	March 26, 2015
Redeemable at face value on 05.09.2017	-	10,000.00	10.50% p.a. payable quarterly	September 5, 2014

18.2 Foreign Currency Loans from Banks

(a) ₹ Nil (Previous Year ₹ 1,296.77 Lakhs) carries interest of 6 months Libor + spread secured by exclusive charge over entire current assets, escrow of receivables including receivables pertaining to Rwanda Project and is repayable in 7 Equal monthly instalment ending on October 28, 2017.

(b) ₹ Nil (Previous Year ₹ 778.07 Lakhs) carries interest of 6 months Libor + spread secured by exclusive charge over entire

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

18.3 Rupee Loans from Banks

(a) ₹ 494.82 Lakhs (Previous Year ₹ 321.72 Lakhs) carries interest in range of 9.00% - 11.00% p.a. and is repayable in 36 equal monthly instalments along with interest. The Loan is secured by hypothecation of specific Vehicles.

(b) ₹ 2,500.00 Lakhs (Previous Year ₹ 3,500 Lakhs) carries interest in the range of 9.30% - 9.80% p.a.,secured by hypothecation of specific moveable fixed assets and is repayable in 22 Equal Quarterly instalment ending on December 31, 2019.

(c) ₹ 9,450.00 Lakhs (Previous Year ₹ 10,500.00 Lakhs) carries interest in the range of 9.35% - 9.40% 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 55,64,069 number of equity shares in Shree Shubham Logistics Limited. It is repayable in 20 Equal Quarterly instalment ending on September 30, 2022.

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
18. (ii) CURRENT BORROWINGS		
Secured		
Working Capital Facilities from Banks	24,087.44	22,619.24
Unsecured		
Short Term Loans from Banks	885.58	527.20
TOTAL	24,973.02	23,146.44

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. 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.

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
19. TRADE PAYABLE		
(i) Non Current		
Others	9,478.29	3,610.54
TOTAL	9,478.29	3,610.54
(ii) Current		
Micro and Small Enterprises	3,196.87	1,586.87
Others	1,94,193.23	1,54,632.25
TOTAL	1,97,390.10	1,56,219.12

All current trade payables are non interest bearing and payable or settled with in normal operating cycle of the Company.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
20. OTHER FINANCIAL LIABILITIES		
Current		
Current maturities of long term debt (Refer Note 18)	13,324.90	14,281.10
Creditors for capital expenditure	1,410.46	704.43
Interest accrued but not due on borrowings	2,012.43	959.17
Unpaid Dividend	35.14	33.20
Others	207.15	-
TOTAL	16,990.08	15,977.90
21. PROVISIONS		
(i) Non Current		
Provision for employee benefits	881.96	745.00
Provision for Performance Warranties (Refer Note 37)	1,762.93	1,420.26
TOTAL	2,644.89	2,165.26
(ii) Current		
Provision for employee benefits	151.09	226.95
Provision for Performance Warranties (Refer Note 37)	21,344.51	20,885.91
Provision for Expected Loss on Long Term Contracts	4,895.02	8,527.83
TOTAL	26,390.62	29,640.69
22. OTHER LIABILITIES		
(i) Non Current		
Deposit from Customer	5,125.15	-
Other Payable	255.96	195.75
TOTAL	5,381.11	195.75
(ii) Current		
Amount Due to Customers under Construction Contracts	23,308.00	16,033.68
Advance from Customers	95,774.86	78,522.22
Statutory Liabilities	7,471.85	4,674.96
Deferred Income	287.00	359.86
TOTAL	1,26,841.71	99,590.72

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in lakhs)

	2017-18	2016-17
23. REVENUE FROM OPERATIONS		
Sale of Products		
Tower Parts & Components	75,297.81	61,921.32
Others	7,208.37	5,550.47
Income from EPC contracts	4,89,453.97	4,27,053.64
Income from other Services	116.18	956.57
Other Operating Income		
Sale of Scrap	5,616.44	5,196.94
Certified Emission Reduction Receipts	157.55	394.72
TOTAL	5,77,850.32	5,01,073.66
24. OTHER INCOME		
Interest Income		
On financial assets carried at amortised cost		
On Loans	3,933.73	4,115.18
On bank deposits	58.95	106.07
Others	322.15	274.65
Dividend Income		
Dividend from investment in subsidiaries	338.44	225.63
Dividend from investment measured at FVTPL	2.81	3.58
Other non operating income		
Rent Income	112.20	56.80
Insurance Claims	19.09	71.95
Liabilities Written Back	0.36	3.45
Miscellaneous Income	5.05	2.97
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	(1.62)	28.11
Gain / (Loss) on disposal of property, plant and equipments (net)	(63.14)	(41.82)
Others	72.86	87.80
TOTAL	4,800.88	4,934.37

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in lakhs)

	2017-18	2016-17
25. COST OF MATERIAL CONSUMED		
Raw Materials		
Steel	70,383.89	55,075.48
Zinc	15,054.81	11,069.65
Components & Accessories, etc	1,75,050.19	1,34,394.74
Agricultural Residues	3,670.98	2,892.88
TOTAL	2,64,159.87	2,03,432.75
26. CHANGES IN INVENTORIES		
STOCK AT BEGINNING OF THE YEAR		
Finished Goods		
Towers Parts	7,658.63	8,425.19
Others	-	7.57
	7,658.63	8,432.76
Semi-finished Goods	3,188.07	2,410.68
Scrap	179.70	292.90
	11,026.40	11,136.34
STOCK AT CLOSE OF THE YEAR		
Finished Goods		
Towers Parts	9,498.41	7,658.63
Semi-finished Goods	3,218.67	3,188.07
Scrap	372.63	179.70
	13,089.71	11,026.40
TOTAL	(2,063.31)	109.94
27. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus	32,246.55	27,166.87
Contributions to Provident and Other Funds (includes social security and other benefits for overseas employees)	1,845.06	1,366.25
Employees' Welfare Expenses	782.47	647.10
TOTAL	34,874.08	29,180.22
28. FINANCE COSTS		
Interest	9,526.47	8,676.76
Other Borrowing Costs	785.69	1,162.51
Exchange Rate variation	16.37	(20.96)
TOTAL	10,328.53	9,818.31

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in lakhs)

	2017-18	2016-17
29. OTHER EXPENSES		
Job Charges	5,759.91	4,752.33
Power and Fuel	1,817.81	1,753.86
Excise Duty	(456.73)	55.27
Repairs and Maintenance:		
Plant and Machinery	278.94	360.78
Building	297.84	272.85
Others	55.56	53.91
Freight and Forwarding Expenses	13,187.26	6,903.27
Stores, Spares and Tools Consumed	1,368.36	1,191.17
Vehicle/ Equipment Running and Hire Charges	323.98	320.16
Testing Expenses	128.63	390.75
Pollution Control Expenses	188.81	151.25
Insurance	2,265.28	2,258.71
Rent	3,688.13	3,201.32
Rates, Taxes and Duties	1,944.51	6,454.65
Stationery, Printing and Drawing Expenses	416.23	321.11
Telecommunication Expenses	434.16	444.01
Travelling Expenses	4,309.19	3,774.31
Legal and Professional Expenses	3,376.67	4,983.23
Service Charges	2,774.46	3,156.97
Auditor's Remuneration		
Audit Fees	75.00	70.00
Other Services & Reports	24.66	26.11
Reimbursement of Expenses	2.93	3.43
Service Tax	1,902.56	5,345.77
Bank Commission and Charges (including ECGC Premium)	8,337.28	7,379.54
Allowance for Expected Credit Losses	1,420.17	(262.93)
Performance Warranties Expenses	1,172.13	4,715.72
Diminution in value of Investments / Loans	-	(1.12)
Expenses towards Contractual Deductions	2,210.12	1,384.12
Bad Debt Written Off	788.01	-
Loss on Material Damaged / Lost / Fire	47.89	685.99
Loss / (Gain) on Exchange Rate Variation	828.85	672.86
Sitting Fees & Commission to Non-Executive Directors	433.30	427.45
Corporate Social Responsibility Expenses	223.44	73.08
Carbon Credit Expenses	30.04	27.02
Miscellaneous Expenses *	4,315.05	2,922.78
TOTAL	63,970.43	64,269.73

* includes ₹ Nil (Previous year - ₹ 400 lakhs) towards contribution to Electoral Trust

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
30. CONTINGENT LIABILITIES IN RESPECT OF		
(a) Bank guarantees given by the Company	765.69	701.44
(b) Bills Discounted with Banks	-	527.20
(c) Claims against Company not acknowledged as debt	1,416.25	1,252.82
(d) Demands by Excise/Income Tax/Stamp Duty and other Tax/ Revenue Authorities, disputed by the company	1,965.42	4,413.99
(e) VAT/WCT demands disputed in Appeals	6,743.95	4,923.02
(f) Corporate Guarantee / Letter of Comfort given for loan given to a subsidiaries	24,000.00	19,500.00
(g) Corporate Guarantee given for performance on behalf of a subsidiary company	126.50	126.50
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)	4,282.76	1,331.82

(b) During the year, Company has given undertakings to the term lenders of Alipurduar Transmission Limited and subsequent to the year end to Kohima Mariani Transmission Limited to meet cost overrun of the Project.

(₹ in lakhs)

	2017-18		2016-17	
32. CIF VALUE OF IMPORTS				
Raw Material and Components		6,793.37		4,828.85
Stores, Spares & Tools		406.94		863.26
Capital Goods		1,452.88		693.03
33. COMPOSITION OF MATERIALS CONSUMED				
Indigenous	2,12,759.27	80.54%	1,51,176.34	74.31%
Imported	51,400.60	19.46%	52,256.42	25.69%
Total	2,64,159.87	100.00%	2,03,432.76	100.00%

(₹ in lakhs)

	2017-18	2016-17
34. EXPENDITURE IN FOREIGN CURRENCY		
Legal, Professional & Consultancy Fees	960.77	1,653.36
Dividend *	6.00	-
Travelling Expenses	841.25	586.49
Service Charges	6,827.32	2,802.00
Interest	34.31	82.09
Third Country Purchases	45,951.24	48,412.12
Others	34,445.49	15,458.57
* No. of non-resident Shareholder	1	-
No. of Equity Shares held by them	3,00,000	-
Year to which dividend relates	2016-17	-

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in lakhs)

		2017-18	2016-17
35.	**EARNINGS IN FOREIGN CURRENCY**		
	Export of goods on FOB basis	1,61,987.00	1,29,889.00
	Services	1,546.36	1,204.84
	Overseas Projects Earnings	17,265.08	17,857.52
	Certified Emission Reduction (CER's)	157.55	394.72
36.	**CSR EXPENDITURE**		
	(a) Gross amount required to be spent by the company during the year	212.41	118.09
	(b) Amount spent on purposes other than construction/ acquisition of any assets	223.44	73.08
37.	**THE DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES**		
	Carrying amount at the beginning of the year	22,306.17	19,360.83
	Add: Provision/Expenses during the year	7,246.72	6,113.70
	Less : Reversal of Provision on finality of Warrantee & Guarantee	6,037.70	1,399.62
	Less : Utilisation during the year	407.75	1,768.74
	Carrying amount at the close of the year	23,107.44	22,306.17
38.	**EARNINGS 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)	32,199.93	26,907.44
	Basic and Diluted Earnings Per Share (₹)	20.98	17.54
	Nominal value of Equity Share (₹)	2.00	2.00
39.	**ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF**		
	Subcontracting expenses	87,700.25	79,377.91
	Construction material, stores and spares consumed	26,180.18	26,827.71
	Power and fuel	3,969.10	2,444.87
	Freight and Forwarding Expenses	4,615.53	3,381.08
	Vehicle and Equipment Hire Charges	8,823.91	7,558.93
	Custom Duty, Clearing & Handling Charges	7,695.61	7,127.15
	Service Charges	1,112.49	1,403.22
	Others	9,960.60	11,381.12
	TOTAL	1,50,057.67	1,39,501.99
40.	**RESEARCH AND DEVELOPMENT EXPENSES**		
	(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 Sales of scrap	705.64	533.28
	(ii) Revenue Expenditure		
	Cost of Materials Consumed	457.14	939.98
	Employee Benefits Expenses	555.10	510.87
	Depreciation	68.14	64.68
	Excise Duty / GST	72.47	117.50
	Other Expenses	254.17	581.58
	(b) Capital Expenditure	96.33	135.02

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

41. 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 are charged as rent and equipment hire charges in these accounts amounting to ₹ 6,886.49 Lakhs (previous year ₹ 5,936.72 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 ₹ 2,805.05 Lakhs (previous year ₹ 1,875.08 Lakhs), for later than 1 year but not later than 5 years is ₹ 2,924.81 Lakhs (previous year ₹ 716.39 Lakhs) and for later than 5 years but not later than 9 years is ₹ 934.71 Lakhs (previous year ₹ 14.56 Lakhs).

42. Disclosure under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

(₹ in lakhs)

	As at 31st March, 2018	Maximum Balance during the year 2017-18	As at 31st March, 2017	Maximum Balance during the year 2016-17
42.1 Details of loans given				
Shree Shubham Logistics Limited	6,386.18	6,386.18	5,861.23	6,305.63
Energy Link (India) Limited	-	-	-	51.00
Amber Real Estate Limited	14,127.23	15,273.63	14,908.63	15,839.30
Kalpataru Power Transmission (Mauritius) Limited	769.10	769.10	766.68	6,050.09
Adeshwar Infrabuild Limited	21.80	21.80	21.50	21.50
Kalpataru Satpura Transco Private Limited	600.00	767.00	767.00	967.00
Saicharan Properties Private Limited	26,961.72	26,961.72	23,466.98	26,624.93
Alipurduar Transmission Limited	3,554.55	3,554.55	2,632.73	2,632.73
Kohima Mariani Transmission Limited	2,507.56	2,507.56	1,303.56	1,303.56
Jhajjar KT Transco Private Limited	365.25	365.25	365.25	830.68
Crest Ventures Limited	-	-	-	4,000.00
Priyanka Finance Private Limited	-	1,500.00	-	1,531.72
	55,293.39		50,093.56	
42.2 Investment by above entities in their Subsidiaries.				
Shree Shubham Logistics Limited	1,988.10		1,988.10	
Energy Link (India) Limited	5,005.00		5,005.00	
Kalpataru Power Transmission (Mauritius) Limited	139.30		139.30	

42.3 Details of Investments made by the company are given in Note 6 . Details of guarantees provided are given in Note 30.

42.4 All loans given and guarantees provided are for the purposes of the business.

43. A sum of ₹157.55 Lakhs received (Previous Year ₹ 394.72 Lakhs) from 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. There is no CER's under certification as on 31.03.2018.

44. 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 ₹ 1,113.23 Lakhs (Previous Year ₹ 924.22 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 ₹ 22.30 Lakhs (Previous Year ₹ 10.29 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.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(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 of the Life Insurance Corporation of India & Star Union Dai-ichi Life Insurance Company Ltd., 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.

(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)

		2017-18	2016-17
(i)	Expenses recognised during the year		
	In Income Statement	595.01	237.11
	In Other Comprehensive Income	(141.31)	159.11
		453.70	396.22
(ii)	Expenses recognised in the Income statement		
	Current Service Cost	603.19	242.23
	Net Interest Cost	(8.18)	(5.12)
	Expenses Recognized in the Income Statement	595.01	237.11
(iii)	Expenses recognised in other comprehensive income		
	Actuarial (gains) / losses		
	Change in financial assumptions	(88.14)	161.80
	Experience adjustments	(62.60)	(21.89)
	Return on plan assets	9.43	19.20
	Expenses Recognized in other comprehensive income	(141.31)	159.11

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
(iv)	Net Liability recognised in the Balance Sheet		
	Present value of obligation	2,398.23	1,987.64
	Closing Fair value of plan assets	2,436.94	1,946.17
	Assets/ (Liability) Recognized in Balance Sheet	38.71	(41.47)

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
(v)	**Changes in Present Value of Obligations**		
	Present value of obligation at the beginning of the year	1,987.64	1,657.19
	Current service cost	603.19	242.23
	Interest cost	129.68	120.92
	Actuarial (gains) / losses arising from:		
	Changes in financial assumptions	(88.14)	161.80
	Changes in experience assumptions	(62.60)	(21.89)
	Benefits paid	(171.54)	(172.61)
	Present value of obligation at the end of the year	2,398.23	1,987.64
(vi)	**Bifurcation of present value of obligations into current and non-current**		
	Current Assets / (Liability)	38.71	(41.47)
	Non-current Liability	-	-
(vii)	**Actuarial assumptions used in determining the obligation are**		
	Discount rate	7.60%	7.10%
	Salary Escalation Rate	6.00%	6.00%
	Mortality Rate	As per Indian Assured Lives Mortality (2006-08) Table	
	Withdrawal Rate	2% to 6%	2% to 6%
	Retirement Age	58 years	58 years
(viii)	**Maturity Profile of Defined benefit obligation**		
	1 year	501.97	257.99
	2 year	215.03	159.95
	3 year	246.10	193.59
	4 year	192.14	198.17
	5 year	212.95	169.66
	after 5 years	943.02	797.48
(ix)	**Quantitative sensitivity analysis for significant assumptions**		
	Defined Benefits Obligation (Base) (₹ in Lakhs)	2,398.23	1,987.64
	Impact of change in discount rate		
	Impact due to increase of 0.50%	2,315.98	1,798.62
	Impact due to decrease of 0.50%	2,486.38	1,937.93
	Impact of change in salary increase		
	Present value obligation at the end of the period		
	Impact due to increase of 0.50%	2,468.75	1,923.28
	Impact due to decrease of 0.50%	2,327.69	1,808.97

Sensitivities due to mortality and rate of withdrawals are insignificant and therefore, ignored.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(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 and therefore, there is no material investment risk.

45. (1) The company has entered into consortium with

Sr No.	Name of Joint arrangement	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	84%
i	AER Construction and Development Co. Inc. for transmission line projects as "KPTL and AER Consortium"	Member	Philippines	59%
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	72%
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%

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.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(2) In respect of contract executed in Joint Ventures, the services rendered to them accounted as revenue for the work done. Details of Joint Ventures are as follows:-

Name of the Joint Ventures (incorporated in India)	Share of Interest
Jhajjar KT Transco Private Limited	49.72%

(3) Summarised financial information in respect of the company's material joint venture is set out below.

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-current Assets	27,422.33	28,506.01
Current Assets	2,500.11	3,155.20
Non-current Liabilities	18,059.33	20,455.98
Current Liabilities	1,987.03	2,574.17
Net Assets	9,876.08	8,631.06
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	963.49	1,100.10
Current Financial Liabilities (excluding trade payables and provisions)	1,857.51	2190.81
Non-current Financial Liabilities (excluding trade payables and provisions)	16,982.41	18,813.78

Particulars	2017-18	2016-17
Revenue	4,131.47	4,058.07
Profit for the year*	1,245.02	781.82
Other Comprehensive Income	-	-
Total Comprehensive Income for the year	1,245.02	781.82
Dividends received from the Joint Venture during the year	-	-
*include the following :		
Depreciation and amortisation	-	-
Interest income	75.18	108.10
Interest expense	1,962.35	2,194.13
Income tax expense (net)	157.04	413.77

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

46. 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	
	Kohima Mariani Transmission Limited	
(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 (w.e.f April 1, 2017)
	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	

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

Transactions with Related Parties in ordinary course of business are:

(₹ in Lakhs)

	Particulars	Relationship	2017-18	2016-17
1	Investment in Equity Shares			
	Alipurduar Transmission Limited	Subsidiary	7,007.00	7,490.00
	Shree Shubham Logistics Limited	Subsidiary	-	7,000.00
	Energy Link (India) Limited	Subsidiary	-	5,100.00
	Kohima Mariani Transmission Limited	Subsidiary	-	1.00
2	Net Loans and advances given/(returned)			
	Shree Shubham Logistics Limited	Subsidiary	-	(1,000.00)
	Amber Real Estate Limited	Subsidiary	(1,765.00)	(880.00)
	Alipurduar Transmission Limited	Subsidiary	707.00	976.55
	Kalpataru Satpura Transco Pvt. Limited	Subsidiary	(167.00)	(200.00)
	Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	-	347.16
	Adeshwar Infrabuild Limited	Subsidiary	0.30	0.50
	Kohima Mariani Transmission Limited	Subsidiary	1,204.00	1,303.56
	Saicharan Properties Limited	Indirect Subsidiary	1,855.00	(3,041.85)
	Jhajjar KT Transco Private Limited	Joint Venture	-	(465.43)
3	Advance For Capex			
	Gurukrupa Developers	Enterprises having significant influence	248.59	66.66
	Shree Shubham Logistics Limited	Subsidiary	2,525.00	-
4	Revenue from Operations			
	JMC Projects (India) Limited	Subsidiary	2,059.40	3,566.79
	Kalpataru IBN Omairah Company Limited	Subsidiary	206.30	6,747.72
	Jhajjar KT Transco Private Limited	Joint Venture	146.19	151.23
	Alipurduar Transmission Limited	Subsidiary	51,808.56	6,796.27
	Kohima Mariani Transmission Limited	Subsidiary	95.08	-
	Kalpataru Metfab Private Limited	Subsidiary	0.48	-
5	Other Income			
	Energy Link (India) Limited	Subsidiary	-	3.18
	Amber Real Estate Limited	Subsidiary	1,092.89	1,138.15
	Shree Shubham Logistics Limited	Subsidiary	706.16	734.80
	JMC Projects (India) Limited	Subsidiary	399.55	285.91
	Kalpataru Satpura Transco Private Limited	Subsidiary	0.12	0.12
	Kalpataru Metfab Private Limited	Subsidiary	0.12	0.12
	Saicharan Properties Limited	Indirect Subsidiary	1,821.93	2,046.72
	Jhajjar KT Transco Private Limited	Joint Venture	34.76	60.36
	Alipurduar Transmission Limited	Subsidiary	238.75	69.75

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For the year ended March 31, 2018

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For the year ended March 31, 2018

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

Balance with Related Parties

(₹in Lakhs)

	Particulars	Relationship	As at 31st March, 2018	As at 31st March, 2017
1	**Loans Given**			
	Amber Real Estate Limited	Subsidiary	14,127.23	14,908.63
	Shree Shubham Logistics Limited	Subsidiary	6,386.18	5,861.23
	Alipurduar Transmission Limited	Subsidiary	3,554.55	2,632.73
	Adeshwar Infrabuild Limited	Subsidiary	21.80	21.50
	Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	769.11	766.68
	Kalpataru Satpura Transco Private Limited	Subsidiary	600.00	767.00
	Kohima Mariani Transmission Limited	Subsidiary	2,507.56	1,303.56
	Saicharan Properties Limited	Indirect Subsidiary	26,961.72	23,466.98
	Jhajjar KT Transco Private Limited	Joint Venture	365.25	365.25
2	**Trade Receivable**			
	JMC Projects (India) Limited	Subsidiary	1,667.72	2,002.71
	Jhajjar KT Transco Private Limited	Joint Venture	32.55	5.61
	Kalpataru IBN Omairah Company Limited	Subsidiary	934.50	2,989.84
	Alipurduar Transmission Limited	Subsidiary	12,494.31	5,315.00
	Shree Shubham Logistics Limited	Subsidiary	-	0.94
	Kohima Mariani Transmission Limited	Subsidiary	95.08	-
3	**Advances given**			
	JMC Projects (India) Limited	Subsidiary	88.43	-
	Kalpataru IBN Omairah Company Limited	Subsidiary	-	212.83
	Gurukrupa Developers	Enterprises having significant influence	389.22	140.63
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	210.49
	Kalpataru Satpura Transco Private Limited	Subsidiary	5.04	-
	Shree Shubham Logistics Limited	Subsidiary	2,525.00	-
4	**Security Deposit Given**			
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	3,466.68	3,241.28
	Kalpataru Enterprises	Enterprises having significant influence	-	0.75
5	**Security Deposit Received**			
	JMC Projects (India) Limited	Subsidiary	26.46	3.20
6	**Advances From Customers**			
	Kalpataru IBN Omairah Company Limited	Subsidiary	-	1.34
	Alipurduar Transmission Limited	Subsidiary	3,409.76	8,856.23

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹in Lakhs)

Particulars	Relationship	As at 31st March, 2018	As at 31st March, 2017
7 Trade Payable			
JMC Projects (India) Limited	Subsidiary	-	528.31
Kalpataru Power Transmission USA Inc.	Subsidiary	70.82	117.02
Energylink (India) Limited	Subsidiary	2.32	2.04
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	1.95	3.73
Property Solutions (I) Private Limited	Enterprises having significant influence	33.73	15.09
Argos International Marketing Private Limited	Enterprises having significant influence	-	3.01
Argos Arkaya Power Solutions LLP	Enterprises having significant influence	24.71	-
Kalpataru Limited	Enterprises having significant influence	12.56	14.09
Mr. Manish Mohnot	Key Managerial Personnel	664.29	512.58
Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	669.75	150.00
Mr. Parag Munot	Promoter Director	240.00	100.00
8 Guarantee Commission Receivable			
Shree Shubham Logistics Limited	Subsidiary	4.03	-
Kohima-Mariani Transmission Limited	Subsidiary	19.78	-
Punarvasu Financial Services Private Limited	Indirect Subsidiary	0.89	-
9 Guarantee Outstanding			
JMC Projects (India) Limited	Subsidiary	-	2,500.00
Shree Shubham Logistics Limited	Subsidiary	21,500.00	16,000.00
Kalpataru Satpura Transco Private Limited	Subsidiary	1,712.25	996.94
Saicharan Properties Limited	Subsidiary	126.50	126.50
Punarvasu Financial Services Private Limited	Indirect Subsidiary	1,500.00	-

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.

47. RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit before tax	49,933.66	40,257.44
Income tax calculated at 34.61%	17,282.12	13,933.10
Tax effect of adjustment to reconcile reported income tax expenses		
Income exe	(105.91)	(69.22)
Tax Impact of Permanent allowances / disallowances	452.36	(155.05)
Tax concessions	(456.84)	(496.29)
Impact of foreign Taxes	562.00	-
Tax Impact of Temporary timing differences	(683.73)	1370.46
Income tax expenses recognised in the statement of profit and loss	17,050.00	14,583.00

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

48. 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)

Gearing ratio	As at 31st March, 2018	As at 31st March, 2017
Debt *	77,417.84	69,543.00
Cash and bank balances	(7,483.11)	(20,646.81)
Net debt	69,934.73	48,896.19
Total Equity	277,004.21	247,871.24
Net debt to equity ratio	0.25	0.20

* 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.

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Financial assets		
Measured at fair value through Profit and Loss		
Investments	1,310.11	1,256.20
Measured at cost		
Investments	77,182.93	70,340.20
Measured at amortised cost		
(i) Trade receivables	3,38,045.57	2,84,800.33
(ii) Loans	53,902.49	48,538.38
(iii) Cash and cash equivalents	7,483.11	20,646.81
(iv) Other balances with Bank	679.96	451.20
(v) Others	5,785.92	7,095.47
Financial liabilities		
Measured at amortised cost		
(i) Borrowings	64,092.94	55,261.90
(ii) Trade payables	2,06,868.39	1,59,829.66
(iii) Other financial liabilities	16,990.08	15,977.90

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

Financial Risk Management

Financial Risk factors

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

"The Company operates internationally and a major portion of the business is transacted in several currencies and consequently the Company is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The company holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations are affected as the rupee appreciates/depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as at March 31, 2018

(₹ In Lakhs)

Particulars	USD	Euro	Others	Total
Loan	769.11	-	-	769.11
Cash & Cash Equivalents	2,949.86	172.10	958.36	4,080.32
Other Balances with Banks	-	-	-	-
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

The following table analyses foreign currency risk from financial instruments as at March 31, 2017

(₹ In Lakhs)

Particulars	USD	Euro	Others	Total
Loan	766.68	-	-	766.68
Cash & Cash Equivalents	7,291.93	-	3,239.15	10,531.08
Other Balances with Banks	-	-	-	-
Trade Receivable	86,080.72	17,022.67	30,632.06	133,735.45
Other Financials Assets	213.30	0.20	512.88	726.38
Total Asset	94,352.63	17,022.87	34,384.09	145,759.59
Borrowing	2,269.35	-	527.20	2,796.55
Trade Payable	43,469.02	5,848.75	12,068.16	61,385.93
Other Financials Liabilities	2,074.84	15.28	-	2,090.12
Total Liabilities	47,813.21	5,864.03	12,595.36	66,272.60
Net Assets / (Liabilities)	46,539.42	11,158.84	21,788.73	79,486.99

Note : The company is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of USD and Euro is given below:

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

Sensitivity Analysis

For the year ended March 31, 2018 and March 31, 2017, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/EURO would impact company's profit before tax by approximately 8.99% and 7.17% 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.

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	78,286.86	(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

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For the year ended March 31, 2018

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Lakhs)	Nominal Amount (₹ in Lakhs)	MTM Value (₹ in Lakhs)
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

As at 31st March, 2017

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Lakhs)	Nominal Amount In (₹ in Lakhs)	MTM Value (₹ in Lakhs)
Cash Flow Hedges (Routed through OCI)				
Sell USD Buy INR				
Maturing less than 3 months	69.64	USD 20.00	1,392.80	80.60
Maturing in 6 months to 9 months	71.27	USD 40.00	2,850.75	175.81
Maturing in 9 months to 12 months	71.95	USD 24.57	1,767.76	108.95
Total/Average	71.08	USD 84.57	6,011.31	365.36

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For the year ended March 31, 2018

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (In Lakhs)	Nominal Amount In (₹ in Lakhs)	MTM Value (₹ in Lakhs)
Sell PLN Buy USD				
Maturing in 3 months to 6 months	15.49	PLN 76.80	1,189.41	(60.44)
Maturing in 6 months to 9 months	16.26	PLN 84.20	1,368.78	(1.40)

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

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 at	
	31st March, 2018	31st March, 2017
Not Due	3,20,846.55	2,69,125.45
Past due up to 1 years	11,109.96	6,157.34
From 1 year to 2 years	4,948.72	3,058.51
From 2 year to 3 years	1,495.07	5,340.44
Above 3 years	5,086.74	5,382.92
	3,43,487.04	2,89,064.66

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 on this account has been considered. 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, 2018	31st March, 2017
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%

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ In Lakhs)

	2017-18
Balance as at April 1, 2017	4,264.33
Impairment loss recognised (net)	1,177.14
Balance as at March 31, 2018	5,441.47

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 maximum exposure in this respect is the maximum amount the company would have to pay if the guarantees/LOC are called on. (refer note 30)

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant financial liabilities.

(₹ In Lakhs)

Particulars	31st March, 2018		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	1,95,441.53	11,426.86	2,06,868.39
(ii) Borrowings	24,973.02	39,119.92	64,092.94
(iii) Other financial liabilities	16,990.08	-	16,990.08
Total			2,87,951.41

Particulars	31st March, 2017		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	1,51,747.06	8,082.60	1,59,829.66
(ii) Borrowings	23,146.44	32,115.46	55,261.90
(iii) Other financial liabilities	15,977.90	-	15,977.90
Total			2,31,069.46

The above table does not include liability on account of future interest obligation.

The company had undrawn borrowing facilities from banks amounting to ₹ 53,412.56 Lakhs (Previous Year ₹ 54,879.00 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.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

Interest Rate Sensitivity Analysis

For the year ended March 31, 2018 and March 31, 2017, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact company's profit before tax by approximately 0.75 % and 1.0 % 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 8.22 % for FY 2017-18 and 7.89 % for FY 2016-17.

(₹ in Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Exposure as on 31st March 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)

(₹ in Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Exposure as on 31st March 2017				
Aluminium	Fixed Price Contracts	10,314.00	515.75	(515.75)
Zinc	Fixed Price Contracts	10,543.00	527.15	(527.15)
Steel	Fixed Price Contracts	42,674.00	2,133.70	(2,133.70)
Total		63,531.00	3,176.60	(3,176.60)

49. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE COMPANY AGAINST BORROWINGS.

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Property, Plant and Equipments	49,140.37	48,491.22
Inventories	46,654.94	43,815.56
Financial Assets (Non Current and Current)		
Receivables	3,29,197.78	2,75,868.51
Loans	2,507.56	1,303.56
Cash & cash equivalents	7,169.26	20,590.04
Other Balances with Banks	679.96	451.20
Total	4,35,349.87	3,90,520.09

50. 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.

NOTES ON FINANCIAL STATEMENT

For the year ended March 31, 2018

51. 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

(₹ In Lakhs)

		2017-18	2016-17
(a)	Revenue from Operations		
	within India	3,40,574.03	3,01,562.08
	Outside India	2,37,276.29	1,99,511.58
	Total	5,77,850.32	5,01,073.66

(₹ In Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
(b)	Non Current Assets *		
	within India	51,639.05	51,904.94
	Outside India	6,858.49	5,819.32
	Total	58,497.54	57,724.26

* Excludes Financial Assets and Deferred tax Asset.

51.1 Revenue from major customers - Public sector undertakings in India, is ₹ 2,18,709.58 Lakhs (Previous year ₹ 2,43,542.39 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

52. Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

53. The Board of Directors have recommended a dividend of ₹ 2.50 per equity share for the financial year 2017-18, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 4,485.99 Lakhs including Dividend distribution tax of ₹ 649.47 Lakhs, which has not been included as liability in these financial statements.

54. The Management is of the opinion that as at the Balance Sheet date, there are no indications of a material impairment in the value of Property, Plant and Equipments. Hence, the need to provide for an impairment loss does not arise.

55. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

For and on behalf of the Board

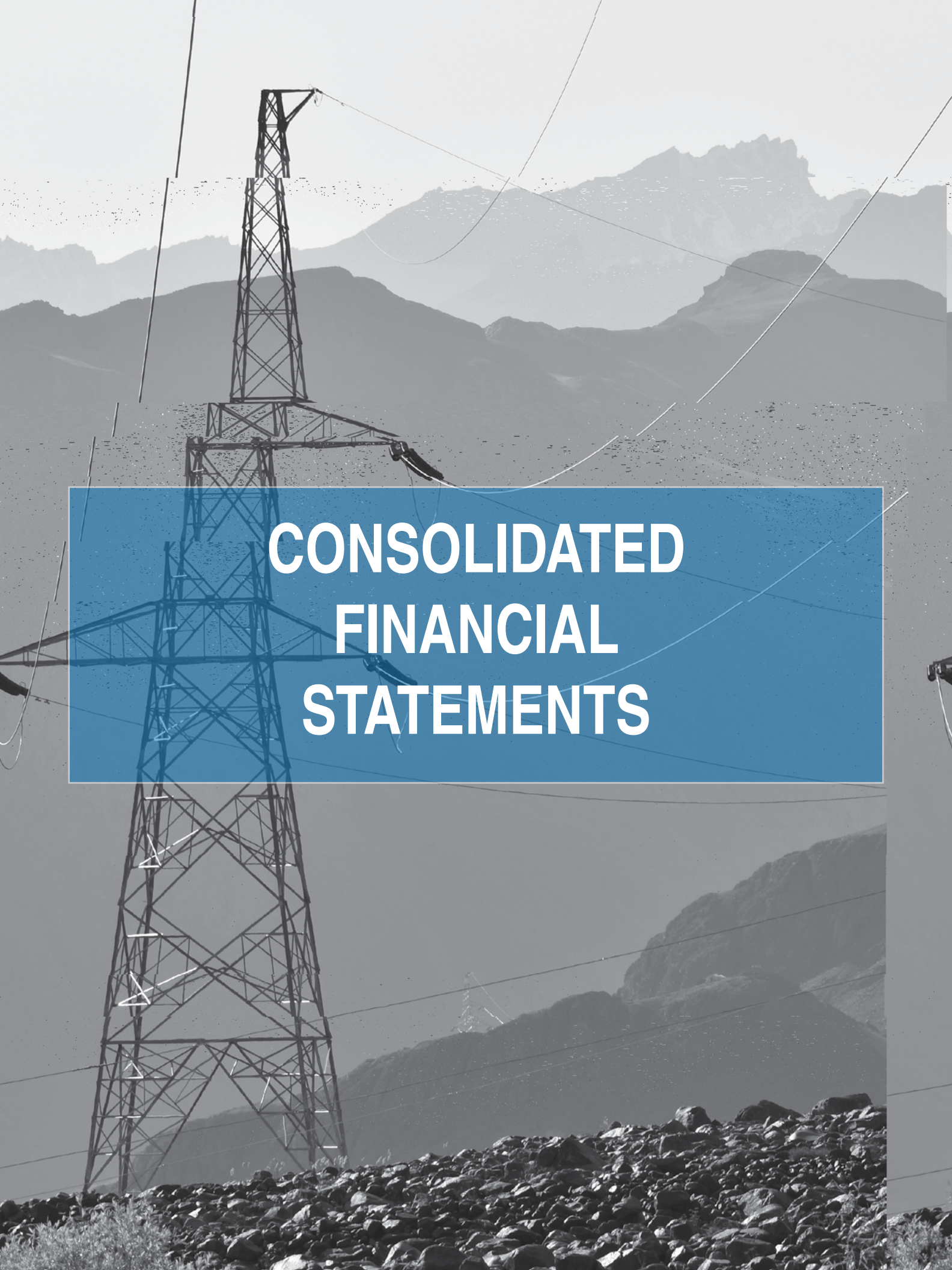
Kamal Kishore Jain
Director (Finance) & CFO

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Rahul Shah
Company Secretary

Parag Munot
Director
DIN: 00136337

Mumbai : May 25, 2018



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

TO
THE MEMBERS OF
KALPATARU POWER TRANSMISSION LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of KALPATARU POWER TRANSMISSION LIMITED (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which includes Group's share of profit in its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its Joint ventures in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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 Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

Opinion

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 the other auditors on separate financial statements of, the subsidiaries and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Ind AS and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matter

We did not audit the financial statements of 18 subsidiaries, whose financial statements reflect total assets of ₹ 623,749 Lakhs as at March 31, 2018, total revenues of ₹ 297,541 Lakhs and net cash inflows amounting to ₹ 14,779 Lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net loss of ₹ 1,684 Lakhs for the year ended March 31, 2018, as considered in the consolidated Ind AS financial statements, in respect of 2 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 Ind AS 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 reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries and joint venture companies incorporated in India, referred in the Other Matters paragraph above 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 Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns 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 Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2018 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies and joint venture companies incorporated in India, none of the directors of the Group companies and joint venture companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENT

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies and joint venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.

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

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary companies and joint venture companies incorporated in India.

For Deloitte Haskins and Sells,
Chartered Accountants
(Firm's Registration No. 117365W)

Gaurav J Shah
Partner
Membership No. 35701

Place: Mumbai
Date: May 25, 2018

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Kalpataru Power Transmission Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of KALPATARU POWER TRANSMISSION LIMITED (hereinafter referred to as "Parent") and its subsidiary companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and joint ventures, which are companies incorporated in India, 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 system over financial reporting of the Parent, its subsidiary companies, and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting 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

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the criteria for internal financial control over financial reporting established by the respective companies 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 13 subsidiary companies and 2 joint ventures, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For Deloitte Haskins and Sells,
Chartered Accountants
(Firm's Registration No. 117365W)

Gaurav J Shah
Partner
Membership No. 35701

Place: Mumbai
Date: May 25, 2018

CONSOLIDATED BALANCE SHEET

as at March 31, 2018

(₹ in Lakhs)

Particulars	Note	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipments	5(i)	1,36,755.13	1,33,918.25
(b) Capital Work in Progress		71,936.28	10,739.48
(c) Investment Property		82.13	82.13
(d) Goodwill		2,014.67	2,014.67
(e) Other Intangible Assets	5(ii)	1,67,302.38	1,70,077.35
(f) Intangible Assets Under Development		468.73	946.76
(g) Financial Assets			
(i) Investments	6	5,053.95	4,469.17
(ii) Trade Receivables	7(i)	11,443.69	11,977.01
(iii) Loans	8(i)	365.25	365.25
(iv) Others	9(i)	29,802.29	31,094.18
(h) Deferred Tax Assets (net)	10	13,447.81	11,119.79
(i) Non Current Tax Assets (net)	15(i)	2,248.82	2,565.00
(j) Other Non Current Assets	11(i)	4,403.72	11,718.96
		4,45,324.85	3,91,088.00
Current Assets			
(a) Inventories	12	99,212.53	93,266.34
(b) Financial Assets			
(i) Trade Receivables	7(ii)	3,95,512.48	3,39,356.23
(ii) Cash and Cash Equivalents	13	26,286.24	24,625.59
(iii) Other Balances with Banks	14	1,584.41	1,168.83
(iv) Loans	8(ii)	16,775.78	13,078.18
(v) Others	9(ii)	8,760.60	5,797.30
(c) Current Tax Assets (net)	15(ii)	1,120.95	2,667.81
(d) Other Current Assets	11(ii)	242,855.34	150,441.29
		7,92,108.33	6,30,401.57
Asset classified as held for sale	16	1,551.43	693.97
TOTAL ASSETS		1,238,984.61	1,022,183.54
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	17	3,069.21	3,069.21
(b) Other Equity	18	2,64,271.89	2,39,136.05
Equity Attributable to Owners of the Company		2,67,341.10	2,42,205.26
(c) Non-Controlling Interests	18.5	14,638.80	15,069.54
		2,81,979.90	2,57,274.80
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(i)	2,37,398.52	1,99,219.40
(ii) Trade Payable	20(i)	20,377.17	15,391.49
(iii) Other Financial Liabilities	21(i)	35,991.78	34,947.78
(b) Provisions	22(i)	10,437.82	8,356.23
(c) Deferred Tax Liabilities (net)	10	409.28	417.00
(d) Other Non-Current Liabilities	23(i)	50,574.37	37,381.05
		3,55,188.94	2,95,712.95
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19(ii)	61,695.04	58,154.31
(ii) Trade Payables	20(ii)	2,84,564.79	2,32,724.57
(iii) Other Financial Liabilities	21(ii)	67,588.62	36,328.26
(b) Provisions	22(ii)	30,809.56	32,431.70
(c) Other Current Liabilities	23(ii)	1,55,486.65	1,09,310.92
(d) Current Tax Liabilities (net)	15(iii)	1,671.11	246.03
		6,01,816.16	4,69,195.79
TOTAL EQUITY AND LIABILITIES		1,238,984.61	1,022,183.54
Significant Accounting Policies and Notes forming part of the Financial Statements	1 to 49		

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

Gaurav J Shah
Partner
Mumbai : May 25, 2018

Kamal Kishore Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Note	2017-18	2016-17
Revenue from Operations	24	8,74,172.13	7,62,914.80
Other Income	25	2,530.61	2,400.33
TOTAL INCOME		8,76,702.74	7,65,315.13
EXPENSES			
Cost of Materials Consumed	26	3,76,651.10	2,92,969.97
Changes in Inventories	27	(2,058.77)	1,442.24
Excise Duty on Sale of Goods		3,730.53	11,667.69
Erection, Sub-Contracting and other Project Expenses	42	2,44,913.99	2,29,770.05
Employee Benefits Expenses	28	63,815.35	54,910.38
Finance Costs	29	37,769.37	38,449.18
Depreciation and Amortization Expenses	5	19,150.87	18,053.23
Other Expenses	30	84,953.79	85,412.54
TOTAL EXPENSES		8,28,926.23	7,32,675.28
Profit Before Exceptional Items and Tax		47,776.51	32,639.85
Share of Profit/ (Loss) from Joint Venture		(1,684.12)	(3,160.38)
Exceptional Items		-	-
Profit Before Tax		46,092.39	29,479.47
Tax Expenses			
Current Tax		20,852.46	16,469.30
Deferred Tax		(2,586.46)	(2,719.20)
Profit for the year		27,826.39	15,729.37
Other Comprehensive Income			
Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating foreign operations		1,985.52	(2,277.33)
Gain/(Loss) on hedging instruments		(887.43)	1,203.03
Income tax on above items		(263.85)	(149.68)
		834.24	(1,223.98)
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		(36.17)	(193.67)
Income tax on Actuarial Gain / (Loss)		13.13	66.23
		(23.04)	(127.44)
Total Other Comprehensive Income/(Loss)		811.20	(1,351.42)
Total Comprehensive Income for the year		28,637.59	14,377.95
Profit for the year attributable to			
Owners of the Company		28,068.07	18,645.76
Non-controlling interest		(241.68)	(2,916.39)
Profit for the Year		27,826.39	15,729.37
Total Comprehensive Income for the year attributable to			
Owners of the Company		28,903.05	17,550.32
Non-controlling interest		(265.46)	(3,172.37)
Total Comprehensive Income for the year		28,637.59	14,377.95
Earnings per Equity Share (EPS) of ₹ 2 each			
Basic and Diluted (₹)	38	18.29	12.15
Significant Accounting Policies and			
Notes forming part of the Consolidated Financial Statements	1 to 49		

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

Gaurav J Shah
Partner
Mumbai : May 25, 2018

Kamal Kishore Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	2017-18	2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	27,826.39	15,729.37
Adjustments for :		
Income Tax Expense	18,266.00	13,750.10
Share of (Profit)/ Loss of Joint Venture	1,684.12	3,160.38
Depreciation and Amortization Expenses	19,150.87	18,053.23
Finance Costs	37,769.37	38,449.18
Dividend Income	(2.81)	(3.58)
Interest Income	(1,507.61)	(1,747.89)
Profit on sale of assets (net)	(398.83)	(173.76)
Bad Debt written off	848.39	-
Provision for Expected Credit Loss	7,193.52	2,005.04
Unrealised Foreign Exchange (Gain) / Loss (net)	(2,610.08)	1,733.07
Net (Gain) / Loss arising on financial assets measured at FVTPL	(10.93)	(28.11)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,08,208.40	90,927.03
Adjustments for:		
Trade and other Receivables	(1,48,335.70)	(61,666.01)
Inventories	(5,727.64)	(5,243.65)
Trade and other Payables	1,25,630.69	65,427.72
CASH GENERATED FROM OPERATIONS	79,775.75	89,445.09
Income Tax Paid	(17,570.39)	(12,809.37)
NET CASH GENERATED FROM OPERATING ACTIVITIES	62,205.36	76,635.72
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from disposal of Property, Plant and Equipment & other Intangible Asset	3,103.69	1,418.67
Payment for Property, Plant and Equipment & other Intangible Asset	(68,209.16)	(23,833.72)
Loans to Joint Ventures	(3,004.02)	(2,557.96)
Interest Received	1,507.61	1,514.29
Dividend Received	2.81	3.58
Deposits with Banks	(413.74)	128.07
Consideration paid on acquisition of subsidiaries	-	(1.00)
CASH GENERATED USED IN INVESTING ACTIVITIES	(67,012.81)	(23,328.07)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Share Issue Expenses	(39.54)	(77.35)
Proceeds from Long Term Borrowings	51,203.15	27,573.38
Proceeds from Issue of Non Convertible Debenture	38,320.00	10,000.00
Redemption of Non Convertible Debenture	(10,000.00)	-
Repayment of Long Term Borrowings	(35,922.03)	(31,052.57)
Short Term Borrowings (net)	3,414.41	(10,823.79)
Interest Paid	(36,740.77)	(39,320.92)

CONSOLIDATED CASH FLOW STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	2017-18	2016-17
	Dividend Paid. including dividend tax	(3,727.67)	(68.36)
	Dividend payment to Minority Shareholders	(165.27)	(110.18)
	CASH GENERATED FROM/(USED) IN FINANCING ACTIVITIES	6,342.28	(43,879.79)
	Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	125.82	(145.59)
D.	NET INCREASE IN CASH AND CASH EQUIVALENTS	1,660.65	9,282.27
E.	Opening Cash and Cash Equivalents	24,625.59	15,343.32
F.	Closing Cash and Cash Equivalents	26,286.24	24,625.59

NOTES:

(i) The Cash Flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Cash Flow Statements.

(ii)	Cash and Cash Equivalents at the end of the year comprises:	As at 31st March, 2018	As at 31st March, 2017
	(a) Cash on hand	261.81	237.73
	(b) Cheques on hand	-	8,368.11
	(c) Balance with Banks		
	(i) In current accounts	24,207.19	15,202.15
	(ii) In fixed deposit accounts	1,817.24	817.60
	Cash and Cash Equivalents as per Cash flow statement	26,286.24	24,625.59

(iii) Effective April 1, 2017, the Group adopted the amendment to Ind AS 7, which require the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities. including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement. The adoption of amendment did not have any material impact on the financial statements.

(iv) Previous year figures have been regrouped to conform with those of the current year.

In terms of our report attached
For Deloitte Haskins & Sells,
Chartered Accountants

Gaurav J Shah
Partner
Mumbai : May 25, 2018

Kamal Kishore Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board
Manish Mohnot
Managing Director & CEO
DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

CONSOLIDATED FINANCIAL STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2018

A Equity Share Capital

(₹ in Lakhs)

	Amount
Balance as at 1st April, 2016	3,069.21
Changes in equity share capital during financial year 2016-17	-
Balance as at 31st March, 2017	3,069.21
Changes in equity share capital during financial year 2017-18	-
Balance as at 31st March, 2018	3,069.21

B : Other Equity

(₹ in Lakhs)

Particulars	Reserve & Surplus						Other Comprehensive Income			Total	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, 2016	2,500.00	80,551.06	32,063.55	26.02	2.02	1,07,667.56	(594.59)	(529.76)	(26.61)	2,21,659.25	15,391.58
Profit for the year 2016-17	-	-	-	-	-	18,645.76	-	-	-	18,645.76	(2,916.39)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	785.91	(1,753..91)	(127.44)	(1,095.44)	(255.98)
Dividends including distribution tax	-	-	-	-	-	(68.36)	-	-	-	(68.36)	(110.18)
Transfer to General Reserve from Retained Earnings	-	-	1,225.00	-	16.01	(1,241.01)	-	-	-	-	-
Transfer to Debenture Redemption Reserve from retained earnings	5,000.00	-	-	-	-	(5,000.00)	-	-	-	-	-
New Equity including security premium	-		-	-	-	-	-	-	-	-	2,960.51
Premium on issue of equity shares net of shares issue expenses	-	(5.16)	-	-	-	-	-	-	-	(5.16)	-
Balance as at March 31, 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	(241.69)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-		(580.29)	1,430.04	(14.77)	834.98	(23.78)
Dividends including distribution tax	-	-	-	-	-	(3,727.67)	-	-	-	(3,727.67)	(165.27)
Transfer to General Reserve from Retained Earnings	-	-	1,225.00	-	13.82	(1,238.82)	-	-	-	-	-
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	31.85	1,37,887.41	(388.97)	(853.63)	(168.82)	2,64,271.89	14,638.80

In terms of our report attached

For Deloitte Haskins & Sells,
Chartered Accountants

Gaurav J Shah
Partner
Mumbai : May 25, 2018

Kamal Kishore Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Parag Munot
Director
DIN: 00136337
Mumbai : May 25, 2018

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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 hereinafter 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 the Companies (Indian Accounting Standards) Rules, 2015. The date of transition to Ind AS is April 01, 2015.

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 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.

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

(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(N).

Impairment of Investments

The Group reviews its carrying value of investments carried at amortised cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Valuation of deferred tax assets

The 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(F).

4. SIGNIFICANT ACCOUNTING POLICIES

A. Revenue Recognition

(i) Revenue from construction contracts

Revenue from construction contracts is recognized based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs. When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately.

Revenue is adjusted towards liquidated damages and price variations, wherever applicable. Escalation, variations in contract work and other claims are included to the extent that the amount can be measured reliably and its receipt is considered probable. Revenue is recognised to the extent of cost incurred that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably.

(ii) Revenue from other contracts

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

(iii) Service concession arrangement

Concession arrangements are recognized in accordance with Appendix A of Ind AS 11, Service Concession Arrangements. It is applicable to concession arrangements comprising a public service obligation and satisfying all of the following criteria.

- the concession grantor controls or regulates the services to be provided by the operator using the asset, the infrastructure, the beneficiaries of the services and prices applied;
- the grantor controls the significant residual interest in the infrastructure at the end of the

term of the arrangement. As per Ind AS 11, 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. 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 agreements entered with customers and other entities.

(v) Real Estate Development

Revenue from real estate activity is recognised in accordance with the "Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable, issued in May 2016)" issued by the ICAI. Construction revenue on such projects is recognized on percentage of completion method provided the threshold levels as prescribed in the said Guidance Note have been met. The method of determination of stage of completion of construction work is certified by the registered Architect, subject to such percentage being 25 percent or more, and revenue computed under this method in any case does not exceed the revenue computed with reference to the 'project cost method'.

Revenue is recognised net of indirect taxes and comprises the aggregate amounts of sale price as per the documents entered into. The total saleable area and estimate of costs are reviewed periodically by the management and any effect of changes therein is recognized in the period in which such changes are determined. However, if and when the total project cost is estimated to exceed the total revenue from the project, the loss is recognized in the same financial year.

Revenue in respect of completed units, is recognised when the significant risks and rewards of of in real estate assed on on thebuyver.

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SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

(ii) 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.

D. 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.

E. 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 monetary assets and liabilities, remaining unsettled at the end of the year 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 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 the balance sheet
- 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 ,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 company and the assets can be measured reliably

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.

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

H. Employee Benefits

a) Defined benefit plan

Gratuity liability is provided under a defined benefit plan, under Group Gratuity Cash Accumulation Schemes 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.

I. Non-current assets held for sale

Non-current assets and disposal Group of 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 (or disposal group) and its sale is highly probable.

Non-Current Assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

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 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 a provision is 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.

L. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

M. Financial instruments

Financial instrument is a contract that give rise to a

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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 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) 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.

This category generally applies to trade and other receivables.

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 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.

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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 18.

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 fixed assets till assets are put to use, are capitalized.

O. Depreciation

Depreciation is provided on all depreciable fixed assets over useful life of the assets estimated by the management. Useful life of these assets are different from the useful life prescribed under Part C of Schedule II to the Companies Act, 2013:

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 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%

SIGNIFICANT ACCOUNTING POLICIES

For the year ended March 31, 2018

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 company 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 company, 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

For transition to Ind AS, the group elected to continue with carrying value of all its Property, plant, equipment and intangible assets recognised as of 1st April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as deemed cost as of the transition date.

P. 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.

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 other period presented.

R. Standards issued but not yet effective

The Ministry of Corporate Affairs (MCA), on 28 March 2018, notified Ind AS 115, Revenue from Contracts with Customers as part of the Companies (Indian Accounting Standards) Amendment Rules,2018. The new standard is effective for accounting periods beginning on or after 1 April,2018. 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, 2018

5. PROPERTY, PLANT, EQUIPMENTS AND INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars		GROSS BLOCK					DEPRECIATION					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 Equipments	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

Particulars		GROSS BLOCK					DEPRECIATION					NET BLOCK
		As at 1st April, 2016	Additions	Deductions/ Adjustments	Foreign Currency Translation Reserve	As at 31st March, 2017	As at 1st April, 2016	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31st March, 2017	As at 31st March, 2017
(i)	**Property, Plant and Equipments**											
	Leasehold Land	2,538.41	-	-	-	2,538.41	-	-	-	-	-	2,538.41
	Freehold Land	14,737.25	31.24	-	-	14,768.49	-	-	-	-	-	14,768.49
	Buildings	44,441.71	2,542.71	1.15	(29.29)	46,953.98	1,032.68	1,271.00	-	(4.45)	2,299.23	44,654.75
	Plant and Equipment	74,200.41	9,071.32	1,853.58	(1,330.93)	80,087.22	9,599.51	10,846.46	1,410.97	(764.63)	18,270.37	61,816.85
	Electric Installation	696.64	18.49	0.69	0.13	714.57	93.27	95.16	0.10	1.64	189.97	524.60
	Furniture and Fixtures	2,402.34	306.51	431.09	(13.17)	2,264.59	428.02	310.82	59.78	(5.59)	673.47	1,591.12
	Office Equipment	2,274.90	808.84	44.57	(23.18)	3,015.99	571.10	713.34	15.47	(12.40)	1,256.57	1,759.42
	Vehicles	6,474.58	3,164.57	510.85	(821.45)	8,306.85	1,509.31	1,522.44	323.81	(665.70)	2,042.24	6,264.61
	Total (i)	1,47,766.24	15,943.68	2,841.93	(2,217.89)	1,58,650.10	13,233.89	14,759.22	1,810.13	(1,451.13)	24,731.85	1,33,918.25
(ii)	**Other Intangible Assets**											
	Toll Collection Rights	1,75,929.64	7.21	213.12	-	1,75,723.73	3,689.58	2,953.30	-	-	6,642.88	1,69,080.85
	Copyright and Trade Mark	10.14	-	-	-	10.14	4.78	4.75	-	-	9.53	0.61
	Software (Other than internally generated)	933.95	648.36	-	-	1,582.31	250.46	335.96	-	-	586.42	995.89
	Total (ii)	1,76,873.73	655.57	213.12	-	1,77,316.18	3,944.82	3,294.01	-	-	7,238.83	1,70,077.35
	Total (i) + (ii)	3,24,639.97	16,599.25	3,055.05	(2,217.89)	3,35,966.28	17,178.71	18,053.23	1,810.13	(1,451.13)	31,970.68	3,03,995.60

Notes: (a) Please refer note 34 for security created on property plant & equipments and other intangible assets. In addition, one car has been pledged with civil court, Armenia.

(b) Buildings includes ₹ 0.11 Lakhs (Previous Year: ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units		Amount	
	Currency	Per Share/ Unit	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2018	As at 31st March, 2017
6. INVESTMENTS - NON CURRENT						
A Investments - carried at cost						
(a) In Equity Instruments of Joint Venture, Unquoted,						
Jhajjar KT Transco Private Limited	INR	10	1,12,64,286	1,12,64,286	4,910.02	4,323.62
Kurukshetra Expressway Private Limited	INR	10	5,16,82,990	5,16,82,990	-	-
Total investment carried at cost					4,910.02	4,323.62
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	93.93	95.55
(b) In Mutual Fund						
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option	INR	10	500,000	500,000	50.00	50.00
					143.93	145.55
(ii) Unquoted,						
In Equity instruments						
Transpower Engineering Limited	INR	10	100	100	-	-
Total investment carried at fair value through profit or loss					143.93	145.55
Total					5,053.95	4,469.17
Aggregate carrying amount of Quoted Investments					143.93	145.55
Market Value of Quoted Investments					143.93	145.55
Aggregate amount of Unquoted Investments					4,910.02	4,323.62

6.1 30,04,337 (Previous Year - 30,04,337) Equity Shares of Jhajjar KT Transco Private Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
7. TRADE RECEIVABLES		
(i) Non Current (Unsecured, Considered good)	12,754.20	12,705.72
Less : Allowance for expected credit loss	(1,310.51)	(728.71)
TOTAL	11,443.69	11,977.01
(ii) Current		
Unsecured, Considered good	4,07,211.33	3,46,587.41
Less : Allowance for expected credit loss	(11,698.85)	(7,231.18)
	3,95,512.48	3,39,356.23
Unsecured, Considered doubtful	961.83	-
Less : Allowance for expected credit loss	(961.83)	-
TOTAL	3,95,512.48	3,39,356.23
8. LOANS		
(i) Non Current (Unsecured Considered good)		
Loan to Joint Venture Entities (refer note 41)	365.25	365.25
TOTAL	365.25	365.25
(ii) Current		
Loan to Joint Venture Entities (refer note 41) (Unsecured Considered good)	13,796.88	10,793.04
Others (Secured Considered good)	2,978.90	2,285.14
TOTAL	16,775.78	13,078.18
9. OTHER FINANCIAL ASSETS		
(i) Non Current		
Security Deposits	4,217.99	5,332.28
Fixed Deposit	1,192.39	454.88
Service Concession receivables	23,668.24	24,491.78
Subsidy Deposit	717.54	717.54
Others	6.13	97.70
TOTAL	29,802.29	31,094.18
(ii) Current		
Security Deposits	3,318.08	1,631.65
Fixed Deposit	1,947.14	53.65
Accrued Income	1,229.71	268.87
Subsidy Deposit	275.00	275.00
Service Concession receivables	939.24	993.73
Others	1,051.43	2,574.40
TOTAL	8,760.60	5,797.30

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars		As at 1st April, 2017	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2018
10. DEFERRED TAX ASSET (NET)					
Deferred tax assets / (liabilities) in relation to:					
a	Property, Plant and Equipment	(4,370.60)	(702.05)	-	(5,072.65)
b	Expense deductible / income taxable in different tax accounting period	6,150.37	(775.25)	-	5,375.12
c	Exchange differences on foreign operations	(24.13)	271.64	(570.99)	140.12
d	Provision for expected credit loss	2,681.70	1,722.68	-	4,404.38
e	Accounting forward contracts at fair value	(553.42)	(0.17)	307.14	(578.64)
f	Fair value of Financial Assets and Liabilities through Profit and Loss	(13.26)	(218.29)	-	(453.17)
g	Carry Forward Tax Losses	2,702.23	1,383.77	-	4,086.00
h	Change in method of determining revenue	(1,425.24)	(1,385.00)	-	(2,810.24)
i	Other Tax effect	4,654.42	2,282.63	13.13	7,040.39
	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

Particulars		As at 1st April, 2016	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2017
Deferred tax assets / (liabilities) in relation to:					
a	Property, Plant and Equipments	(4,518.96)	148.36	-	(4,370.60)
b	Expense deductible / income taxable in different tax accounting period	2,901.24	3,249.13	-	6,150.37
c	Exchange differences on foreign operations	160.43	(451.25)	266.69	(24.13)
d	Provision for expected credit loss	2,118.05	563.65	-	2,681.70
e	Accounting forward contracts at fair value	(137.05)	-	(416.37)	(553.42)
f	Fair value of Financial Assets and Liabilities through Profit and Loss	(597.75)	518.26	-	(13.26)
g	Carry Forward Tax Losses	1,180.01	1,522.22	-	2,702.23
h	Change in method of determining revenue	2,346.84	(3,772.08)	-	(1,425.24)
i	Other Tax effect	3,713.51	940.91	66.23	4,654.42
	SUB TOTAL	7,166.32	2,719.20	(83.45)	9,802.07
	MAT Credit Entitlement	906.76	-	-	906.76
	Others (including exchange differences)	(88.01)			(6.04)
	TOTAL	7,985.07	2,719.20	(83.45)	10,702.79

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Deferred tax assets	13,447.81	11,119.79
Deferred tax liabilities	(409.28)	(417.00)
Net Deferred Tax Asset	13,038.53	10,702.79

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
11.	**OTHER ASSETS**		
(i)	Non Current		
	Capital Advances	1,083.68	1,673.70
	Advance Rental	420.97	-
	Prepaid Expenses	647.67	515.54
	VAT Credit and WCT Receivable	713.66	7,909.52
	Advance to Suppliers	1,481.11	1,620.20
	Taxes Paid Under Protest	56.63	-
	TOTAL	4,403.72	11,718.96
(ii)	Current		
	Taxes and duties Recoverable	959.47	1,979.36
	Cenvat Credit Receivable	3.94	2,738.63
	VAT Credit and WCT Receivable	36,962.63	18,492.98
	GST Receivable	17,649.22	-
	Export Benefits Receivable	3,407.00	2,494.62
	Taxes Paid Under Protest	1,118.14	1,161.06
	Advance to Suppliers	26,268.56	20,804.97
	Prepaid Expenses	5,289.55	4,745.44
	Amount Due from Customers under Construction Contracts	1,50,947.64	97,790.54
	Advance Rental	210.48	210.48
	Receivables for Sale of Fixed Assets	-	23.21
	Others	38.71	-
	TOTAL	2,42,855.34	1,50,441.29
11.1	**Amount due from/ (to) customers under construction contracts in progress at the end of the reporting period**		
	Construction cost incurred plus recognised profits less recognised losses to date	14,50,079.68	16,60,859.75
	Less: Progress billing	13,30,605.22	15,79,102.89
		1,19,474.46	81,756.86
	Recognised as amount due:		
	- from Customers under Construction Contracts	1,50,947.64	97,790.54
	- to Customers under Construction Contracts (refer note 23)	(31,473.18)	(16,033.68)
		1,19,474.46	81,756.86

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
12. INVENTORIES		
Raw Materials and Components (including goods in transit ₹ 491.66 Lakhs) Previous year ₹ Nil)	19,496.43	22,927.40
Work-in-progress	3,218.96	3,188.07
Finished goods	9,498.41	7,658.63
Store, Spares, Construction Materials and Tools	34,872.97	29,072.12
Construction Work-in-Progress	336.57	461.77
Scrap	372.96	179.70
Finished Goods of Real Estate Division	9,350.72	9,350.72
Semi-finished Goods of Real Estate Division	21,840.26	20,422.77
Agro Commodities	225.25	5.16
TOTAL	99,212.53	93,266.34

12.1 Amount of ₹ 60.12 Lakhs (Previous Year ₹ 38.43 Lakhs) has been recognised as an expense in the statement of profit and loss to bring inventory at net realisable value.

12.2 Inventories of ₹ 1,030.90 Lakhs (Previous Year ₹ 1,423.71 Lakhs) are expected to be utilised after twelve months.

12.3 Refer note 4 (G) for accounting policy related to valuation of inventories.

13. CASH AND CASH EQUIVALENTS		
Balance With Banks		
In Current Accounts	24,207.19	15,202.15
In Fixed Deposit Accounts	1,817.24	817.60
Cheques on hand	-	8,368.11
Cash on hand	261.81	237.73
TOTAL	26,286.24	24,625.59
14. OTHER BALANCES WITH BANKS		
Unpaid Dividend Accounts	42.80	40.96
Bank deposit under Lien	5.41	440.00
Deposits with original maturity more than 3 months but less than 12 months	1,536.20	687.87
TOTAL	1,584.41	1,168.83

15. CURRENT TAX		
(i) Non-current Tax Asset		
Advance Income Tax and TDS (net of provisions)	2,248.82	2,565.00
TOTAL	2,248.82	2,565.00
(ii) Current Tax Asset		
Advance Income Tax and TDS (net of provisions)	1,120.95	2,667.81
TOTAL	1,120.95	2,667.81
(iii) Current Tax Liability		
Provisions for tax (net of Advance Income Tax and TDS)	1,671.11	246.03
TOTAL	1,671.11	246.03

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
16. Assets classified as held for sale		
Freehold land held for sale*	1,551.43	693.97
TOTAL	**1,551.43**	**693.97**

*One of the Subsidiary Company intends to dispose a parcel of freehold land, building and plant and machinary. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land and building as held for sale as at March 31, 2018 as the Subsidiary Company expect the fair value (estimated based on the recent market prices of similar locations) less costs to sell is higher than the carring amount. An impairment loss of ₹ 134.28 Lakhs was recognised on the reclassification of the plant and machinery as held for sale since management of subsidiary expects that the fair value less costs to sell are lower than the carrying amount.

17. EQUITY		
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**

17.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the reporting period

Equity Shares	As at 31st March 2018		As at 31st March 2017	
	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

17.2 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.

17.3 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31st March 2018		As at 31st March 2017	
	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	1,21,62,067	7.93	1,32,15,867	8.61

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
18.	**OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST)**		
	Share Premium Account :		
	As per last Balance Sheet	**80,545.90**	**80,551.06**
	Add: Premium on Equity Shares issued during the Year	**-**	**72.19**
	Less : Share Issue Expenses	**39.54**	**77.35**
		80,506.36	**80,545.90**
	Debentures Redemption Reserve :		
	As per last Balance Sheet	**7,500.00**	**2,500.00**
	Add : Transferred from Surplus in the Statement of Profit & Loss	**5,218.12**	**5,000.00**
	Less : Transferred to General Reserve	**2,500.00**	**-**
		10,218.12	**7,500.00**
	General Reserve :		
	As per last Balance Sheet	**33,288.55**	**32,063.55**
	Add : Transferred from Debenture Redemption Reserve	**2,500.00**	**-**
	Add : Transferred from Surplus in the Statement of Profit & Loss	**1,225.00**	**1,225.00**
		37,013.55	**33,288.55**
	Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934		
	As per last Balance Sheet	**18.03**	**2.02**
	Add: Transfer from Retained Earnings	**13.82**	**16.01**
		31.85	**18.03**
	Statutory Reserve		
	As per last Balance Sheet	**26.02**	**26.02**
		26.02	**26.02**
	Surplus in the Statement of Profit and Loss :		
	As per last Balance Sheet	**1,20,003.95**	**1,07,667.56**
	Add : Profit for the year	**28,068.07**	**18,645.76**
	Less : Dividend on Equity Shares	**3,069.21**	**-**
	Less : Corporate Tax on Dividend	**658.46**	**68.36**
	Less : Transfer to Debenture Redemption Reserve	**5,218.12**	**5,000.00**
	Less : Transfer to General Reserve	**1,225.00**	**1,225.00**
	Less: Transfer to Reserve Fund as per section 45-IC of RBI Act	**13.82**	**16.01**
		1,37,887.41	**1,20,003.95**
	Other Comprehensive Income/ (Loss)		
	As per last Balance Sheet	**(2,246.40)**	**(1,150.96)**
	Add: Other comprehensive income / (loss) for the year	**834.98**	**(1,095.44)**
		(1,411.42)	**(2,246.40)**
	TOTAL	**2,64,271.89**	**2,39,136.05**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

18.1 Share premium account is used to record the premium on issue of shares. This is utilised in accordance with the provisions of the Companies Act, 2013.

18.2 Debenture Redemption Reserve is created as required under the provisions of the Companies Act, 2013 and rules framed thereunder.

18.3 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, items included in the general reserve will not be reclassified subsequently to profit or loss.

18.4 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 Lakhs)

		Name of subsidiaries			
		JMC Projects (India) Limited	Shree Shubham Logistics Limited	Kalpataru IBN Omairah Company Limited	TOTAL
18.5	**Non Controlling interest**				
	Balance as at April 1, 2016	13,498.54	1,924.10	(31.06)	15,391.58
	Share of total comprehensive Income/ (loss) for the year	(1,485.60)	(2,125.12)	438.35	(3,172.37)
	New equity including security premium	-	2,960.51	-	2,960.51
	Distribution of dividend	(110.18)	-	-	(110.18)
	Balance as at March 31, 2017	11,902.76	2,759.49	407.29	15,069.54
	Share of total comprehensive Income/ (loss) for the year	854.58	(1,159.19)	39.14	(265.47)
	Distribution of dividend	(165.27)	-	-	(165.27)
	Balance as at March 31, 2018	12,592.07	1,600.30	446.43	14,638.80

18.6 Summarised financial information about major subsidiaries-

	Particulars	As at 31st March, 2018	As at 31st March, 2017
(a)	**JMC Projects (India) Limited**		
	Total Assets	4,52,444.60	3,99,231.76
	Total Liabilities	4,02,334.61	3,51,120.09
	Total Equity	50,109.99	48,111.67

	Particulars	2017-18	2016-17
	Revenue	2,88,813.85	2,47,213.84
	Total comprehensive Income/ (loss) for the year	2,604.00	(4,529.07)
	Net cash inflow /(outflow)	12,861.93	(978.25)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
(b) Shree Shubham Logistics Limited		
Total Assets	58,466.43	59,341.69
Total Liabilities	50,299.49	47,104.93
Total Equity	8,166.94	12,236.76

Particulars	2017-18	2016-17
Revenue	7,100.76	5,845.74
Total comprehensive Income/ (loss) for the year	(4,069.81)	(7,461.81)
Net cash inflow /(outflow)	(4.44)	(177.07)

	As at 31st March, 2018		As at 31st March, 2017	
	Non-Current	Current	Non-Current	Current
19. (i) NON CURRENT BORROWINGS				
Secured (at amortised cost)				
Non- convertible Redeemable Debenture	17,110.88	1,099.20	-	-
Less: Unamortised borrowing cost	(222.60)	(14.99)	-	-
Term Loan				
Foreign Currency Loans				
From Banks	-	-	-	2,074.84
Rupee Loans				
From Banks	1,49,805.07	14,561.10	1,32,998.41	9,518.52
From NBFC	34,315.87	4,694.75	37,259.66	3,796.10
Unsecured (at amortised cost)				
Non-Convertible Redeemable Debentures	30,000.00	10,000.00	20,000.00	10,000.00
Term Loans				
From Banks	6,077.47	2,565.60	8,659.30	2,094.20
Others	311.83		302.03	-
Amount disclosed under the head "Other Current Financial Liabilities" (Refer Note 21(ii))	-	(32,905.66)	-	(27,483.66)
TOTAL	2,37,398.52	-	1,99,219.40	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	Redemption Profile	As at 31st March, 2018	As at 31st March, 2017	Interest	Date of Allotment
19.1	Details of Debentures :				
	(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.				
	(b) Unsecured Non-Convertible Redeemable Debentures of the Company :				
	Redeemable at face value in 2 equal annual instalments starting from 27.09.2021	10,000.00	-	8.11% p.a. payable annually	September 27, 2017
	Redeemable at face value in 3 equal annual instalments a starting from 20.05.2020	10,000.00	-	8.45% p.a. payable annually	May 25, 2017
	Redeemable at face value on 15.05.2020	10,000.00	10,000.00	7.90% p.a. payable annually	March 17, 2017
	Redeemable at face value on 20.05.2018	10,000.00	10,000.00	9.55% p.a. payable annually	March 26, 2015
	Redeemable at face value on 05.09.2017	-	10,000.00	10.50% p.a. payable quarterly	September 5, 2014

19.2 Foreign Currency Loans from Banks

(a) ₹ Nil (Previous Year ₹ 1,296.77 Lakhs) carries interest of 6 months Libor + spread secured by exclusive charge over entire current assets, escrow of receivables including receivables pertaining to Rwanda Project and is repayable in 7 equal monthly instalment ending on October 28, 2017.

(b) ₹ Nil (Previous Year ₹ 778.07 Lakhs) carries interest of 6 months Libor + spread secured by exclusive charge over entire current assets, escrow of receivables including receivables pertaining to Egypt Project and is repayable in 10 Equal monthly instalment starting from June 28, 2017.

19.3 Rupee Loans from Banks and NBFC:

(a) ₹ 2,500 Lakhs (Previous Year ₹ 3,500.00 Lakhs) carries interest in the range of 9.3% - 9.8% p.a., secured by hypothecation of specific moveable fixed assets and is repayable in 22 equal quarterly instalment ending on December 31, 2019.

(b) ₹ 50,303.39 Lakhs (Previous Year ₹ 49,610.56 Lakhs) carries interest of Base Rate + spread charged by bank from time to time, is secured by

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

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 December 31, 2024.

(c) ₹ 13,162.31 Lakhs (Previous Year ₹ 13,956.64 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 1, 2023.

(d) Term loan amounting to ₹31,770.03 Lakhs (Previous Year ₹ 32,428.55 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 June 30, 2026.

(e) ₹ 34,179.55 Lakhs (Previous Year ₹ 2,721.69 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. However, Security is not created As at March 31, 2017 as the approval from CERC was awaited for the same. 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.

(f) ₹ Nil (Previous Year ₹ 2,500.00 Lakhs) carries interest of Base Rate + Spread charged by bank from time to time, is secured by subservient charge over the entire movable tangible assets of one of the subsidiary company. Term loan is repayable in equal quarterly instalments of ₹ 1,250 Lakhs with December 14, 2017 as maturity date with interest and further there is a Put Option at the end of 12 months from the date of first disbursement and every year thereafter.

(g) ₹ Nil Lakhs (Previous Year ₹ 468.85 Lakhs) carries interest of Base Rate + Spread charged by bank from time to time, is secured by first and exclusive charge over the fixed assets financed through loan of one of the subsidiary company. Term Loan is repayable in equal quarterly instalments of ₹ 156.25 Lakhs each with December 29, 2017 as maturity date.

(h) ₹ 2,495.01 Lakhs (Previous Year ₹ 2,910.83 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 30th September, 2021 as maturity date.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(i) ₹ 354.19 Lakhs (Previous Year ₹ 643.52 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 with April 10, 2019 as maturity date.

(j) ₹ 6,930 Lakhs & ₹ 5,000 Lakhs (Previous Year ₹ 10,430 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 ₹226.34 Lakhs (Previous Year ₹ 278.70 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 ₹15,000.00 lakhs (Previous Year: Nil) is secured by first pari passu charge on entire movable Property, plant and equipments excluding assets charged exclusively to the Term Lenders in 19.3 (g)- 19.3(k) of one of the subsidiary company. Term loan is repayable in 16 unequal quarterly instalments to be paid at the end of each financial quarter, commencing from 31 December 2018 with 30 September 2022 as a date of maturity and interest payable on monthly basis at varying interest rate linked to 1 Yr MCLR.

(m) ₹ 1,850.88 Lakhs (Previous Year ₹ 2,055.77 Lakhs) carries interest in range of 8.83% -11.00% p.a. is secured by hypothecation of Vehicles / equipments financed through loans.

(n) ₹ 30,064.00 Lakhs (Previous Year ₹ 32,324.66 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 9.25% - 10.32% p.a.

(o) ₹ Nil (Previous Year ₹ 19,127 Lakhs) is secured in by first charge on pari passu basis by way of hypothecation of entire movable property both present and future, first charge on entire cash flow, receivables, book debts and revenue of whatsoever nature, intangible assets, subject to transmission agreement, first charge by way of hypothecation/mortgage/ assignment of all the rights, titles, interest, benefits, claims or demand of one of the subsidiary company in project documents, clearances and in any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party, first charge on the 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. The subsidiary company has repaid the entire loan during the year. However, the charges for security was vacated on April 5, 2018.

(p) ₹ 9,450 Lakhs (Previous Year ₹ 10,500 Lakhs)carries interest in the range of 9.35% - 9.40% 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 instalment ending on September 30, 2022.

(q) ₹ 91.09 Lakhs (Previous Year ₹ 115.92 Lakhs) carries interest of 10.00% p.a. secured Loan of one of the subsidiary Company is repayable in balance 16 quarterly structured instalments from June 6, 2021.

19.4 Unsecured Term Loans:-

(a) ₹ 8,643.07 Lakhs (Previous Year ₹ 10,753.50 Lakhs) carries interest base rate + Spread charged by bank from time to time, of one of the subsidiary company. Term Loan is repayable in unequal quarterly instalments with September 30, 2021 as maturity date.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	As at 31st March, 2018	As at 31st March, 2017
19. (ii) CURRENT BORROWINGS		
Secured (at amortised cost)		
Working Capital Facilities from Banks	60,809.46	57,627.11
Unsecured (at amortised cost)		
Short Term Loans from Banks	885.58	527.20
TOTAL	61,695.04	58,154.31

(a) Working Capital Facilities of the holding Company of ₹ 24,087.44 Lakhs (Previous Year ₹ 22,619.24 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 the borrower on pari passu basis. 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 terms loan from Bank represents discounted trade receivable. As the Company has not transfered the significant risk and rewards relating to these trade receivables, it continue to recognize the full carring amount of trade receivables and has recognized the cash received as a unsecured borrowing.

(b) Working Capital Facilities of one of the subsidiary of ₹ 33,655.31 Lakhs (Previous Year ₹ 34,006.28 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 ₹ 3,066.71 Lakhs (Previous Year ₹ 1,001.59 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		
(i) Non Current		
Others	20,377.17	15,391.49
TOTAL	20,377.17	15,391.49
(ii) Current		
Micro and Small Enterprises	3,990.01	1,787.84
Acceptances	3,228.80	2,814.17
Others	2,77,345.98	2,28,122.56
TOTAL	2,84,564.79	2,32,724.57

The amount outstanding to Micro and Small Enterprises is based on the information received and available with the group. There are no overdue amount. All current trade payables are non interest bearing and payable or settled with in normal operating cycle of the Company.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

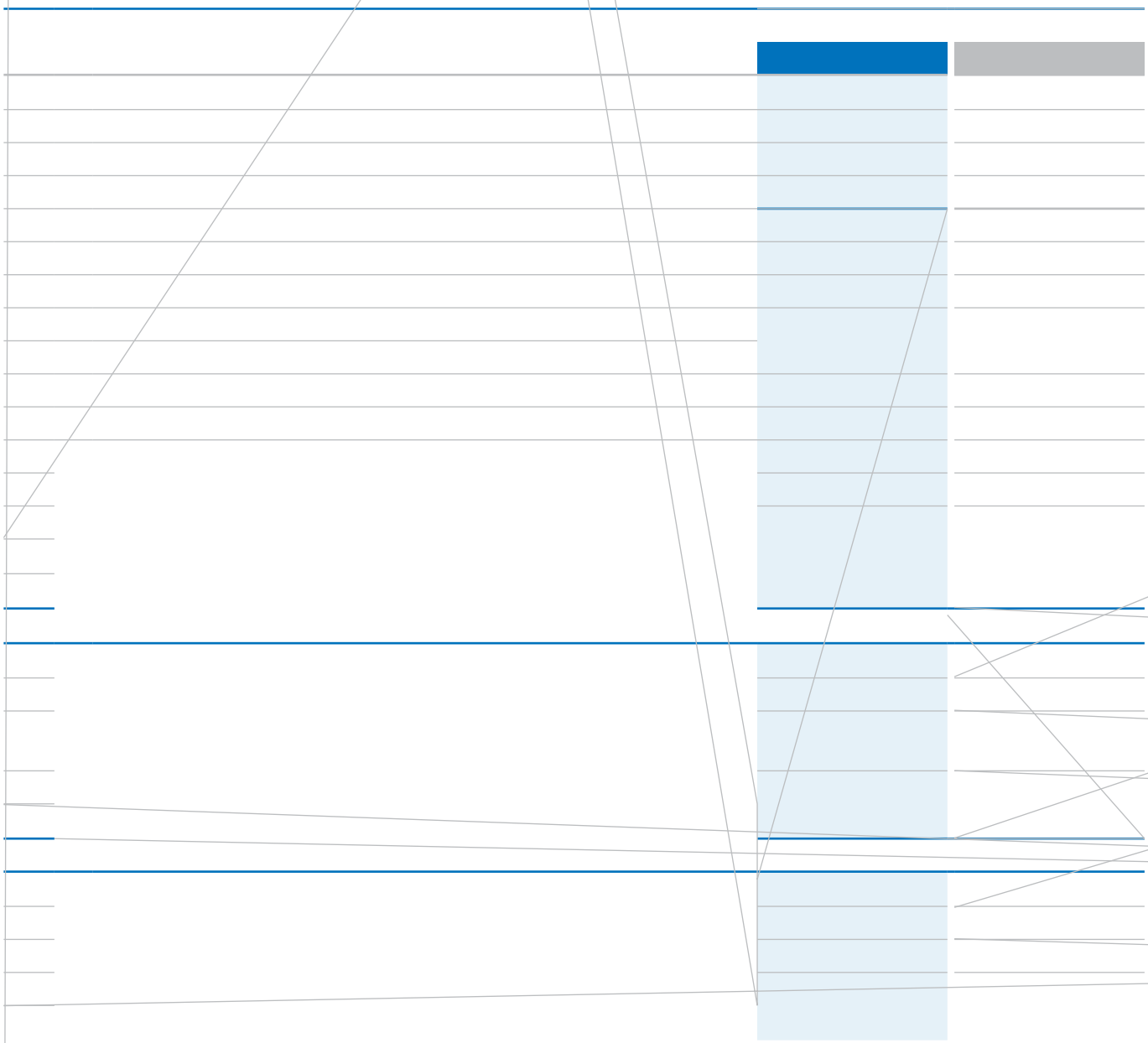
		As at 31st March, 2018	As at 31st March, 2017
21	**OTHER FINANCIAL LIABILITIES**		
(i)	Non Current		
	Security Deposits	784.42	2,240.19
	Additional concession fees	35,207.36	32,707.59
	TOTAL	35,991.78	34,947.78
(ii)	Current		
	Current maturities of long term debt (Refer Note 19(i))	32,905.66	27,483.66
	Interest accrued but not due on borrowings	2,130.60	1,102.00
	Unpaid Dividend	42.80	40.96
	Unclaimed matured deposits and interest accrued thereon	3.51	1.83
	Security Deposits	12,165.90	39.86
	Creditors for capital expenditure	19,539.95	5,377.81
	Additional concession fees	593.05	2,277.99
	Other Payable	207.15	4.15
	TOTAL	67,588.62	36,328.26
22	**PROVISIONS**		
(i)	Non Current		
	Provision for employee benefits	2,719.75	2,158.61
	Provision for Performance Warranties (Refer Note 37)	4,232.31	3,703.43
	Major maintenance expense (Refer Note 37)	3,485.76	2,494.19
	TOTAL	10,437.82	8,356.23
(ii)	Current		
	Provision for employee benefits	622.61	486.60
	Provision for Performance Warranties (Refer Note 37)	21,639.10	21,140.16
	Provision for Expected Loss on Long Term Contracts	4,948.34	9,483.09
	Others	3,599.51	1,321.85
	TOTAL	30,809.56	32,431.70
23	**OTHER LIABILITIES**		
(i)	Non Current		
	Advance from Customers	43,390.89	35,437.07
	Deposit from Customer	5,125.15	-
	Deferred Income	1,802.37	1,748.23
	Others	255.96	195.75
	TOTAL	50,574.37	37,381.05
(ii)	Current		
	Amount Due to Customers under Construction Contracts	31,473.18	16,033.68
	Advance from Customers	1,04,728.29	86,117.40
	Statutory Liabilities	17,703.61	7,009.42
	Deferred Income	166.16	97.68
	Others	1,415.41	52.74
	TOTAL	1,55,486.65	1,09,310.92

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018



NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	2017-18	2016-17
30 OTHER EXPENSES		
Job Charges	5,893.54	4,966.72
Power and Fuel	2,391.05	2,471.30
Excise Duty	(456.73)	55.27
Repairs and Maintenance:		
Plant and Machinery	278.94	360.78
Building	769.41	530.07
Others	170.27	132.03
Freight and Forwarding Expenses	13,198.36	6,920.84
Stores, Spares and Tools Consumed	1,415.80	1,277.37
Vehicle/ Equipment Running and Hire Charges	581.82	632.46
Testing Expenses	130.16	394.11
Pollution Control Expenses	188.81	151.25
Insurance	2,947.55	3,341.29
Rent	5,003.47	4,942.14
Rates, Taxes and Duties	5,164.28	13,022.38
Stationery, Printing and Drawing Expenses	702.49	564.15
Telecommunication Expenses	838.67	793.45
Travelling Expenses	5,868.00	5,118.41
Legal and Professional Expenses	5,574.43	6,855.54
Service Charges	2,787.86	3,193.38
Service Tax	1,902.56	6,666.24
Bank Commission and Charges	9,548.49	8,483.79
Share of RSWC	132.74	100.62
Allowance for Expected Credit Losses	7,193.52	2,005.04
Performance Warranties Expenses	1,172.13	4,715.72
Provision for Diminution in value of Investments / Loans	-	(6.87)
Impairment loss on asset held for sale	134.28	-
Expenses Towards Contractual Deductions	3,430.26	1,384.12
Bad Debt Written Off	848.39	-
Loss on Material Damaged / Lost / Fire	95.37	685.99
Loss / (Gain) on Exchange Rate Variation	(775.39)	(1,019.55)
Sitting Fees and Commission to Non-Executive Directors	509.46	474.28
Corporate Social Responsibility Expenses	223.44	73.07
Carbon Credit Expenses	30.04	27.02
Miscellaneous Expenses *	7,060.32	6,100.13
TOTAL	**84,953.79**	**85,412.54**

*** includes Nil (Previous year - ₹ 400 Lakhs) towards contribution to Electoral Trust**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

31 (a) Particulars of Subsidiaries included in Consolidation

Name of Subsidiary	with effect from	Country of Incorporation	% voting power
Subsidiaries Held Directly			
Adeshwar Infrabuild Limited	August 11, 2009	India	100.00%
Amber Real Estate Limited	May 16, 2008	India	100.00%
Energylink India Limited	January 30, 2007	India	100.00%
JMC Projects (India) Limited	February 6, 2007	India	67.19%
Shree Shubham Logistics Limited	March 19, 2007	India	71.52%
Kalpataru Satpura Transco Private Limited	May 10, 2013	India	100.00%
Kalpataru Metfab Private Limited	March 31, 2015	India	100.00%
Alipurduar Transmission Limited	January 6, 2016	India	100.00%
Kalpataru Power Transmission (Mauritius) Limited	January 8, 2009	Mauritius	100.00%
Kalpataru Power Transmission - USA, Inc	September 11, 2009	USA	100.00%
LLC Kalpataru Power Transmission Ukraine	November 6, 2012	Ukraine	100.00%
Kalpataru IBN Omairah Company Limited	June 01, 2015	Saudi Arabia	65.00%
Kohima-Mariani Transmission Limited	March 31, 2017	India	100.00%
Subsidiaries Held Indirectly			
Brij Bhoomi Expressway Private Limited	December 6, 2010	India	67.19%
JMC Mining and Quarries Limited	February 6, 2007	India	67.19%
Saicharan Properties Limited	June 30, 2009	India	100.00%
Vindhyachal Expressway Private Limited	January 16, 2012	India	67.19%
Wainganga Expressway Private Limited	June 02, 2011	India	67.19%
Kalpataru Power DMCC, UAE	August 3, 2011	UAE	100.00%
Punarvasu Financial Services Private Limited	December 31, 2014	India	71.52%

(b) Particulars of Join Venture Entities included in Consolidation

Name of Subsidiary	with effect from	Country of Incorporation	% voting power
Jhajjar KT Transco Private Limited	May 19, 2010	India	49.72%
Kurukshetra Expressway Private Limited	March 29, 2010	India	49.57%

The above Joint Ventures have been accounted for in these consolidated financial statements using Equity Method.

(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 adjusted by the Group for equity accounting.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Non-current Assets	1,39,877.41	1,40,946.24
Current Assets	3,670.18	4,378.94
Non-current Liabilities	1,30,125.70	1,29,675.47
Current Liabilities	10,792.01	9,684.56
Net Assets	2,629.88	5,965.15
The above amounts of Assets and Liabilities include the following:		
Cash and Cash Equivalents	1,364.47	1,386.87
Current Financial Liabilities (excluding trade payables and provisions)	9,337.20	8,838.65
Non-current Financial Liabilities (excluding trade payables and provisions)	1,24,061.57	1,23,685.20
Claims against the Joint Venture not acknowledged as debt	67.81	-

Particulars	2017-18	2016-17
Revenue	15,029.63	13,267.61
Profit / (Loss) for the year	(3,335.26)	(6,378.44)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(3,335.26)	(6,378.44)
Dividends received from the Joint Venture during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation	1,516.70	1,641.99
Interest income	76.77	109.89
Interest expense	12,524.62	13,555.47
Income tax expense (net)	403.50	280.57

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financials statements :

Particulars	As at 31st March, 2018	As at 31st March, 2017
carrying amount of the Group's interest in the Joint Venture*	4,910.02	4,323.62

* Provision for loss in joint venture in excess of investment has been disclosed under Provisions.

32 Reconciliation of income tax expenses with the accounting profit

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Profit Before Exceptional Items and Tax	47,776.51	32,639.85
Income tax calculated at 34.61%	16,535.45	11,296.65
Tax effect of adjustment to reconcile reported income tax expenses		
Tax incentives / concessions / disallowance	(2,578.11)	(997.23)
Unused tax losses not recognised as deferred tax	3,756.31	3,818.84
Temporary timing differences related to depreciation & others	2,586.46	2,718.91
Different tax rates for operations in other tax jurisdiction	552.35	(367.87)
Income tax expenses recognised in the statement of profit and loss	20,852.46	16,469.30

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

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, 2018	As at 31st March, 2017
Debt *	3,31,999.22	2,84,857.37
Cash and cash equivalents	(26,286.24)	(24,625.59)
Net debt	3,05,712.98	2,60,231.78
Total Equity	2,81,979.51	2,57,274.80
Net debt to equity ratio	1.08	1.01

* 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 Company 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, 2018	As at 31st March, 2017
Financial Assets		
Measured at Fair Value through Profit and Loss		
(i) Investments	143.93	145.55
Measured at Cost		
(i) Investments	4,910.02	4,323.62
Measured at Amortised Cost		-
(i) Trade receivables	4,06,956.17	3,51,333.24
(ii) Loans	17,141.03	13,443.43
(iii) Cash and cash equivalents	26,286.24	24,625.59
(iv) Other balances with Bank	1,584.41	1,168.83
(v) Others	38,562.89	36,891.48
	4,95,584.69	4,31,931.74
Financial Liabilities		
Measured at Amortised Cost		
(i) Borrowings	2,99,093.56	2,57,373.71
(ii) Trade payables	3,04,941.96	2,48,116.06
(iii) Other financial liabilities	1,03,580.40	71,276.04
	7,07,615.92	5,76,765.81

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, 2018

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, 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 following table analyses foreign currency risk from financial instruments as at March 31, 2017

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	7,355.00	-	4,001.53	11,356.53
Other Balances with Banks	-	-	-	-
Trade Receivable	86,185.98	17,022.67	37,439.98	1,40,648.63
Other Financials Assets	213.30	0.20	902.97	1,116.47
Total Asset	93,754.28	17,022.87	42,344.48	1,53,121.63
Borrowings	2,269.35	-	527.20	2,796.55
Trade Payable	49,132.52	5,848.75	17,475.27	72,456.54
Other Financials Liabilities	2,079.00	15.28	1,503.35	3,597.63
Total Liabilities	53,480.87	5,864.03	19,505.82	78,850.72
Net Assets / (Liabilities)	40,273.41	11,158.84	22,838.66	74,270.91

The group is mainly exposed to USD and Euro. Other currencies comprises of 30-35 currencies. Sensitivity analysis of USD and Euro is given below:

Sensitivity Analysis

For the year ended March 31, 2018 and March 31, 2017, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/Euro would impact group's profit before tax by approximately 8.89% and 8.72% 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

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	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)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 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)
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

As at March 31, 2017

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	69.64	USD 20.00	1,392.80	80.60
Maturing in 6 months to 9 months	71.27	USD 40.00	2,850.75	175.81
Maturing in 9 months to 12 months	71.95	USD 24.57	1,767.76	108.95
Total/Average	71.08	USD 84.57	6,011.31	365.36
Sell PLN Buy USD				
Maturing in 3 months to 6 months	15.49	PLN 76.80	1,189.41	(60.44)
Maturing in 6 months to 9 months	16.26	PLN 84.20	1,368.78	(1.40)
Total/Average	15.89	PLN 161.00	2,558.19	(61.84)
Buy USD Sell INR				
Maturing less than 3 months	65.42	USD 35.00	2,289.84	(17.95)
Total/Average	65.42	USD 35.00	2,289.84	(17.95)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended 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)
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	69.85	USD 100.00	6,985.41	466.36
Maturing in 3 months to 6 months	70.13	USD 40.00	2,805.23	159.93
Maturing in 9 months to 12 months	72.07	USD 45.43	3,274.03	198.93
Total/Average	70.46	USD 185.43	13,064.67	825.22
Sell EUR Buy USD				
Maturing less than 3 months	69.47	EUR 148.59	10,322.14	(1.47)
Total/Average	69.47	EUR 148.59	10,322.14	(1.47)
Buy USD Sell INR				
Maturing less than 3 months	66.63	USD 121.64	8,104.75	(194.64)
Maturing in 3 months to 6 months	67.47	USD 46.70	3,151.03	(50.85)
Maturing in 9 months to 12 months	71.36	USD 6.70	478.11	(23.28)
Total/Average	67.03	USD 175.04	11,733.89	(268.77)
Buy JPY Sell USD				
Maturing less than 3 months	0.58	JPY 2,045.35	1,189.87	(1.24)
Maturing in 3 months to 6 months	0.58	JPY 1,882.09	1,095.84	0.90
Total/Average	0.58	JPY 3,927.44	2,285.71	(0.34)

Reconciliation of Hedge Reserve

(₹ In Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Balance at the beginning of the period	293.51	(909.52)
Gain / (Loss) recognised in OCI during the period net	(887.43)	1,203.03
Tax impact on above	(204.95)	102.20
Balance at the end of the year (Gross)	(593.92)	293.51
Balance at the end of the year (Net of Tax)	(388.97)	191.32

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 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

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 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 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	
	March 31, 2018	March 31, 2017
Not Due	3,79,376.58	3,04,557.37
Past due up to 1 years	16,378.80	11,867.36
From 1 year to 2 years	11,062.05	13,986.32
From 2 year to 3 years	3,243.89	11,438.30
Above 3 years	9,904.21	17,443.78
	4,19,965.53	3,59,293.13

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.

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

(₹ In Lakhs)

Particulars	2017-18
Balance as at April 1, 2017	7,959.89
Impairment loss recognised (net)	6,011.30
Balance as at March 31, 2018	13,971.19

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 group's maximum exposure in this respect is the maximum amount the group would have to pay if the guarantees/LOC are called on.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

(₹ in Lakhs)

Particulars	31st March, 2018			31st March, 2017		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payable	2,82,615.93	22,326.03	3,04,941.96	2,82,252.51	19,863.55	2,48,116.06
(ii) Borrowings	94,600.70	2,37,398.52	3,31,999.22	85,637.97	1,99,219.40	2,84,857.37
(iii) Other financial liabilities	67,588.62	35,991.78	1,03,580.40	36,328.26	34,947.78	71,276.04
Total			7,40,521.58			6,04,249.47

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, 2018 and March 31, 2017, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 4.65 % and 7.66 % 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 8.90% for FY 2017-18 and 10.77% for FY 2016-17.

Exposure As at March 31, 2018

(₹ In Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 % Increase	Decrease
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)

Exposure As at March 31, 2017

Aluminium	Fixed Price Contracts	10,314.00	515.75	(515.75)
Zinc	Fixed Price Contracts	10,543.00	527.15	(527.15)
Steel	Fixed Price Contracts	42,674.00	2,133.70	(2,133.70)
Total		63,531.00	3,176.60	(3,176.60)

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	As at 31st March, 2018	As at 31st March, 2017
34	**Disclosure in respect of security created on assets of the group against borrowings.**		
	Property, Plant and Equipments (including CWIP)	**1,89,631.31**	**1,34,793.40**
	Intangible Assets	**1,60,816.15**	**1,69,080.85**
	Inventories	**65,895.21**	**61,778.02**
	Financial Assets (Non-current and current)		
	Trade Receivables	**4,06,956.17**	**3,51,272.19**
	Loans	**2,978.72**	**3,596.99**
	Cash & Bank Balances	**26,679.02**	**24,964.94**
	Other Assets	**1,00,010.83**	**1,08,561.60**
	Total	**9,52,967.41**	**8,54,047.99**
35	**CONTINGENT LIABILITIES IN RESPECT OF :**		
	(a) Bank guarantees	3,155.69	3,389.24
	(b) Bills Discounted with Banks	3,753.00	527.20
	(c) Claims against the group not acknowledged as debt	5,521.20	4,430.19
	(d) Demands by Service Tax/ Excise/Income Tax and other tax/ revenue authorities, under disputes	5,040.33	6,212.71
	(e) Show cause notice issued by Service Tax Authorities	5,290.17	8,062.15
	(f) Disputed VAT/ WCT/Entry Tax demand in appeal	9,243.47	8,479.86
	(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.	23,494.46	17,146.92
36	**CAPITAL & OTHER COMMITMENTS**		
	Estimated amount of contracts remaining to be executed on capital account Tangible Assets and not provided for (net of advances)	1,29,277.27	73,073.23
	Commitments on account of Toll, Operation and Maintenance Contracts	1,660.09	1,348.14

		Major Maintenance		Performance Warranties	
		2017-18	2016-17	2017-18	2016-17
37	**THE DISCLOSURE AS REGARDS TO PROVISIONS**				
	Carrying amount at the beginning of the year	2,494.19	1,256.60	24,843.59	22,039.23
	Add: Provision/Expenses during the year	991.57	1,237.59	7,997.72	6,732.18
	Less : Reversal of Provisions	-	-	6,229.57	1,577.85
	Less : Utilisation during the year			740.33	2,349.97
	Carrying amount at the close of the year	**3,485.76**	**2,494.19**	**25,871.41**	**24,843.59**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

Particulars	2017-18	2016-17
38 EARNING PER SHARE		
No. of Equity Shares at the end of the year	1,53,460,570	1,53,460,570
Weighted Average No. of Equity Shares	1,53,460,570	1,53,460,570
Profit for calculation of EPS (₹ in Lakhs)	28,068.07	18,645.76
Basic and Diluted Earnings Per Share (₹)	18.29	12.15
Nominal value of Equity Share (₹)	2.00	2.00

39 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 ₹ 2,164.98 Lakhs (Previous Year ₹ 1,811.73 Lakhs) for provident fund contributions and ₹ 29.85 Lakhs (Previous Year ₹ 10.29 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 Employee's Group Gratuity cash accumulation scheme of the Life Insurance Corporation of India & Star Union Dai-ichi Life Insurance Company Ltd., 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.

(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)

		2017-18	2016-17
(i)	**Expenses recognised during the year**		
	In Income Statement	943.17	525.82
	In Other Comprehensive Income	36.17	193.67
		979.34	719.49
(ii)	**Expenses recognised in the Income statement**		
	Current Service Cost	891.98	481.26
	Net Interest Cost	51.19	44.56
	Expenses Recognized in the Income Statement	943.17	525.82
(iii)	**Expenses recognised in other comprehensive income**		
	Actuarial (gains) / losses		
	change in demographic assumptions	(3.19)	58.13
	change in financial assumptions	(109.77)	218.12
	experience variance	116.02	(126.12)
	Return on plan assets	33.11	43.54
	Expenses recognised in other comprehensive income	36.17	193.67

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
(iv)	**Net Liability recognised in the Balance Sheet**		
	Present value of obligation	3,942.07	3,156.79
	Fair value of plan assets	2,495.00	2,104.53
	Liability Recognized in Balance Sheet	(1,447.07)	(1,052.26)
(v)	**Changes in Present Value of Obligations**		
	Present value of obligation at the beginning of the year	3,156.90	2,633.16
	Current Service Cost	891.98	481.26
	Interest cost (Gross)	201.75	196.56
	Actuarial (gains) / losses arising from:		
	changes in financial assumptions	(109.77)	218.12
	change in demographic assumptions	(3.19)	58.13
	changes in experience assumptions	116.02	(126.12)
	Benefits paid	(311.62)	(304.21)
	Present value of obligation at the end of the year	3,942.07	3,156.90
(vi)	**Bifurcation of present value of obligations into current and non-current**		
	Current Liability	220.57	135.78
	Non-current Liability	1,226.50	916.48
(vii)	**Actuarial assumptions used in determining the obligation are**		
	Discount rate	7.00%-7.60%	6.90% -7.66%
	Salary Escalation Rate	6.00%-8.00%	3.00% -7.00%
	Mortality Rate	As per Standatd LIC Mortality table (2006-08)	
	Withdrawal Rate	2.00%-7.00%	1.00%-17.00%
	Retirement Age	58 - 60 years	
(viii)	**Maturity Profile of Defined benefit obligation**		
	1 year	801.89	479.78
	2 year	470.69	335.21
	3 year	526.57	404.76
	4 year	488.66	437.70
	5 year	575.98	424.14
	after 5 year	2,572.30	2,064.41

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

		As at 31st March, 2018	As at 31st March, 2017
(ix)	Quantitative Sensitivity Analysis for Significant Assumptions		
	Defined Benefits Obligation (Base)	3,942.07	3,156.90
	Impact of change in discount rate		
	Impact due to increase of 0.50%	3,819.45	2,981.16
	Impact due to decrease of 0.50%	4,058.42	3,077.61
	Impact of change in salary increase		
	Present value obligation at the end of the period		
	Impact due to increase of 0.50%	4,031.71	3,066.14
	Impact due to decrease of 0.50%	3,834.81	2,987.95

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).

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 Group has funded with Life Insurance Corporation of India is well established organization and is a Govt. of India undertaking. Hence there is no material investment risk.

40 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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

41 Related Party disclosure as required by IND AS 24 is as below :

List of Related Parties

a) Joint Ventures

Jhajjar KT Transco Pvt. Ltd.

Kurukshetra Expressway Pvt. Ltd.

b) Key Management Personnel

Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman (w.e.f April 1, 2017)
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 Pvt. Ltd.
Kalpataru Properties (Thane) Private Limited
Property Solution (India) Pvt. Limited
Kalpataru Enterprises
Kalpataru Limited
Kalpataru Construction Pvt. Limited
K C Holdings Pvt. Ltd.
Kalpataru Viniyog LLP
Kalpataru Holdings Pvt. Ltd.
Kiyana Ventures LLP
Gurukrupa Developers
Argos International Marketing Pvt. Ltd.
Kalpataru Retail Ventures Private Limited
Agile Real Estate Pvt. Ltd.
Arvind Silk Mills Private Limited
Illingworth Marketing LLP (Formerly Illingworth Marketing Private Limited)
Abacus Real Estate Pvt. Ltd.
Argos Arakaya Power Solutions LLP
B.G.K. Infrastructure and development Pvt. Ltd.
Kalpataru Urbanscape LLP

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

Transactions with Related Parties in ordinary course of business are:

(₹ in Lakhs)

	Particulars	Relationship	2017-18	2016-17
1	Purchase/Construction of Property, Plant and Equipments			
	Kalpataru Enterprises	Enterprises having significant influence	-	72.35
	Argos International Marketing Pvt. Ltd.	Enterprises having significant influence	-	7.73
	Argos Arakaya Power Solution LLP	Enterprises having significant influence	5.80	-
2	Advance For Capex			
	Gurukrupa Developers	Enterprises having significant influence	248.59	66.66
3	Net Loans and advances given/(repaid)			
	Jhajjar KT Transco Pvt. Ltd.	Joint Venture	-	(465.43)
	Kurukshetra Expressway Pvt. Ltd.	Joint Venture	3,003.85	3,604.94
4	Other Expenses			
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	17.91	74.20
	Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	13.39	10.06
	Illingworth Marketing LLP	Enterprises having significant influence	18.76	-
	Argos International Marketing Pvt. Ltd.	Enterprises having significant influence	0.95	-
	B.G.K. Infrastructure and development Private limited	Enterprises having significant influence	2.60	-
5	Reimbursement of Expenses (Paid / Payable)			
	Jhajjar KT Transco Pvt. Ltd.	Joint Venture	56.28	75.92
	Property Solution (India) Pvt. Limited	Enterprises having significant influence	139.23	50.65
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	35.96	31.30
	Kalpataru Limited	Enterprises having significant influence	21.34	10.74
	Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	3.84	3.60
6	Rent Paid			
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	1,249.24	1,195.18
	Kalpataru Limited	Enterprises having significant influence	112.47	13.69
	Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	59.80	35.39
	B.G.K. Infrastructure and development Pvt. Ltd.	Enterprises having significant influence	20.42	-
	Kalpataru Properties (Thane) Private Limited	Enterprises having significant influence	14.40	-
7	Revenue from Operations			
	Jhajjar KT Transco Pvt Ltd.	Joint Venture	146.19	151.23
	Kiyana Ventures LLP	Enterprises having significant influence	2,459.70	1,753.73
	Abacus Real Estate Pvt. Ltd.	Enterprises having significant influence	4,349.19	1,248.14
	Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	5,603.01	-
	Kalpataru Urbanscape LLP	Enterprises having significant influence	25.30	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	Relationship	2017-18	2016-17
8	**Other Income**			
	Jhajjar KT Transco Pvt Ltd.	Joint Venture	34.76	60.36
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	225.39	210.16
	B.G.K. Infrastructure and development Private limited	Enterprises having significant influence	9.39	-
9	**Sale of Property,Plant and Equipments**			
	Mr. Manish Mohnot	Key Managerial Personnel	-	12.60
10	**Salary and Commission***			
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	1,010.15	150.00
	Mr. Manish Mohnot	Key Managerial Personnel	950.40	760.44
	Mr. Parag Munot	Promoter Director	240.00	100.00
	* break up of Compensation to key managerial personnel			
	Short term employment benefits		1,960.55	760.44
11	**Dividend Paid**			
	Kalpataru Properties Private Limited	Enterprises having significant influence	272.92	-
	Kalpataru Construction Pvt. Limited	Enterprises having significant influence	467.00	-
	K C Holdings Pvt. Ltd.	Enterprises having significant influence	422.85	-
	Kalpataru Viniyog LLP	Enterprises having significant influence	26.40	-
	Kalpataru Holdings Pvt. Ltd.	Enterprises having significant influence	6.66	-
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	228.12	-
	Mr. Parag Munot	Promoter Director	269.27	-
	Ms. Sudha Golechha	Relative of Promoter Director	17.43	-
	Ms. Sunita Choraria	Relative of Promoter Director	17.43	-
12	**Security Deposit Received back**			
	Kalpataru Enterprises	Enterprises having significant influence	0.75	-
13	**Purchase\Stock**			
	Argos Arkaya Power Solution LLP	Enterprises having significant influence	157.25	-

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

Balances with Related Parties as at March 31, 2018

(₹ in Lakhs)

			As at 31st March, 2018	As at 31st March, 2017
1	Advances Given			
	Gurukrupa Developers	Enterprises having significant influence	389.22	140.63
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	210.49
2	Loans Given			
	Jhajjar KT Transco Pvt. Ltd.	Joint Venture	365.25	365.25
	Kurukshetra Expressway Pvt. Ltd.	Joint Venture	13,796.88	10,793.04
3	Security Deposit Given			
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	3,627.68	3,241.28
	Kalpataru Enterprises	Enterprises having significant influence	-	0.75
4	Trade Payable			
	Kalpataru Limited	Enterprises having significant influence	13.28	14.09
	Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	2.92	-
	Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	68.77	-
	Argos International Marketing Pvt. Ltd.	Enterprises having significant influence	24.71	3.01
	Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	414.71	4.48
	Property Solution (India) Pvt. Limited	Enterprises having significant influence	33.73	15.09
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	669.75	150.00
	Mr. Manish Mohnot	Key Managerial Personnel	664.29	512.58
	Mr. Parag Munot	Promoter Director	240.00	100.00
5	Trade Receivables			
	Jhajjar KT Transco Pvt. Ltd.	Joint Venture	32.55	5.61
	Kiyana Ventures LLP	Enterprises having significant influence	1,708.28	67.93
	Kalpataru Limited	Enterprises having significant influence	0.73	0.53
	Arvind Silk Mills Private Limited	Enterprises having significant influence	-	40.57
	Illingworth Marketing LLP	Enterprises having significant influence	-	100.76
	Abacus Real Esate Pvt. Ltd.	Enterprises having significant influence	2,309.41	453.85
	Kurukshetra Expressway Pvt. Ltd.	Joint Venture	44.91	44.91
	Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	2,127.07	-
	Kalpataru Urbanscape LLP	Enterprises having significant influence	16.95	-
6	Investment in Joint Venture Entity			
	Kurukshetra Expressway Pvt. Ltd.	Joint Venture	-	-
	Jhajjar KT Transco Pvt. Ltd.	Joint Venture	4,910.02	4,323.62
7	Advance Taken			
	Kiyana Ventures LLP	Enterprises having significant influence	606.00	757.28
	Abacus Real Esate Pvt. Ltd.	Enterprises having significant influence	40.35	82.23
	Kalpataru Urbanscape LLP	Enterprises having significant influence	344.07	-
	Mr. Mofatraj P. Munot	Promoter Director & Executive Chairman	116.39	89.98

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

		2017-18	2016-17
42	**ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :**		
	Subcontracting expenses	1,69,744.65	1,53,482.72
	Construction material, stores and spares consumed	28,011.86	34,462.55
	Power and fuel	6,202.01	4,302.21
	Freight and Forwarding Expenses	4,631.34	3,381.08
	Vehicle and Equipment Hire Charges	13,870.67	12,199.73
	Custom Duty, Clearing & Handling Charges	7,695.61	7,127.15
	Service Charges	3,390.66	1,403.22
	Others	11,367.19	13,411.39
	TOTAL	2,44,913.99	2,29,770.05

43 **(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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

44 (a) The Group'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 are charged as rent and equipment hire charges in these accounts amounting to ₹ 9,864.64 Lakhs (Previous year ₹9,171.56 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 ₹2,805.05 Lakhs (previous year ₹1,875.08 Lakhs) and for later than 1 year but not later than 5 years is ₹ 2,924.81 Lakhs (previous year ₹ 716.39 Lakhs) and for later than 5 years but not later than 9 years is ₹ 934.71 Lakhs (Previous year 14.56 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 obligation receivable in respect of assets on lease for not later than 1 year is ₹1,259.52 Lakhs (previous year ₹1,180.26 Lakhs) and for later than 1 year but not later than 5 years is ₹1,938.58 Lakhs (previous year ₹3,198.10 Lakhs).

45 (a) The Group has entered into service concession agreements with grantors viz: National Highways Authority of India (NHAI) and The Madhya Pradesh Road Development Corporation Ltd. (MPRDC) for construction and maintenance of the toll roads for a specified period (concession period) and has received a right to collect a fee for using the toll road during that agreed concession period. The Group has to pay a guaranteed minimum annual payment to the grantor for each year that the toll road in operation, as per agreement, for 2 toll roads. At the end of concession period, the ownership of the toll roads will vest with grantor. The service concession agreement does not contain a renewal option. In terms of para 17 of appendix A to Ind AS 11, cost on construction of roads has been recognised as "intangible assets" and being amortised over concession period.

(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 A to Ind AS 11, cost on construction of transmission lines has been recognised as "financial assets".

(c) Financial summary of above concession agreements is given below.

(₹ in Lakhs)

	Toll Roads		Transmission Lines	
Particular	2017-18	2016-17	2017-18	2016-17
Revenue accounted during the year	13,256.00	14,396.00	2,744.60	2,707.15
Profit before tax	(7,406.00)	(7,922.00)	607.35	439.72

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

46 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	98.24%	2,77,004.21	114.72%	32,199.93	66.85%	558.17	113.34%	32,758.10
Subsidiaries								
Indian								
Adeshwar Infrabuild Ltd.	0.00%	(0.07)	0.00%	(0.32)	-	-	0.00%	(0.32)
Amber Real Estate Ltd.	-1.05%	(2,950.20)	-0.17%	(47.17)	-	-	-0.16%	(47.17)
Energylink India Ltd.	1.82%	5,137.92	0.01%	2.39	-	-	0.01%	2.39
JMC Projects (India) Ltd.	27.98%	78,899.13	37.81%	10,612.74	-9.66%	(80.65)	36.44%	10,532.09
Shree Shubham Logistics Ltd.	2.89%	8,139.81	-14.79%	(4,150.51)	0.28%	2.30	-14.35%	(4,148.21)
Kalpataru Satpura Transco Private Ltd	2.81%	7,919.66	0.71%	198.07	-	-	0.69%	198.07
Kalpataru Metfab Private Ltd.	0.79%	2,227.87	-0.03%	(7.41)	-	-	-0.03%	(7.41)
Brij Bhoomi Expressway Private Ltd.	-0.87%	(231.83)	-3.39%	(952.56)	-	-	-3.30%	(952.56)
JMC Mining and Quarries Ltd.	0.01%	19.61	0.00%	(0.28)	-	-	0.00%	(0.28)
Saicharan Properties Ltd.	1.61%	4,538.58	-0.82%	(230.41)	-0.11%	(0.90)	-0.80%	(231.31)
Vindhyachal Expressway Private Ltd.	5.63%	15,884.29	-2.75%	(773.13)	-	-	-2.67%	(773.13)
Wainganga Expressway Private Ltd.	-0.88%	(2,483.80)	-13.77%	(3,865.14)	-	-	-13.37%	(3,865.14)
Punarvasu Financial Services Pvt. Ltd.	0.71%	2,013.30	0.28%	78.00	0.00%	0.40	0.27%	78.40
Alipurduar Transmission Ltd.	5.12%	14,433.74	-	-	-	-	-	-
Kohima-Mariani Transmission Ltd.	0.00%	0.82	-	-	-	-	-	-
Foreign								
Kalpataru Power Transmission (Mauritius) Ltd.	0.07%	207.48	-0.05%	(14.09)	-0.01%	0.12	-0.05%	(13.97)
Kalpataru Power Transmission - USA, INC	0.03%	94.35	-0.30%	(85.16)	-0.03%	(0.22)	-0.30%	(85.38)
LLC Kalpataru Power Transmission Ukraine	-0.03%	(85.37)	0.10%	28.98	-0.36%	(3.02)	0.09%	25.96
Kalpataru Power DMCC, UAE	-0.04%	(124.44)	0.10%	28.22	-0.03%	(0.23)	0.10%	27.99
Kalpataru IBN Omairah Company Ltd.	0.58%	1,632.89	0.38%	106.06	0.69%	5.78	0.39%	111.84

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

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)
Non Controlling interest in all subsidiaries	5.19%	14,638.80	-0.86%	(241.68)	-2.85%	(23.78)	-0.92%	(265.46)
Joint Venture (as per equity consolidation method)								
Jhajjar KT Transco Private Limited	1.74%	4,910.02	2.09%	586.40	-	-	2.03%	586.40
Kurukshetra Expressway Private Limited	-	-	-8.09%	(2,270.52)	-	-	-7.86%	(2,270.52)
Adjustment arising out of consolidation	-53.14%	(149,846.87)	-11.17%	(3,134.34)	45.15%	377.01	-9.54%	(2,757.33)
Total	100.00%	281,979.90	100.00%	28,068.07	100.00%	834.98	100.00%	28,903.05

47 Segment Reporting

Group's reportable segments are as under:

(a) Engineering, Procurement and Construction (EPC): It comprises of infrastructure projects relating to power transmission and distribution, civil construction, railway track laying and electrification, oil and gas pipelines laying, etc.

(b) Developmental Project: It comprises of development, operation and maintenance of infrastructure project."

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Summarised segment information are as follows:

(₹ in Lakhs)

Particulars	EPC		Developmental Projects		Others		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
(a) Business Segment								
(i) Segment Revenue	8,48,965.08	7,36,727.80	17,678.29	20,341.00	7,625.89	5,927.91	8,74,269.26	762,996.71
Less: Inter-Segmental Revenue							97.13	81.91
Revenue from Operations							8,74,172.13	7,62,914.80
(ii) Segment Results (before finance cost and interest income)	76,463.97	66,237.48	7,564.12	6,545.39	10.23	(3,441.73)	84,038.32	69,341.14
Add: Interest income							1,507.56	1,747.89
Less: Interest Expenses							37,769.37	38,449.18
Share of Loss from Joint Venture							(1,684.12)	(3,160.38)
Profit Before Tax							46,092.39	29,479.47
Current Tax							20,852.46	16,469.30
Deferred Tax							(2,586.46)	(2,719.20)
Net Profit for the year							27,826.39	15,729.37
(iii) Other Information								
Depreciation and amortisation							19,150.87	18,053.23

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

(₹ in Lakhs)

	Particulars	EPC	Developmental Projects	Others	Total
(iv)	**Segment Assets and Liabilities**				
	As at March 31, 2018				
	Segment Asset	**9,47,966.83**	**3,22,403.86**	**61,654.53**	**13,32,025.22**
	Less: Inter segmental assets	**72,029.16**	**14,836.97**	**6,174.48**	**93,040.61**
	Net Segment Assets	**8,75,937.67**	**3,07,566.89**	**55,480.05**	**12,38,984.61**
	Segment Liability	7,42,684.23	2,40,931.37	51,153.77	10,34,769.37
	Less: Inter segmental liabilities	**70.87**	**63,426.73**	**14,267.06**	**77,764.66**
	Net Segment Liabilities	**7,42,613.36**	**1,77,504.64**	**36,886.71**	**9,57,004.71**
	As at March 31, 2017				
	Segment Asset	**7,74,435.51**	**2,43,690.12**	**61,356.97**	**10,79,482.60**
	Less: Inter segmental assets	**54,960.59**	**2,220.50**	**117.97**	**57,299.06**
	Net Segment Assets	**7,19,474.92**	**2,41,469.62**	**61,239.00**	**10,22,183.54**
	Segment Liability	**5,96,980.04**	**1,79,067.67**	**47,972.67**	**8,24,020.38**
	Less: Inter segmental liabilities	**9,349.50**	**39,537.67**	**10,224.47**	**59,111.64**
	Net Segment Liabilities	**5,87,630.54**	**1,39,530.00**	**37,748.20**	**7,64,908.74**

(₹ in Lakhs)

	Particulars	2017-18	2016-17
(b)	**Geographical Segment**		
	Revenue from Operations		
	Within India	**6,14,865.29**	**5,35,329.10**
	Outside India	**2,59,306.84**	**2,27,585.70**
	Total	**8,74,172.13**	**7,62,914.80**

Non Current Assets*

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Within India	**3,70,929.66**	**3,15,952.55**
Outside India	**12,033.38**	**12,211.79**

*** excludes Financial assets, Non current tax and Deferred tax assets**

48 **Revenue from major customers- Public sector undertakings in India, is ₹ 2,60,430.55 Lakhs (Previous year ₹ 2,56,237.75 Lakhs). Revenue from other individual customer is less than 10% of total revenue.**

NOTES ON CONSOLIDATED FINANCIAL STATEMENT

For the year ended March 31, 2018

49 Figures pertaining to the group companies have been re-classified wherever necessary to bring them in line with the parent's financial statements.

For and on behalf of the Board

Kamal Kishore Jain
Director (Finance) & CFO

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Rahul Shah
Company Secretary

Parag Munot
Director
DIN: 00136337

Mumbai : May 25, 2018

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	75,541.03	299,935.91	262,675.27	41,638.49	275,564.40	14,495.80	3,883.07	10,612.73	1,007.43	67.19%
2	Shree Shubham Logistics Limited	INR	7,343.22	796.59	55,353.62	49,201.91	1,988.10	6,859.63	(3,939.18)	210.53	(4,149.71)	-	71.52%
3	Adeshwar Infrabuild Limited	INR	5.00	(5.07)	0.02	0.09	-	-	(0.32)	-	(0.32)	-	100%
4	Amber Real Estate Limited	INR	99.00	(3,049.20)	13,754.78	16,704.98	-	1,607.07	(25.68)	21.49	(47.17)	-	100%
5	Energylink (India) Limited	INR	5,200.00	(62.08)	170.36	37.44	5,005.00	24.00	2.39	-	2.39	-	100%
6	Kalpataru Metfab Private Limited	INR	3,001.00	(773.13)	2,232.88	5.01	-	-	6.22	2.10	4.12	-	100%
7	Kalpataru Satpura Transco Private Limited	INR	1,619.00	6,300.66	26,363.78	18,444.12	-	2,744.60	607.35	409.28	198.07	-	100%
8	Kalpataru Power DMCC, UAE	AED	139.30	(263.74)	729.31	853.75	-	-	28.22	-	28.22	-	100%
9	Kalpataru Power Transmission - USA, Inc.	USD	228.17	(133.82)	96.23	1.88	-	72.92	(85.16)	-	(85.16)	-	100%
10	Kalpataru Power Transmission (Mauritius) Limited	USD	290.33	(82.85)	839.98	771.80	139.30	-	(14.09)	-	(14.09)	-	100%
11	LLC Kalpataru Power Transmission Ukraine	UAH	27.32	(112.69)	5,845.07	5,930.44	-	267.09	35.34	6.36	28.98	-	100%
12	Saicharan Properties Limited	INR	5,005.00	(466.42)	33,201.88	28,663.30	-	-	(230.41)	-	(230.41)	-	100%
13	Brij Bhoomi Expressway Pvt. Limited	INR	2,275.71	(2,507.53)	17,836.74	18,068.56	-	2,832.95	(907.63)	44.93	(952.56)	-	67.19%
14	JMC Mining & Quarries Limited	INR	50.00	(30.39)	91.10	71.49	-	-	(0.28)	-	(0.28)	-	67.19%
15	Vindhyachal Expressway Pvt. Limited	INR	2,705.01	13,179.29	78,991.28	63,106.98	-	5,318.87	(2,272.27)	1,499.14	(773.13)	-	67.19%
16	Wainganga Expressway Pvt. Limited	INR	3,000.00	(5,483.81)	68,941.71	71,425.52	-	4,966.53	(3,893.84)	(28.70)	(3,865.14)	-	67.19%
17	Punarvasu Financial Services Pvt. Limited	INR	1,937.66	75.66	3,110.89	1,097.57	-	241.25	94.41	15.99	78.42	-	71.52%
18	Alipurduar Transmission Limited	INR	4,147.00	10,286.74	78,287.68	63,853.94		-	-	-	-	-	100%
19	Kalpataru IBN Omairah Company Limited	SAR	84.65	1,548.24	2,972.85	1,339.96	-	1,487.49	128.53	22.47	106.06	-	65.00%
20	Kohima-Mariani Transmission Limited	INR	1.00	(0.18)	2,641.82	2,641.00	-	-	-	-	-	-	100%

Notes:

(a) Exchange rates at the year end considered for conversion : 1 USD = ₹ 65.0441; 1 AED = ₹ 17.7116; 1 UAH = ₹ 2.3979; 1 SAR= ₹ 17.3460

(b) Average exchange rates for the year considered for conversion : 1 USD = ₹ 64.4474; 1 AED = ₹ 17.5519; 1 UAH = ₹2.4190; 1 SAR=₹ 17.1900

(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

Sr. No.	Name of Associates / Joint Ventures		Jhajjar KT Transco Private Limited	Kurukshetra Expressway Private Limited
1	Latest audited Balance Sheet Date		31st March, 2018	31st March, 2018
2	Shares of Associate/Joint Ventures held by the Company on the year end			
(a)	Numbers		11,264,286	34,725,780
(b)	Amount of Investment in Associates/Joint Venture	(₹ in Lakhs)	3,815.00	6,602.50
(c)	Extend of Holding %		49.72%	33.31%
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)	4,910.02	(2,413.50)
6	Profit / (Loss) for the year			
(a)	Considered in Consolidation	(₹ in Lakhs)	586.40	(2,270.52)
(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.

For and on behalf of the Board

Kamal Kishore Jain
Director (Finance) & CFO

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Rahul Shah
Company Secretary

Parag Munot
Director
DIN: 00136337

Mumbai : May 25, 2018

Notes

CORPORATE INFORMATION

AUDITORS

M/s. Deloitte Haskins & Sells, Ahmedabad

BANKERS

Indian Bank
Oriental Bank of Commerce
Union Bank of India
State Bank of India
EXIM Bank
ICICI Bank
IDBI Bank
Standard Chartered Bank
The Hongkong & Shanghai Banking Corporation

COMPANY SECRETARY

Mr. Rahul Shah

REGISTERED OFFICE

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