

**KALPA-TARU®****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/17-18
16th August, 2017

BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort MUMBAI - 400 001. <u>Script Code: 522287</u> Listing: http://listing.bseindia.com	National Stock Exchange of India Ltd. 'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex Bandra (E) MUMBAI - 400 051. <u>Script Code : KALPATPOWR</u> Listing: https://www.connect2nse.com/LISTING/
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Sub.: Submission of Annual Report for the Financial Year 2016-17

Respected Sir(s),

In compliance with the provisions of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are pleased to submit herewith approved Annual Report of the Company for the Financial Year 2016-17 duly adopted in the Annual General Meeting of the members of the Company held on Friday, 11th August, 2017.

Kindly take note of the same on your records and oblige.

Thanking you,

Yours faithfully,
For Kalpataru Power Transmission Limited

Rahul c. shah

Rahul Shah
Company Secretary



Encl.: As above

ISO 9001 CERTIFIED COMPANY

Corporate Office : 81, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (E), Mumbai-400 055. India.
Tel. : +91 22 3064 2100 ■ Fax : +91 22 3064 2500 ■ www.kalpatarupower.com

KALPATARU POWER TRANSMISSION LIMITED

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

Tel.: +91 79 232 14000 Fax: +91 79 232 11966

Email: mktg@kalpatarupower.com

CIN: L40100GJ1981PLC004281

Web: www.kalpatarupower.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE THIRTY-SIXTH ANNUAL GENERAL MEETING ("MEETING") OF THE MEMBERS OF KALPATARU POWER TRANSMISSION LIMITED WILL BE HELD AT 4:00 P.M., ON FRIDAY, THE AUGUST 11, 2017 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 receive, consider and adopt:
 - (a) the Audited Financial Statements of the Company for the financial year ended March 31, 2017, 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, 2017.
2. To declare dividend on equity shares at the rate of ₹ 2.00/- per equity share for the financial year ended March 31, 2017.
3. To appoint a Director in place of Mr. Manish Mohnot (DIN: 01229696), who retires by rotation and being eligible offers himself for reappointment.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration and in this regards to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 139, 141, 142 and all 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), pursuant to recommendation of the Audit Committee and pursuant to resolution passed by Members at the AGM held on September 27, 2014, the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad (Firm Registration No. 117365W), as Statutory Auditors of the Company to hold office till conclusion of thirty seventh AGM be and is hereby ratified at a remuneration to be decided by the Board of Directors in consultation with M/s. Deloitte Haskins & Sells, Chartered Accountants, Ahmedabad plus applicable tax and re-imbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS**5. Appointment of Mr. Mofatraj P. Munot as an Executive Chairman of the Company**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

"RESOLVED THAT subject to the provisions of Sections 196, 197 and 200 and all other applicable provisions of the Companies Act, 2013 and Rules framed there under ("the Act") (including any statutory modification or re-enactment thereof for the time being in force) read with Part I of Schedule V of the Act, Articles of Association of the Company and subject to other approvals including approvals from Statutory Authority, if any, approval of the Company be and is hereby accorded to the re-designation, appointment and remuneration of 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) on terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to the **"Board"** which term shall be deemed to include any Committee of Directors which the Board may have constituted or which may be constituted in future to exercise any or all of its powers including the powers conferred by this Resolution) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re-enactment(s) thereof although he has attained the age of seventy years."

"RESOLVED FURTHER THAT notwithstanding anything herein, if in any financial year during the tenure of Mr. Mofatraj P. Munot as an Executive Chairman, if the Company has no profits or its profits are inadequate, the Company may subject to receipt of the requisite approvals including approval of Central Government, if any required, pay the above remuneration as the minimum remuneration by way of salary, perquisites, performance linked incentive / commission, other allowances and benefits as specified in the explanatory statement annexed to the Notice

convening this Meeting and that the perquisites pertaining to contribution to provident fund, superannuation fund or annuity fund, gratuity and leave encashment shall not be included in the computation of the ceiling on remuneration specified in Section II and Section III of Part II of Schedule V of the Companies Act, 2013.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution without being required to seek any further consent or approval of the members or otherwise to the end and intent that it shall be deemed to have their approval thereto expressly by the authority of this resolution.”

6. Issue and allot Secured / Unsecured redeemable non-convertible debentures upto ₹ 100 Crores

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 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 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 **₹ 100 Crores (Rupees One 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.”

7. Ratifying remuneration of Cost Auditor for the FY 2017-18

To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and 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, 2018, 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.”

8. Appointment of Ms. Anjali Seth as an Independent Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Ms. Anjali Seth (DIN: 05234352), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 19, 2017, pursuant to Article 83 of the Articles of Association of the Company and who holds office

up to the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of a Director and who has given a declaration of independence under Section 149(6) of the Companies Act, 2013, be and is hereby appointed as an Independent Director of the Company for a term of three consecutive years commencing from May 19, 2017 upto May 18, 2020 and shall not be liable to retire by rotation.”

9. Appointment of Mr. Subodh Kumar Jain as a Director of the Company

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Subodh Kumar Jain (DIN: 07085318), who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 19, 2017, pursuant to Article 83 of the Articles of Association of the Company and who holds the office upto the date of this Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a Director be and is hereby appointed as a Director of the Company liable to retire by rotation.”

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place : Mumbai
Date : May 19, 2017

Rahul Shah
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 said Notice. The proxy form duly completed and signed, should be lodged with the Company, at its registered office at least 48 hours before the time 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.

(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 authorised 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.

(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 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 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 close from Saturday, August 5, 2017 to Friday, August 11, 2017 (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.**

The Securities and Exchange Board of India ("SEBI") has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to Link Intime / Company.

(L) **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., on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the annual general Meeting and at the venue of the Meeting for the duration of the Meeting.**

(M) 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).

(N) MEMBERS WHO STILL HOLD SHARE CERTIFICATES IN PHYSICAL FORM ARE ADVISED TO DEMATERIALIZER THEIR SHAREHOLDING TO AVAIL THE BENEFITS OF DEMATERIALIZATION, WHICH INCLUDE 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.

(O) 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.

(P) 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.

(Q) **Members who have neither received nor encashed their dividend warrant(s) for the financial years from 2009-10 up to 2015-16, 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).**

(R) The Ministry of Corporate Affairs (MCA) on May 10, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012 (IEPF Rules), which is applicable to the Company. The objective of the IEPF Rules is to help the Members ascertain status of the unclaimed amounts and overcome the problems due to misplacement of intimation thereof by post etc. In terms of the said IEPF Rules, the Company has uploaded the information in respect of the Unclaimed Dividends on the website of the Company viz. www.kalpatarupower.com

(S) 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 AGM (**remote e-voting**) will be provided by Central Depository Services (India) Limited (**CDSL**). The facility for voting shall be made available at the AGM 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 Monday, August 7, 2017 at 9.00 A.M and ends on Thursday, August 10, 2017 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 Friday, August 4, 2017 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 Demat account holder has forgotten the same 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) Members can also use Mobile app - “m-Voting” for e-voting. m-Voting app is available on IOS, Android & Windows based Mobile. Shareholders may log in to m-Voting using their e voting credentials to vote for the company resolution(s).

(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 not later than three days of the conclusion of the AGM 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, 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 Annual General Meeting, subject to receipt of sufficient votes.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place : Mumbai
Date : May 19, 2017

Rahul Shah
Company Secretary

ANNEXURE TO THE NOTICE
EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Mofatraj P. Munot, Chairman, founder and promoter of the Company possesses high business acumen. The Company has achieved a phenomenal growth under his leadership. He has attained age of 70 years. However, in order to have active and continuous guidance of Mr. Mofatraj P. Munot for management of the Business of the Company and in order to devise primary focus on Corporate Planning, strategy, performance and overall value creation under his active leadership, the Board of Directors of the Company at the recommendation of Nomination and Remuneration Committee of the Company considering the work experience and prolonged association of Mr. Mofatraj P. Munot with the Company has re-designated and appointed Mr. Mofatraj P. Munot as an Executive Chairman of the Company for a period of 5 years w.e.f. April 1, 2017 till March 31, 2022.

The main terms and conditions of appointment and remuneration of Mr. Mofatraj P. Munot as an Executive Chairman are given below:

Main terms and conditions	Details
Tenure of Appointment	Mr. Mofatraj P. Munot has been re-designated and appointed as an Executive Chairman for a period of 5 years w.e.f. April 1, 2017 upto March 31, 2022 (both days inclusive).
Nature of Duties	The Executive Chairman shall exercise such powers on behalf of the Company as may from time to time be lawfully entrusted to and conferred upon him by the Board of Directors either alone or jointly with any other person or persons as the Board may determine. The Executive Chairman shall give his attention to the management and affairs of the Company subject to the superintendence, control and direction of the Board of Directors of the Company and shall use his best endeavors and efforts to improve and extend the overall business of the Company and shall not divulge any secrets or dealings relating thereto.
Remuneration	Mr. Mofatraj P. Munot will be paid monthly salary, allowances, perquisites and amenities in the following manner subject to overall ceiling laid down under Sections 197 and Schedule V of the Companies Act, 2013: I. Salary & Allowances: Basic Salary : ₹ 15,00,000/- per month (Rupees Fifteen Lacs only) House Rent Allowance: ₹ 9,00,000/- per month (Rupees Nine Lacs only) Other Allowance : ₹ 6,00,000/- per month (Rupees Six Lacs only) Total : ₹ 30,00,000/- per month (Rupees Thirty Lacs only)

	The above remuneration is inclusive of Company's contribution towards provident fund. The Executive Chairman shall be entitled to such increments in addition to the above remunerations every year as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. II. Perquisites: PART – A: (i) Medical Expenses: Reimbursement of medical expenses upto Rs. 15,000/- per annum and premium for Mediclaim policy for self and family. (ii) Club Fee: The Company shall pay membership fees of the club at Mumbai. PART- B: (i) Gratuity will be payable as per Payment of Gratuity Act, 1972. PART- C: (i) Company's chauffeur driven car will be provided for use of company's business. (ii) Telephone at residence shall be provided for business related use at company's expenses. Personal outstation calls shall be on personal account. III. Profit Link Incentive / Commission: Such remuneration by way of profit linked incentive / Commission in addition to the salary, perquisites and allowances, calculated with reference to the net profits in a particular financial year, as may be recommended by the Nomination and Remuneration committee and as approved by the Board of Directors within the limit stipulated under Section 197 and schedule V of the Companies Act, 2013 including any statutory modifications or re-enactment thereof.
Minimum Remuneration	In the event of loss or inadequacy of profits in any Financial Year, Mr. Mofatraj P. Munot shall subject to the approval of the Central Government, if any required, be paid remuneration by way of Salary and Perquisites as specified above subject to the restriction, if any, set out in Schedule V of the Companies Act, 2013, from time to time.

The Brief profile of Mr. Mofatraj P. Munot, 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.

Pursuant to the provisions of Sections 196 and all other applicable provisions of the Companies Act, 2013 ("the Act"), terms and conditions of appointment and the remuneration payable to Mr. Mofatraj P. Munot as an Executive Chairman (from April 1, 2017 to March 31, 2022) is now being placed before the members in the 36th Annual General Meeting for their approval by way of a Special Resolution.

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

Mr. Mofatraj P. Munot is interested in the resolution set out at Item No. 5 of the Notice. Mr. Parag Munot, Director being son of Mr. Mofatraj P. Munot shall be interested in the resolution set out at Item No. 5 of the Notice. The relatives of Mr. Mofatraj P. Munot may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company and their relatives is, in any way, concerned or interested, financially or otherwise, in these resolution.

Item No. 6

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 ₹ 100 Crores (Rupees One Hundred Crores). It is proposed that 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. 6 as an Ordinary Resolution for approval of the members.

None of the Directors or any key managerial personnel of the Company or any of their relatives is concerned or interested, financially or otherwise, in the resolution at out at Item No. 6.

Item No. 7

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, 2018, for a remuneration of ₹ 1,00,000/- (Rupees One Lacs only) plus applicable Taxes and reimbursement of out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out at Item No. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

The Board recommends the resolution at Item No. 7 for your ratification.

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. 7.

Item No. 8

Ms. Anjali Seth (DIN: 05234352) erstwhile Non-Independent Director of the Company resigned from the Board of Directors of the Company w.e.f. closing business hours of May 18, 2017 and consequent thereafter, based on the recommendations of Nomination and Remuneration Committee, the Board has appointed Ms. Anjali Seth (DIN: 05234352) as an Additional Director in the category of Independent Director for a period of 3 (three) years w.e.f. May 19, 2017. As per the provisions of Section 161 of the Companies Act, 2013, Ms. Anjali Seth holds office as an Additional Director till the date of the forthcoming Annual General Meeting. In terms of Section 149 (10) of the Act an Independent Director may be appointed by a company for a consecutive period of 3 years.

Ms. Anjali Seth has a rich and diverse experience of more than 30 years including as a professional lawyer. She has advised and consulted top banks, financial institutions and corporates on a range of matters including M&A, PE Investments, industrial and employee's relations, corporate governance, real estate negotiation, legal matters, statutory issues, litigations etc. Her brief profile is provided in the Annexure to the Explanatory Statement.

In light of the experience and expertise of Ms. Anjali Seth, the Board is of the view that her association with the Company would be of immense benefit to the Company and that the Company should continue to avail her services. It is, therefore, proposed that Ms. Anjali Seth, be appointed as an Independent Director of the Company for a consecutive period of 3 (three) years commencing from May 19, 2017.

Ms. Anjali Seth has given a declaration to the Board that she meets the criteria of independence as provided under Section 149(6) of the Act and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board is of the opinion that Ms. Anjali Seth fulfills the conditions specified in the Companies Act, 2013 and Rules made thereunder for being appointed as an independent director and that she is independent of the management of the Company.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Anjali Seth for the office of a Director of the Company.

The terms and conditions of appointment of Ms. Anjali Seth shall be open for inspection by the Members at the Registered Office of the Company during the time as mentioned in notes to this Notice.

The Board recommends the said resolutions at Item no. 8 for your approval.

Ms. Anjali Seth is interested in the resolution at Item No. 8 since it pertains to her appointment. The relatives of Ms. Anjali Seth may be deemed to be interested in the resolution set out at Item No. 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8.

Item No. 9

At the meeting of Board of Directors of the Company held on May 19, 2017, Mr. Subodh Kumar Jain (DIN: 07085318) was appointed as an Additional Director and holds the office upto the date of ensuing Annual General Meeting in terms of Section 152, 161 of the Companies Act, 2013 (Act) read with Articles of Association of the company.

Pursuant to Section 160 of the Act, the Company has received a notice in writing from a Member along with the deposit of requisite amount under section 160 of the Companies Act, 2013 signifying its intention to propose Mr. Subodh Kumar Jain as candidate for the office of Director of the company, liable to retire by rotation.

Mr. Subodh Kumar Jain is not disqualified from being appointed as Director in terms of section 164 (2) of the Companies Act, 2013.

The brief profile of Mr. Subodh Kumar Jain, the nature of his expertise, the names of Listed companies in which he holds directorships / memberships of Committees of Board, if any and other information, as required to be given pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Notice.

The Board recommends the resolution at Item No. 9 for your approval.

Mr. Subodh Kumar Jain is interested in the resolution set out at Item No. 9 of the Notice with regards to his appointment. The relatives of Mr. Subodh Kumar Jain may be deemed to be interested in the resolution set out at Item No. 9 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the company and their relatives is, in any way, concerned or interested, financially or otherwise, in these resolutions.

By Order of the Board
For **KALPATARU POWER TRANSMISSION LTD.**

Place : Mumbai
Date : May 19, 2017

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 at the forthcoming Annual General Meeting

1. Mr. Manish Mohnot

Name	Mr. Manish Mohnot
Age (as on March 31, 2017)	44 years
Date of first appointment on the Board	November 01, 2006
Brief resume/ Qualification/ Expertise in specific functional area/Experience	Mr. Manish Mohnot has more than two decades of experience in areas related to power, oil & gas, infrastructure, consulting, banking and business development. He was also associated with reputed multinational banks and consulting firms. He is a qualified Chartered Accountant and a Cost Accountant. He has also done an advanced management program from Harvard University, U.S.A.
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
Kalpataru Power Transmission Limited	Stakeholder's Relationship Committee - Member CSR Committee - Member Share Transfer Committee - Member Risk Management Committee – Member Executive Committee – Member
JMC Projects (India) Limited	Stakeholder's Relationship Committee - Member Nomination and Remuneration Committee – Member Management Committee – Member Share Transfer Committee - Member

2. Mr. Mofatraj P. Munot

Name	Mr. Mofatraj P. Munot
Age (as on March 31, 2017)	72 years
Date of first appointment on the Board	June 27, 1989
Brief resume/ Qualification/ Expertise in specific functional area/ Experience	Mr. Mofatraj P. Munot has a vast industry 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.
No. of shares held in the Company	1,14,05,822 Equity Shares (7.43%)
Relationship with other Directors and Key Managerial Personnel	Mr. Mofatraj P. Munot and Mr. Parag M Munot, Directors are related to each other as Father and son.

List of directorship of listed entities	Chairmanship / Membership of Committees of the Board in such companies
Kalpataru Power Transmission Limited	Audit Committee – Member CSR Committee - Member Nomination and Remuneration Committee – Member Executive Committee – Member
Caprihans (India) Limited	None

3. Ms. Anjali Seth

Name	Ms. Anjali Seth
Age (as on March 31, 2017)	58 years
Date of first appointment on the Board	March 28, 2015
Brief resume/ Qualification/ Expertise in specific functional area/ Experience	Ms. Anjali Seth has a rich and diverse experience of more than 30 years including as a professional lawyer. She has advised and consulted with top banks, financial institutions and corporates on a range of matters including M&A, PE Investments, industrial and employee's relations, corporate governance, real estate negotiation, legal matters, statutory issues, litigations etc. She has been associated in various positions with International Finance Corporation, Swaadhar Finserve and ANZ Grindlays Bank. She had the opportunity to work in UAE with real-estate company, Emmar Properties. She has served Standard Chartered Bank as their Legal Head in India. She holds bachelor degree in Law and is advising and consulting with banks, financial institutions and corporates as a legal consultant.
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
Adlabs Entertainment Limited	Stakeholder's Relationship Committee – Chairperson Audit Committee – Member
JMC Projects (India) Limited	None
Caprihans (India) Limited	Stakeholder's Relationship Committee – Member
ADF Foods Limited	None
Kalpataru Power Transmission Limited	None
Endurance Technologies Limited	Stakeholder's Relationship Committee – Chairperson Audit Committee - Member Nomination and Remuneration Committee – Member

4. Mr. Subodh Kumar Jain

Name of the Director	Mr. Subodh Kumar Jain
Age (as on March 31, 2017)	62 years
Date of first appointment on the Board	May 19, 2017
Brief resume/ Qualification/ Expertise in specific functional area/ Experience	Mr. Subodh Kumar Jain has 40 years of experience in the Indian Railways and Metro Rails across all functions and geographies within India and Internationally. His key areas of specializations are Metro rail systems (including planning, feasibility, funding options, route selection, legal, institutional and contractual framework, selection of technology, IRR, FIRR, fare fixation etc.), Contract Management and International project management. He has been Chief Advisor to GMR Infra, expert / advisor for Hyderabad Metro Rail Limited and Nagpur Metro Rail Limited and Guest professor at IIT Gandhinagar and TERI University. He was associated with Indian Railways in various positions from time to time and lastly he served as Member Engineering, Railway Board, Ministry of Railways & Ex-Officio Secretary to the Government of India. He has obtained trainings from various International forums on various aspects of Railways during his career. He has been member of various national and international professional institutions. He holds Bachelor of Science degree in Civil Engineering from University of Roorkee (now IIT Roorkee).
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
-	-

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



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 Sixth Annual General Meeting** of the Company being held on **Friday, August 11, 2017 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
170706013		

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.

[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 **36th Annual General Meeting** of the Company, to be held on **Friday, August 11, 2017 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.	Receive, consider and adopt:		
	a) the Audited Financial Statements for the financial year ended March 31, 2017, the Reports of the Board of Directors and Auditors thereon		
	b) the Audited Consolidated Financial Statements for the financial year ended March 31, 2017		
2.	To declare dividend on equity shares for the financial year ended March 31, 2017		
3.	Re-appointment of Mr. Manish Mohnot who retires by rotation and being eligible offers himself for reappointment		
4.	Ratification of appointment of statutory auditors		
5.	Appointment of Mr. Mofatraj P. Munot as an Executive Chairman of the Company		
6.	Issue and allot Secured / Unsecured redeemable non-convertible debentures upto ₹ 100 Crores		
7.	Ratifying remuneration of cost auditor for the FY 2017-18		
8.	Appointment of Ms. Anjali Seth as an Independent Director of the Company		
9.	Appointment of Mr. Subodh Kumar Jain as a Director of the Company		

Signed this _____ day of _____ 2017

Affix
revenue
stamp

Signature of Proxy holder

Signature of Member

Notes:

- 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.

Three separate words, but bring them together, they become a powerful and bold statement reflecting the past, present and future at Kalpataru Power Transmission Limited. They embed and embody our consistent track record over the last three and a half decades in the face of challenging headwinds. **PROVEN.**

They signify and spell our unwavering focus on building new capabilities and competencies. **PERSISTENT.**

They convey and cast a confident roadmap of our next phase of growth and expansion. **PROMISING.**



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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.



PROVEN.

PERSISTENT.

PROMISING.

Three separate words, but bring them together, they become a powerful and bold statement reflecting the past, present and future at Kalpataru Power Transmission Limited (KPTL).

They embed and embody our consistent track record over the last three and a half decades in the face of challenging headwinds. **PROVEN.**

They signify and spell our unwavering focus on building new capabilities and competencies. **PERSISTENT.**

They convey and cast a confident roadmap of our next phase of growth and expansion. **PROMISING.**

At KPTL, we have always endeavoured to deliver on our promises

A decade ago, we had about a quarter of our revenue from international operations.

Today, we have almost 40% of our revenue coming from international operations and are present in over 40 countries.

A decade ago, our Transmission Tower Production capacity was 84,000 MT per annum spread across two plants at Gandhinagar.

Today, we have an overall Transmission Tower production capacity of 1,80,000 MT per annum spread across three plants at three locations.

A decade ago, our total order book size was ₹ 1,550 Cr*.

Today, we have a healthy order book of ₹ 9,000 Cr*.

In 2009, we won our first DBOFT transmission project in Haryana and we promised that we would make it a success. We received an Early Completion of Transmission Award for the year 2012 by Ministry of Power for this line.

We have now expanded our transmission line DBOFT/BOOM projects portfolio to include three more projects.

In FY 12, we went ahead with a mission to achieve a double digit CAGR in PAT.

We have been growing our PAT at a CAGR of 13% during the past 5 years.

In FY 10, we decided to invest in capabilities for railway projects.

Today, we are capable of handling large and complex railway projects from track-laying to signalling and have an order backlog in excess of ₹ 900 Cr.

A decade ago, we promised to improve or maintain ROCE.

Today, we have an ROCE in excess of 17% on a standalone basis for FY 17.

We have forged intrepidly into adverse scenarios with good upside potential and are converting them into success stories.

We invested in JMC Projects (India) Ltd. when it was comparatively a small company with an order book of around ₹ 300 Cr. Today, the Company's order book has increased 23 times; its top and bottom line have also grown multi-fold. The Company is spreading its wings both domestically and in the international markets.

At Shree Shubham Logistics Ltd., we believe that there is an immense potential for growth to be achieved, even though its FY 17 turnover fell to ₹ 55 Cr, due to several internal and external issues.

Our endeavour is to maintain our leverage at minimal levels, by focusing on working capital management, process improvement and achieving cost efficiencies.

We have promised to protect the interests of KPTL's stakeholders.

With consistent focus and efforts, we have delivered performance in spite of strong operating headwinds.

With continuous learning from our past experiences, we have consistently improved our processes and systems.

* Excluding orders where our bids are favourably placed to win

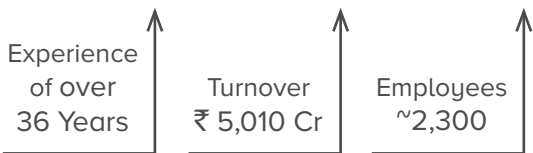
Who we are...

At KPTL, being consistent is what defines and differentiates us. Delivering on commitments and executing well-designed strategy is what separates us from others. We have an impressive track-record of achievements with distinct milestones a testimony to our consistency, confidence and commitment.

It is this focus on being consistent that has made KPTL one of the largest players in the global power transmission and infrastructure EPC space. With over three and a half decades of experience and expertise combined with a proven track record of execution, KPTL today has established its footprint over 40 countries. With numerous marquee projects to its credit, the Company continues to showcase its comprehensive capabilities while delivering complete solutions, on a turnkey basis, along the entire spectrum of design, testing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects.

At the same time, quality, environment and occupational health & safety are at the core of every KPTL project. The unwavering focus on global quality standards has ensured ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 certifications.

KPTL is part of the 48 year-old Kalpataru Group, a diversified conglomerate spanning Real Estate, Power Generation and Transmission, Construction of Roads, Factories, Buildings and Oil and Gas Infrastructure and Agri-Logistics spaces.



Our Major Subsidiaries

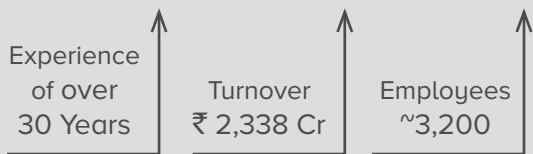


JMC Projects (India) Ltd.

JMC Projects (India) Ltd.

JMC Projects (India) Ltd is a full scale infrastructure EPC player, with a presence in all verticals, including buildings and factory, roads and flyovers, water and railways and industrial and power BOP. The Company undertakes services such as civil construction, mechanical and electrical undertakings, fire fighting, HVAC and Landscaping.

Some of its marquee projects include Power Grid Corporation, Gurgaon; Indian Institute of Management, Ahmedabad; Cadila Healthcare, Ahmedabad; Infosys Technologies, Bangalore; Elevated Metro Stations, DMRC, Delhi; the Thyagaraj Sports Complex at New Delhi and a state-of-the-art building for Coal India amongst others.

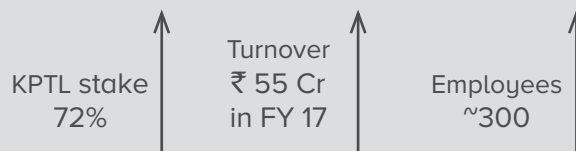




Shree Shubham Logistics Ltd (SSL)

Incorporated in 2007, SSL is in the business of warehousing, procurement, primary processing, trading, collateral management, funding facilitation, funding, testing and certification, and pest management of post-harvest value chain for agri-commodities.

With warehouses across the states of Rajasthan, Gujarat, Madhya Pradesh and Maharashtra, the Company has also been approved as a warehouse service provider to market trade participants. SSL is presently managing more than 100 warehousing units.



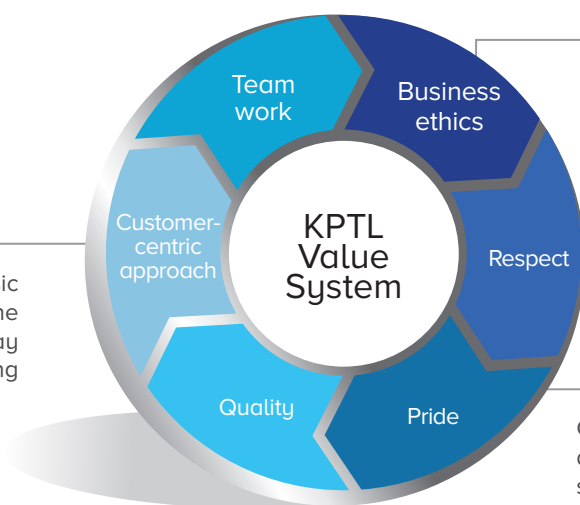
Our Values

Behind KPTL's success is its deeply rooted and unique value system that shapes its Business Principles and Management Philosophy. It is these KPTL values that determine our strategy, drive execution and deliver success.

Towards betterment of society

KPTL Values

Permanent & intrinsic ideologies that define KPTL's day-to-day functioning



Management Philosophy

KPTL puts its resources to deliver quality & sustainable energy transmission solutions. Thereby, contributing towards betterment of economies & society

Business Principles

Core principles that define commitment to all stakeholders

Financial Highlights

Standalone	2012-13	2013-14	2014-15	2015-16 [#]	2016-17 [#]	2016-17
	₹ in Crores					USD in Million
Production in MTs	* 1,51,772	*1,77,583	*1,51,480	*1,44,887	*1,57,830	*1,57,830
Gross Revenue	3,421.4	4,176.8	4,493.8	4,408.8	5,010.7	772.8
Sales Growth (%)	10.6	22.1	7.6	-1.9	13.7	13.7
International Revenue	1,293.7	1,838.5	2,395.8	2,384.8	1,995.1	307.7
Total Expenditure	3,099.3	3,790.6	4,067.0	3,955.7	4,481.5	691.2
Operating Profit (PBDIT & other income)	322.1	386.2	426.8	453.1	529.2	81.6
Other Income	47.7	48.4	52.2	53.7	49.3	7.6
Finance Cost	122.0	146.0	140.9	127.4	98.2	15.1
Profit before Depreciation & Tax (PBDT)	247.8	288.6	338.1	379.4	480.3	74.1
Depreciation	52.3	69.5	85.2	83.7	77.7	12.0
Profit before Tax	195.5	219.1	252.9	295.7	402.6	62.1
Provision for Taxation (incl. Deferred Tax)	57.9	72.7	87.3	103.3	133.5	20.6
Profit after Tax (PAT)	137.6	146.4	165.6	192.4	269.1	41.5
Other Comprehensive Income (net of tax)	-	-	-	6.9	-5.3	-0.8
Equity Share Capital	30.7	30.7	30.7	30.7	30.7	4.7
Net Worth	1,846.0	1,953.9	2,070.5	2,214.6	2,478.4	382.2
Long Term Borrowing (including current maturities)	211.4	154.0	355.1	311.7	464.0	71.6
Short Term Borrowings	379.7	631.0	616.3	287.0	231.5	35.7
Total Borrowings (including current maturities)	591.1	785.0	971.4	598.7	695.5	107.3
Borrowings (Net of Cash and Bank balances)	534.2	720.3	896.1	492.5	484.4	74.7
Net Debt to Equity Ratio	0.29:1	0.37:1	0.43:1	0.22:1	0.20:1	0.20:1
Book Value Per Equity Share (₹/\$)	120.3	127.3	134.9	144.3	161.5	2.5
Earning per Equity Share (₹/\$)	9.0	9.5	10.8	12.5	17.5	0.3
Operating Profit (%)	9.4	9.2	9.5	10.3	10.6	10.6
Profit before Tax (%)	5.7	5.2	5.6	6.6	8.0	8.0
Profit after Tax (%)	4.0	3.5	3.6	4.3	5.3	5.3
Order Book at year end	6,800	6,500	5,150	8,300	9,017	1,390
Consolidated						
Gross Revenue	6,171.0	7,211.8	7,269.7	7,291.7	7,629.2	1,176.6
Profit after Tax (PAT)	129.5	122.2	120.4	110.0	186.5	28.8
Other Comprehensive Income (net of tax)	-	-	-	6.4	-11.0	-1.7
Earning per Equity Share (₹/\$)	8.4	8.0	7.8	4.9	10.3	0.2
Consolidated Order Book at year end	12,400	11,600	10,800	14,500	16,000	2,467

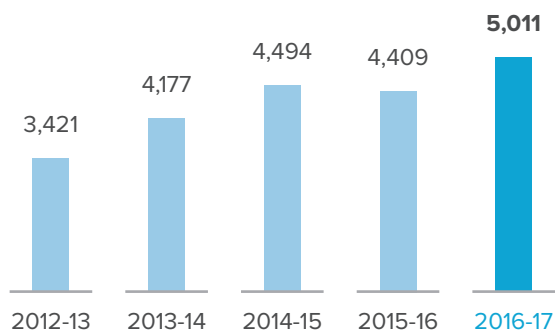
* The quantity includes production, on jobwork basis and purchased from/got processed from third parties.

The financials for FY 15-16 and FY 16-17 are Ind AS compliant and figures for other years are as per iGAAP.

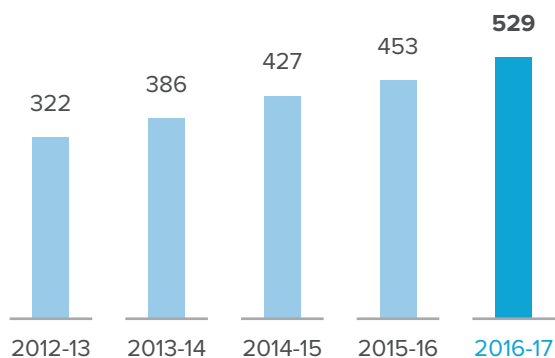
1 USD = ₹ 64.8386

Standalone

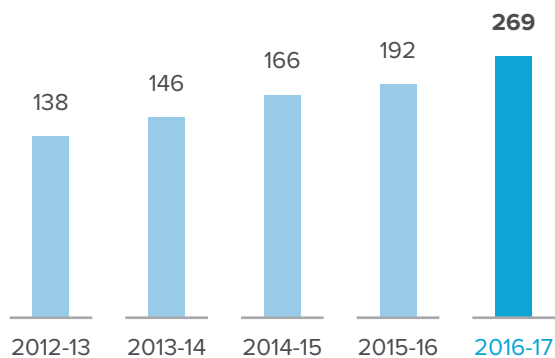
Gross Revenue (₹ Cr)



EBITDA (₹ Cr)

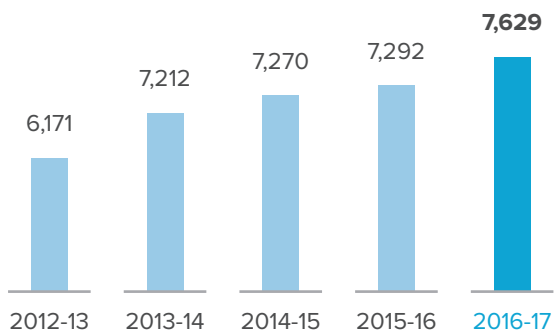


PAT (₹ Cr)

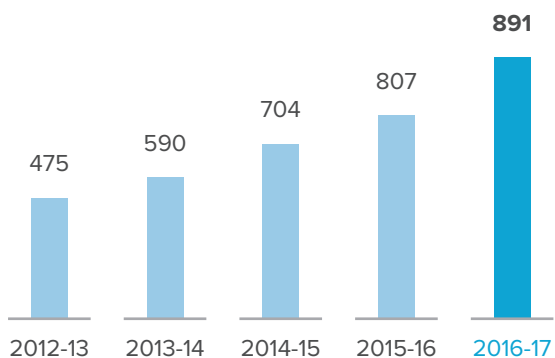


Consolidated

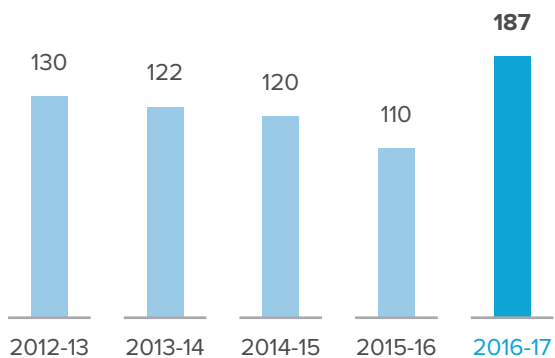
Gross Revenue (₹ Cr)



EBITDA (₹ Cr)



PAT (₹ Cr)



Chairman's Communiqué

Dear Shareholders,

Amidst an optimistic and promising macro-economic scenario, it gives me great pleasure to once again present to you the Company's results in the form of Annual Report for FY 16-17.

The past couple of years have witnessed significant progressive policy-level changes and effective implementation of directives in sectors in which we are present. It was the government's way of acknowledging that economic growth was hinged on the adequate development of infrastructure. This approach has delivered tangible results, and the potential for progress going forward is immense.

By the end of calendar 2016, the total installed capacity in the power sector crossed 3,00,000 MW. However, Transmission and Distribution facilities are yet to catch up. When compared with the international benchmark of 7 MVA for every MW of generation capacity, the existing transmission capacity is at approximately 2 MVA per MW in India. This has been leading to congestion in networks across the country. In addition, the need for large-scale transmission capacity is further necessitated as load centres are typically far from generating stations, closer in proximity to resource-rich areas.

Similarly, when we talk about infrastructure, Indian Railway network is among the world's largest rail networks and, the Government continues to build it further. It plans to commission new Railway lines of 3,500 kms in FY 17-18 and has committed ₹ 55,000 Cr towards capital and development expenditure of railways. Total capital and development expenditure of Railways is pegged at ₹ 1,31,000 Cr. This presents a significant opportunity for KPTL.

We have performed well in the year gone by. Our standalone order book touched ₹ 9,000 Cr at the end of March 2017, excluding bids where we were favourably placed. During the year, we have received firm orders of ₹ 6,200 Cr and at the end of the year, we were favourably placed to receive additional orders of about ₹ 2,000 Cr. During the year, our standalone revenue increased by 14% and crossed ₹ 5,000 Cr milestone. Our consolidated revenue grew by 5% to ₹ 7,629 Cr. Our standalone EBIDTA during the year was ₹ 529 Cr, a growth of 17% over previous year. Similarly, delivering on our guidance, our PAT grew by 40% to ₹ 269 Cr on a standalone basis and by 107% to 157 Cr on a consolidated basis in FY 16-17.

Over the past decade, we continued capital investments in both transmission and other infrastructure sectors, but have managed to maintain debt levels at the lowest in the industry. Our credit rating continues to be good and we enjoy strong support of our bankers, due to years of building relationships of trust. With presence in over 40 countries, we have also forged strong tie-ups with multilateral funding agencies which helps us expand and run our international business effectively.

Past few years have been years of strategic diversification, both in geographical as well as business verticals. Geographical diversification has resulted in increased proportion of our revenues and order book coming from international markets. International markets account for almost 52% of our current order book. Over the past five years, we have forayed into other segments of the infrastructure sector such as railways and pipelines. Our order book in these sectors have reached almost ₹ 1,500 Cr. We expect revenues from Railway business to almost double in the year to come.



“We have managed to maintain our debt levels at the lowest in the industry”

Some of the other changes this year have been our greater focus on automation, leverage of our market leadership and strong delivery track record to generate new business opportunities.

Our subsidiary JMC is on a strong growth track. The order inflow during the year was about ₹ 3,000 Cr and the order book at the end of the year was ₹ 7,000 Cr. The Company has ventured into new international markets during the year with orders in Ethiopia and Sri Lanka. Qualitatively too, the order inflow has shifted from private sector dominated to public sector projects, as the government is focused on development of roads, cities, water pipelines, institutional buildings and other infrastructure projects.

The Company has successfully navigated through the challenges of demonetisation. The Company maintains

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

Looking ahead, we see a prosperous future for the country, particularly the infrastructure sector, which will benefit the Company. All stakeholders are likely to benefit from this trend. Our success so far has been driven by our enterprising and enthusiastic human resources.

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.

Mofatraj P. Munot
Executive Chairman

Board of Directors



Mr. Mofatraj P. Munot

Executive Chairman

(Re-designated and appointed as an Executive Chairman w.e.f. April 1, 2017)

He 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. Sajjanraj Mehta

Independent Director

He is a renowned senior professional and expert in the field of Accounting, Tax and Corporate law. He has over 41 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. Narayan K. Seshadri

Independent Director

He has over 29 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.



Mr. Parag Munot

Promoter Director

He 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. Vimal Bhandari

Independent Director

He 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 Advisor 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. K. V. Mani

Independent Director

He has more than four decades of unparalleled experience in T&D business. He has been associated with the Company for over a 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.



Ms. Anjali Seth

Director

She 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, Swaadhar Finserve and ANZ Grindlays Bank.

She holds bachelor's degree in Law.



Mr. Manish Mohnot

Managing Director & CEO

(Re-designated as Managing Director and CEO w.e.f. March 28, 2017)

He has more than two decades of experience in areas related to power, oil & 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.A.



Mr. Subodh Kumar Jain

Additional Director (w.e.f. May 19, 2017)

He 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 advisor 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. Imtiaz Kanga

Director

Mr. Imtiaz Kanga has a rich experience of over 36 years in various industries. Currently, he serves on the Board of various Kalpataru Group Companies.

He is a Chartered Accountant by profession.

Executive Management Team

Mr. Kamal K. Jain

Director (Finance) & CFO

Mr. Dinesh B. Patel

Director (Operations)

Mr. Sanjay Dalmia

Director (International Business)

Mr. Gyan Prakash

President & CEO (Infrastructure Projects)

Mr. Subhasish Mukherjee

President (International Business)

Mr. M A Baraiya

President (HR & Admin)

Mr. Rajeev Dalela

President (TLD & SAARC)

Mr. Prasun Kumar Dutta

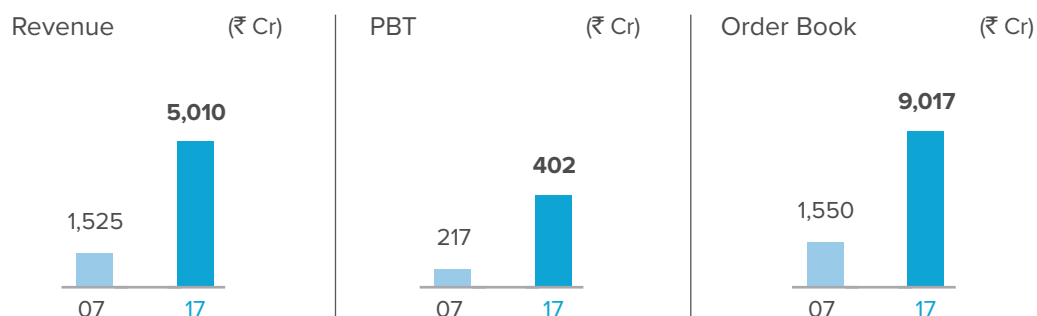
Sr. Vice President (Substation Division)

Mr. Anil Kumar

Deputy President (Railways)

Proven - Establishing Our Presence

A decade ago, we made a promise to ourselves and our stakeholders. We promised that we would achieve financials that make us proud leaders. Our FY 17 EBITDA of ₹ 529 Cr, PBT of ₹ 402 Cr and PAT of ₹ 269 Cr indicates that we have delivered on that promise.



We promised to expand our power transmission business and expand beyond.

Today, we are a leading EPC player in Power Transmission, Oil & Gas Infrastructure and have also made inroads in the Railway Infrastructure sector.

We have an annual production capacity of 1,80,000 MT transmission towers and have completed transmission line contracts of over 17,500 Km in length across the globe.

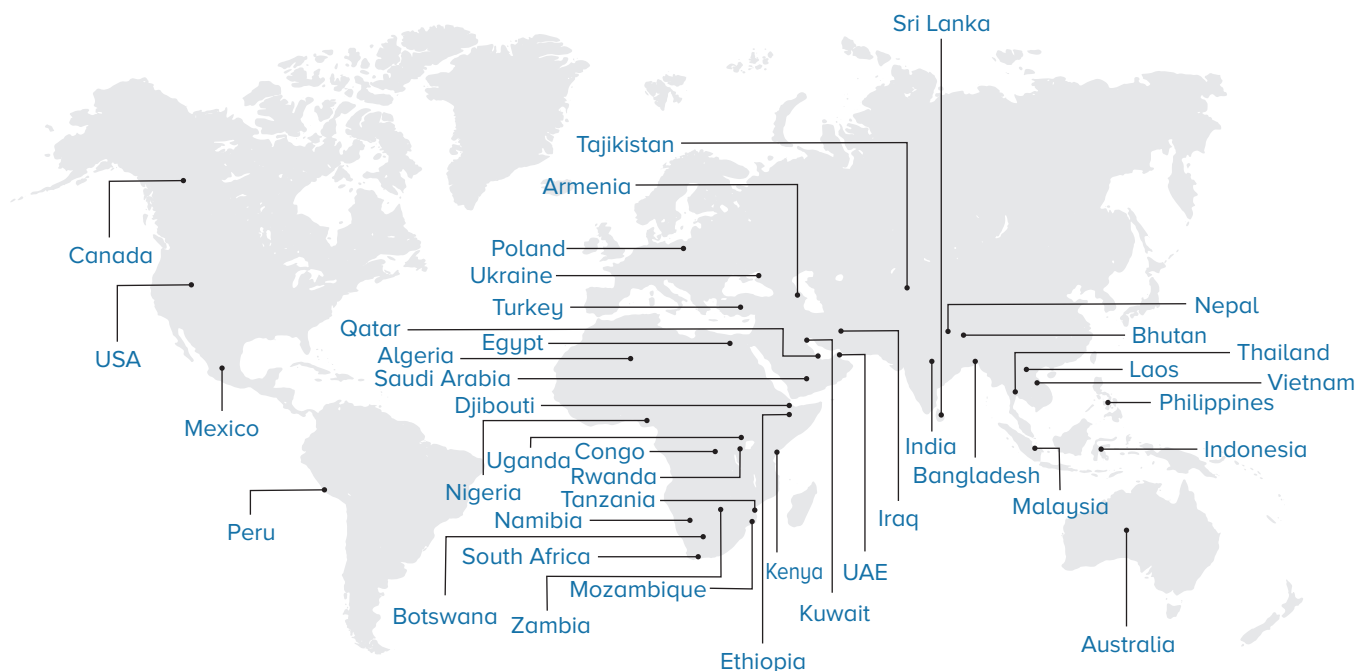
We have experience of laying 3,200+ Kms of Oil & Gas Pipelines and setting up of 80+ Oil & Gas Stations

Large base of high-end construction equipment and unparalleled experience of executing projects globally with a workforce of over 2,300 employees

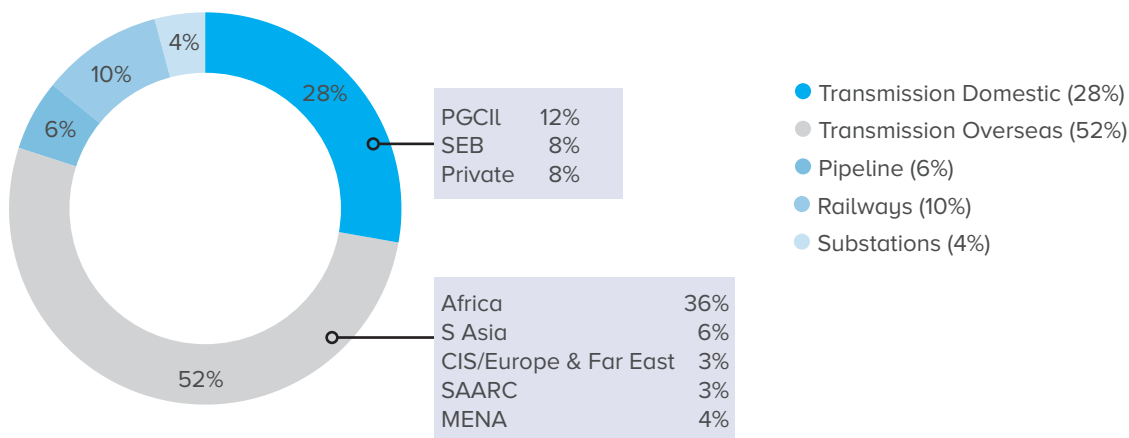
Completed our first international railway infrastructure project in Bangladesh

We have footprints in over 40 countries worldwide. Our capability to complete projects even in not so easy terrains and environments using the 'state-of-the-art' technologies and management methodologies have made us an EPC brand recognised globally.

We have footprints in over 40 countries



Order Book Bifurcation



We compete against ourselves
by setting benchmarks within the Company. We aim to surpass the key targets.

We focus on improving efficiencies
and keeping debt levels at a minimum through a strong focus on execution, making sure projects are completed on time which helps improve collection time and improve our working capital.



We constantly aim to enhance profitability through continuous strengthening of our cost leadership and speedy execution prowess.

We regularly upgrade our competitiveness by shifting towards more processes driven organisation and automation remains the key focus.

We consistently implement IT driven solutions and automation.

We follow a learning driven approach. If we make mistakes, we learn from our experiences and move on.



400/220 kV Solapur Substation Project

Persistent – Going from Strength to Strength

We constantly seek leadership-driven, profitable growth. By expanding into newer geographies, strengthening our core T&D Business and augmenting our portfolio size.

Our journey through FY 17 was full of challenges - some owing to economic uncertainties, others brought on by competitive pressures, labour issues, steel price fluctuations, volatility in the forex market and other issues.

We have delivered in spite of these challenges, both on growth as well as on profitability. Our top line has crossed ₹ 5,000 Cr mark for FY 17 for the first time in our history and profitability has reached a new high.

We have overcome adverse operating environment and delivered growth... consistently.

PERSISTENT

We have always had a firm belief in our vision and our capabilities. We have continued with our long-term investments in building new capabilities. Fuelling our capabilities are our people, processes and systems. We have continued investing in people and technology to create a future-ready organisation. Yes, we have made some mistakes, but importantly, we have used the learnings to our advantage. We have been persistent in pushing things forward:

- Being a leader in EPC projects and the best at what we do, we command scale which translates into good margins.
- In good economic times and bad, we continued to invest in projects. This contributed to our continuous growth.
- We have entered into transmission line DBOFT/BOOM projects and have a portfolio of four projects, two of which are already operational. This has also helped us build additional capabilities.
- While the going was still good in transmission, we sensed opportunities in Railways and Pipelines segments and made an entry. These businesses are steadily growing as the Company is targeting to scale-up substantially.
- At our subsidiary JMC, we undertook a strategic shift towards more government sector real estate orders, enhancing the quality of the portfolio.
- We've come a long way since we won our first Road BOOT project in FY 10. Five years down the line, we have completed 4 BOOT projects which are now operational.



Transmission line work at our Egypt project

Persistent – Going from Strength to Strength

Our persistence with organisational transformation, productivity management and cost control initiatives have enabled structural vigour in our operating performance.

Using Multi-Rotor Drone Solutions for Electric Power Line Stringing

For any transmission line project, carrying out stringing activities in mountainous regions has always been a challenge. Accordingly, we have been persistently looking for innovative methods to overcome this challenge in a cost effective and safe manner.



Multi-Rotor Drone at our Project in Rwanda

As a test case in one of our projects in Rwanda, we used a drone to carry out stringing of a single span between two mountains, with a 600-metre deep valley in between. The drone, which was operated by a trained engineer and drone pilot, was directed to carry a fine but strong 4mm nylon rope from a tower on one mountain to a tower on the second. This eliminated the need for someone to physically go from one mountain, through the valley and back up the second mountain.

The process took only 15-20 minutes (for a 350-metre span) with the help of the drone, rather than the usual 3-4 hours with the help of 15-20 technicians.

We have learnt that using drones to string electric cables between towers, on either side of a valley, river or even road, can be a safe and cost effective method.

Unwavering Commitment

We never rest on our laurels. We constantly aim higher, seeking new opportunities, greater efficiency, faster turnaround time and greater returns to stakeholders.

We strive to persistently deliver enhanced levels of excellence, with the larger goal of aiding the country.

We are committed to investing in new projects to achieve leadership-driven profitable growth while pursuing well thought out diversification. With superior

technology, capacity, capability and quality, we aim to enhance our position as a leading EPC company not just domestically but internationally as well.

Our commitment extends to maintaining good relationships with stakeholders, including clients, bankers, employees, shareholders and other facilitators. Consistent and continuous small and meaningful changes enable us to yield results in the long term.

Promising – Transforming Opportunity into Success

New Schemes like Power for All, a Joint Initiative of Government of India and State Governments to make 24x7 reliable and quality power available to all households, industry, commercial businesses, public needs, agriculture and UDAY are set to give thrust to intra state power transmission. This bodes well for the Power Transmission & Distribution sector.

With our core competence in transmission EPC, we are best placed to seize opportunities in power T&D space created by Power for All, UDAY schemes and green corridor expansion.



Drass-Kargil Transmission Line Work



Railway Work at our Tamluk Project

As the third largest railway network in the world, Indian Railways holds tremendous prospects in the short, medium and long-term as it undergoes rapid modernisation.

In recent years, upgrading railway infrastructure sector has become a core focus for the Government. Clubbing the Railway Budget with the Union Budget for the first time in the history of independent India, the Finance Minister has announced numerous reforms in the Railway sector, including:

- **₹ 55,000 Cr towards** capital and development expenditure of Railways.
- Commissioning Railway lines of **3,500 kms** in 2017-18.
- Initiating the first phase of the station redevelopment programme, covering commercial redevelopment of **23 out of 400 A1 and A category stations** across the country.
- Covering the length and breadth of Arunachal Pradesh by rail network, requiring an initial investment of around **₹ 50,000 Cr – ₹ 70,000 Cr at an elevation range of 500 to 9,000 feet.**

Indian Railways today offers unprecedented opportunities for players in the infrastructure space.

At KPTL, we had anticipated this a couple of years ago and had started investing in building capabilities to participate in the massive opportunity.

And today, we are ready to tap this opportunity in Indian Railways.

Our capabilities in building railway infrastructure are unparalleled. We cater to every aspect of railway infrastructure contracting: right from laying tracks and associated rehabilitation work, signalling and telecommunication to overhead electrification.

Our expertise also extends to building railway bridges, tunnels, station infrastructure including platforms and traction sub-stations.



A Transmission Tower at our Drass-Kargil Project

Promising – Transforming Opportunity into Success



Railway Work at our Keonjhar Project



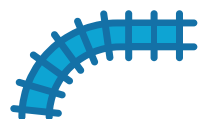
A Transmission Tower at our Drass-Kargil Project

While this business is relatively new, we have already won our first international project in Bangladesh.

We have secured an order of about ₹ 600 Cr in FY 17 and have reached an overall order size of about ₹ 1,000 Cr, which is likely to aid in our growth. This, we believe, is just the beginning and we are confident that with our railway infrastructure capabilities, we will become one of the leading players in this critical sector. We intend to actively participate in making and transforming Indian Railways to a truly world class.

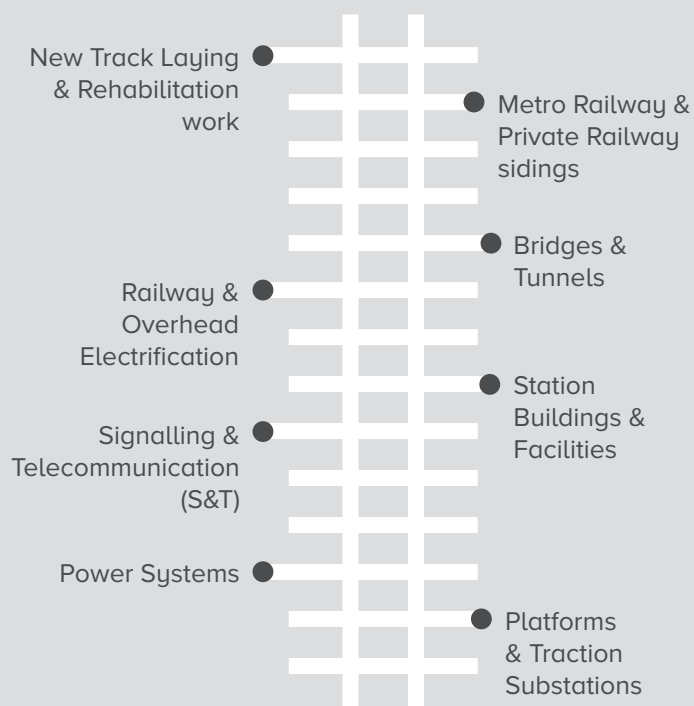


Delivered first international
**Railway EPC project
in Bangladesh.**



The expertise and the
capacity to lay tracks of
over 150 kms.

Our Railway Infrastructure Capabilities



Awards and Recognitions



Runner-up for overall performance from Power Grid Corporation of India Limited (PGCIL)



Received Certificate of Honour in the category of Leading RE Developers-Biomass at Renewable Energy India Awards 2016

APPRECIATION FROM POWER GRID CORPORATION OF INDIA FOR PERFORMANCE



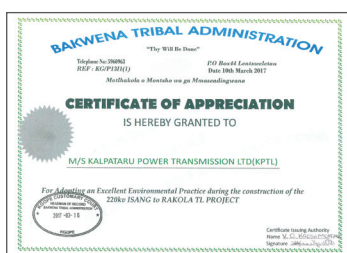
Appreciation from Power Grid Corporation of India as Runner-Up in Best Performance (Maximum Capitalisation)

APPRECIATION FROM POWER GRID CORPORATION OF INDIA FOR EARLY COMPLETION



Best Performance Award for early completion of the 765 kV Wardha-Nizamabad Transmission line

CERTIFICATE OF APPRECIATION FOR EXCELLENT SAFETY, ENVIRONMENT AND COMMUNITY SERVICE IN BOTSWANA



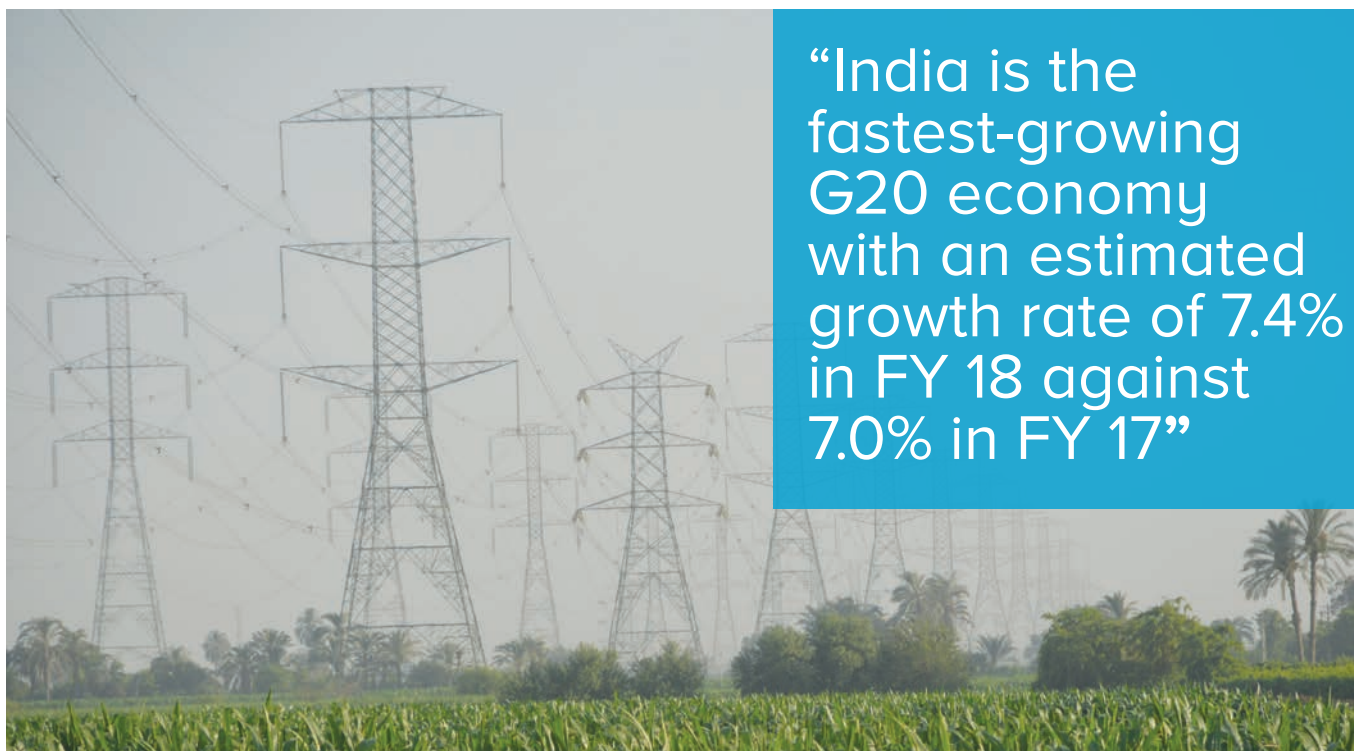
Certificates of appreciation for efforts in Safety, Environment and Community service by Kgope, Gabane and Gakuto Community

FROST AND SULLIVAN INDIA MANUFACTURING EXCELLENCE AWARD



Silver Certificate of Merit for Manufacturing Excellence 2016 to our Raipur Plant

Management Discussion and Analysis

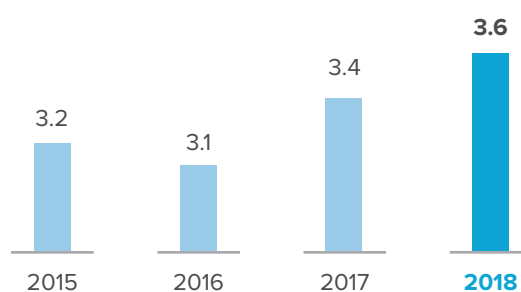


ECONOMIC REVIEW

Global growth for 2016 is estimated at 3.1% and is projected to be 3.4% and 3.6% in 2017 and 2018, respectively. Activity in both advanced economies and emerging economies is forecast to accelerate. Advanced economies are projected to grow by 1.9% in 2017 and 2.0% in 2018. However, this forecast is uncertain in light of potential changes in the policy stance of the United States. Whereas Emerging Markets growth is estimated at 4.1% in 2016, and is projected to reach 4.5% for 2017 and a further pickup in growth to 4.8% in 2018. The primary factor underlying the strengthening global outlook is the projected pickup in emerging markets' growth. Oil prices have increased reflecting an agreement among major producers to trim supply. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices.

(Source: World Economic Outlook - January 2017, IMF)

Global GDP Growth (%)



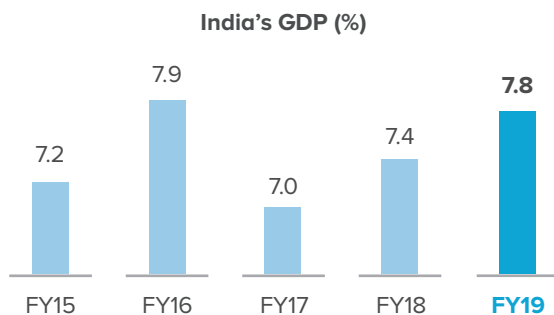
(Source: World Economic Outlook - January 2017, IMF)

India economy overview

India is the fastest-growing G20 economy with an estimated growth rate of 7.4% in FY 18 as against 7.0% in FY 17. The acceleration of structural reforms, the move towards a rule-based policy framework and low commodity prices had provided strong growth impetus over the past couple of years. Recent

deregulation measures and efforts to improve the ease of doing business have boosted foreign investment. As a consequence of Centre's major economic reform 'demonetisation', interest rates and yields on G-secs are expected to be lower in FY 18 as compared to FY 17. This will provide a boost to the Indian economy.

Consumer Price Index (CPI) inflation was 4.5% in FY 17 and is expected to be at 4.8% in FY 18. Due to enhanced liquidity in the market, especially post demonetisation, the Reserve Bank of India (RBI) cut its repo rate to 6.25%



(Source: Bloomberg)

Timely and effective implementation of the Goods and Services Tax will support competitiveness, investment and economic growth. The GST reform is designed to be initially revenue-neutral. Government's plans to reduce the corporate income tax rate and broaden the tax base will serve the same objectives.

(Source: OECD report dated Feb 2017 & Economic Survey dated Jan 2017)

SECTOR OVERVIEW

Transmission and Distribution

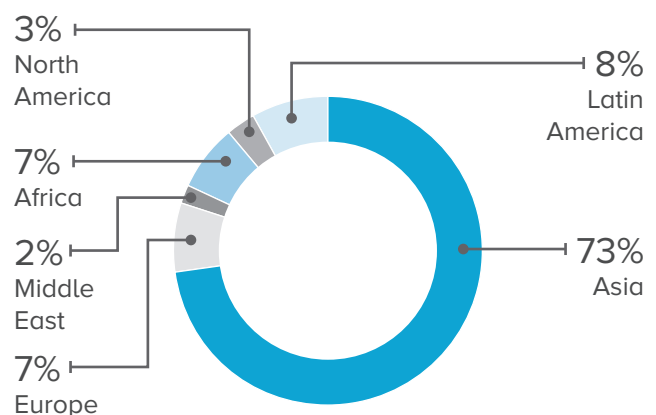
After facing a slow demand over the last few years, the market for high-voltage transmission equipment is expected to grow significantly over the coming decade, driven by the expected increase in investment in transmission infrastructure expansion, and upgradation of projects. It is estimated that over USD 640 billion is planned or proposed to be invested in the global transmission industry by 2025. The demand for equipment has already started picking up, as is indicated by the improvements in the order inflow and financial performance of major equipment manufacturers in 2015 and in the first half of 2016.



Going forward, the bulk of the equipment demand will be driven by Asian countries, dominated by India and China, due to increase in electricity consumption on the back of population and economic growth. In other developing countries, the demand for transmission equipment is being driven by the need to ramp up networks to support upcoming generation capacities and meet growing demand for energy.

Equipment demand in developed economies is now being driven by the need to renovate ageing grids, maintain reliability and security of supply, and to integrate with renewable energy projects. Significant investments are also being made to integrate regional and national markets, especially in Europe and Africa.

Expected demand for transmission towers
(by number of towers)



(Source: Global Transmission Report dated October 2016)

India

FY 16 saw an addition of around 28,114 ckm of transmission lines (220kV and above) and in FY 17 another 23,384 ckm of transmission lines (220kV and above) is expected to be further added. Even though, the overall number is lower than the previous fiscal, mainly due to balance targets of 12th Plan left to be achieved, the pace of line additions are so robust that the actual line additions up to December 2016 have exceeded the planned programme. The central sector had planned to add 9,751 ckm of lines over the course of FY 17, and 8,609 ckm up till December 2016. Actual line additions by the central sector up till December 2016 have been 9,301 ckm. Similarly, the private players have also achieved 3,148 ckm of transmission line addition as compared to the planned 2,075 ckm for 2016-17. This outlines the impetus to

the sector, where private entities are also actively participating through the tariff based competitive bid (TBCB) route and gradually increasing their share in the transmission sector.

At the end of the 11th Plan, the inter-regional transmission capacity (132kV and above) stood at 27,750 MW. During the XII Plan, (April 2012 to March 2016), 29,700 MW of inter-regional transmission capacity has been added, taking the total inter-regional transmission capacity (132kV and above) to 57,450 MW as on March 31, 2016. The total inter-regional capacity addition planned in the 13th Plan (2017-18 till 2021-22) is 47,500 MW, to increase the present inter-regional capacity of 63,650 MW (as on November 2016) to 1,18,050 MW by 2021-22. This is to be done through several inter-regional corridors and system strengthening projects.

Growth of Transmission Sector Since 6th Plan

Transmission System Type	Voltage (kV) Level	Unit	Ach. at the end of 6 th Plan	Ach. at the end of 7 th Plan	Ach. at the end of 8 th Plan (as on 31.03.1997)	Ach. at the end of 9 th Plan (as on 31.03.2002)	Ach. as on 31.03.2007 (End of 10 th Plan)	Ach. as on 31.03.2012 (End of 11 th Plan)	Ach. as on 31.03.2017	Target 31.03.2017 (End of 12 th Plan)
AC Transmission Lines	765	ckm	0	0	0	1160	2184	5250	92482	32250
	400	ckm	6029	19824	36142	49378	75722	106819	157787	144819
	220	ckm	46005	59631	79600	96993	114629	135980	163268	170980
	Total	ckm	52034	79455	115742	147531	192535	248049	413537	348049
HVDC		ckm	0	0	1634	4738	5872	9432	15556	16872
Total (AC-HVDC)		ckm	52034	79455	117376	152269	198407	257481	429093	364921
AC Substations Transformation Capacity	765	MVA	0	0	0	0	0	25000	167500	174000
	400	MVA	9330	21580	40865	60380	92942	151027	240807	196027
	220	MVA	37291	53742	84177	116363	156497	223774	312958	299774
	Total AC	MVA	46621	75322	125042	176743	249439	399801	721265	669801
HVDC		MW	0	0	0	5200	8200	9750	19500	22500
AC+HVDC			46621	75322	125042	181943	257639	409551	740765	692301
Inter-regional Transmission Capacity		MW					14050	27750	75050	65550

(Source: CEA)



“State transmission utilities are expected to incur a capex of ~₹ 98,000 Cr under the ‘Power for All’ planned by the Ministry of Power”

As a consequence, the sector should see sustained investments from PGCIL and the state transmission utilities. PGCIL has incurred a sustained annual capital expenditure between ₹ 20,000 - 22,000 Cr since FY 13 until FY 16. The recent budget has revised the current fiscal capital expenditure allocation from the erstwhile ₹ 22,500 Cr to ₹ 24,000 Cr and another ₹ 25,000 Cr is planned over FY 18 for the construction of transmission lines. In contrast to the previous few years, where the central sector used to drive investments in the sector, focus has now increased on intra-state

transmission additions. Consequently, state transmission utilities are expected to incur a capex of ~₹ 98,000 Cr under the ‘Power for All’ Scheme planned by the Ministry of Power. Several states like Andhra Pradesh, Telangana, Tamil Nadu, Rajasthan, UP and Gujarat are already active in this regard. Similarly, in order to increase competitiveness in the sector, tariff based competitive projects have propelled the private sector additions as well. So far 35 projects have been put up for bidding through this route and a further four projects are expected to be bid out soon.

Inter-Regional Transmission Links and Capacity (NW)

Inter-Regional Corridors	Present (as on Nov 2016)	Expected by end of 12 th Plan	Addition expected during 13 th Plan	Expected by end of 13 th Plan (2021-22)
West-North	13,920	16,920	19,800	36,720
North East-North	3,000	3,000	0	3,000
East- North	19,530	21,030	1,500	22,530
East-West	12,790	12,790	8,400	21,190
East-South	3,630	7,830	0	7,830
West-South	7,920	7,920	16,000	23,920
East-North East	2,860	2,860	0	2,860
Total	63,650	72,350	45,700	1,18,050

(Source: Ministry of Power)

PGCIL capital expenditure to be key driver for investments: As on April 2016, PGCIL had ongoing projects of approximately ₹94,000 Cr, new projects worth ₹ 34,000 Cr and projects worth ₹ 16,000 Cr via TBCB, taking the total investments under PGCIL projects to ₹ 1,44,000 Cr. PGCIL has consistently drawn up capex plans of ₹ 20,000-₹ 22,000 Cr over the course of the past five years during the 12th Plan. This creates major visibility for the sector in terms of upcoming PGCIL demand over the medium term. With the advent of the 13th Plan, PGCIL should continue with sustained level of capital expenditure to contribute to the planned additions of 1,05,580 ckm of transmission lines by 2021-22.

Moreover, development of green transmission corridors as outlined by the National Green Corridor Programme will provide further impetus for the sector as it envisages transmission network for renewable energy. Additionally, CRISIL Research believes 25-26 GW of solar and 8-9 GW of wind over 2017-19 will propel incremental demand in the transmission tower space over the next few years as state transmission utilities connect this new energy capacity to the grid.

Likely Investments/Capacity additions in the Transmission & Distribution Business:

1. By 2017-22 ₹ 2,60,000 Cr of total investment is proposed to be made
2. By 2017-22 following addition is planned:
 - 1,06,000 ckm of Transmission lines
 - 2,92,000 MVA Transformation Capacity
 - 14,000 MW HVDC Bipole line
 - 11 nos. High Capacity Transmission Corridors (4,000 MW and above) & 3 high capacity HVDC system (6,000 MW each)
3. For Grid stability, additional investments in Renewable Energy Management Centres & Storage is proposed

State transmission investments to provide impetus to demand with increased focus on intra-state transmission: Investment of ₹ 98,000 Cr is planned

by state transmission utilities of 17 states over the next three years. Additionally, transmission companies, particularly those in the South such as Andhra Pradesh, Karnataka, Telangana and Tamil Nadu, which are also expected to add renewable energy capacities, reflect a high potential for transmission line investments over the next few years. System strengthening initiatives by Haryana, north-eastern states, UP and MP will further boost demand. Demand from Maharashtra and Gujarat are expected to remain stable as these states continue to upgrade their transmission & distribution infrastructure.

As per the Draft National Electricity Plan released by the CEA in December 2016, several states have proposed significant transmission line additions till March 2022. E.g. Gujarat plans to add another 5,150 ckm of 400 kV and 5,311 ckm of 220 kV transmission lines and Telangana is targeting 3916 ckm of 400 kV and 1,148 ckm of 220 kV of transmission line additions by 2022.

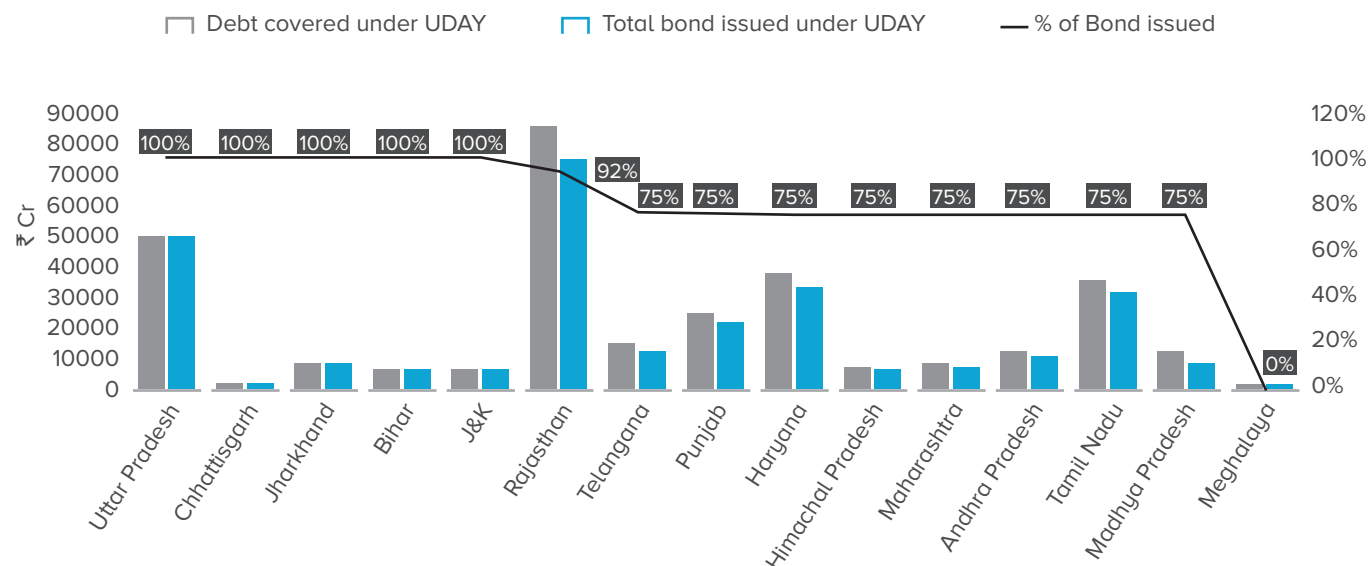
Tariff-based competitive bidding to grow in the coming years: In order to promote competitive procurement of transmission services and have competitive tariffs, the power ministry has laid out a road map to award power transmission projects worth ₹ 1,00,000 Cr through the tariff-based competitive bidding route. With increased awarding of projects under TBCB in the future, private participants shall also be key in driving domestic demand.

(Source: CRISIL Report)

UDAY... showing its results

Government of India announced the UDAY scheme in November 2015 with an aim to turn around the finances of state discoms. Unlike earlier restructuring packages, UDAY focused more on improving the operational efficiencies rather than merely increasing tariffs. After one year of the launch, 17 states have signed MoUs to join the UDAY programme.

These States constitute ~92% of the cumulative power demand of India and almost the entire outstanding

UDAY: Financial Engineering - UP, Rajasthan & Haryana Lead

Discom debt as on March 2015. UDAY, so far, has got sizeable coverage with only West Bengal and Odisha, being large states not signed to it.

to clear outstanding dues of CPSUs), which is substantial, considering ₹ 4,30,000 Cr of Discom debt. The same would certainly help in easing Discom finances for FY 18.

Despite several states joining the UDAY programme, the power demand continues to be weak across the country. Weak power demand is a confluence of several factors like weak industrial demand and poor Discom health (restricting working capital funding by banks). However, it is important to note that states have already issued UDAY bonds to the tune of ₹ 2,33,000 Cr till date (including bonds issued

Substantial progress has already been made on feeder metering, and, going ahead the government is committed on installing smart meters as well, which would also help in reducing AT&C losses. Additionally, continued government thrust on rural electrification (24x7 - Power for All) should also help in driving power demand over the next 1-2 years.

Demand expected to grow by 6-8% over the next decade

Year	Electrical Energy Requirement (MU)	CAGR of Energy requirement (%)	Peak Demand (MW)	CAGR of Peak Demand (%)
2016-17	12,30,264		1,70,950	
2021-22	17,48,251	7	2,44,753	7
2026-27	23,35,987	6	3,29,998	6

(Source: CEA, SSLe)

Forecast of annual peak load from 11th Five Year Plan to 15th Five Year Plan (in MW)

Regions	11 th Plan 2007-2012	12 th Plan 2012-2017	13 th Plan 2017-2022	14 th Plan 2022-2027	15 th Plan 2027-2032
Northern	40,248	54,587	78,283	106,530	148,900
Western	42,352	47,717	72,349	112,450	163,100
Southern	37,599	40,793	61,058	98,210	146,700
Eastern	14,707	19,708	30,135	42,770	63,000
North Eastern	1,920	2,640	4,592	7,020	10,500
ALL INDIA	1,36,826	1,65,445	2,46,417	3,66,980	5,32,200
Exports:					
Bangladesh		600	1,100		
Nepal		200	600		
Total	1,36,826	1,66,245	2,48,117	3,66,980	5,32,200

(Source: DNEP – December 2016)

Forecast of Installed generation capacities from 11th Five Year Plan to 15th Five Year Plan (in MW)

Regions	11 th Plan 2007-2012	12 th Plan 2012-2017	13 th Plan 2017-2022	14 th Plan 2022-2027	15 th Plan 2027-2032
Northern	50,253	83,681	1,25,022	1,67,218	2,12,873
Western	65,896	1,31,020	1,84,533	2,44,151	3,41,831
Southern	44,025	86,694	1,37,923	1,90,878	2,58,927
Eastern	34,368	46,708	74,655	1,08,161	1,64,502
North Eastern	2,885	4,637	12,505	15,675	22,751
ALL INDIA	1,97,427	3,52,740	5,34,638	7,26,083	10,00,884
Bangladesh					
Nepal				10,000	20,000
Bhutan	1,416	1,542	5,082	14,336	26,336
SAARC	1,416	1,542	5,082	24,336	46,336
Total	1,98,843	3,54,282	5,39,720	7,50,419	10,47,220

(Source: DNEP – December 2016)

Power Sector outlook

- Per Capita Consumption likely to be about 4,000 units by 2030 due to 24x7 Affordable Power for All by 2019
- Installed capacity likely to grow from existing 310 GW to 535 GW by 2022**
- 175 GW generation capacity by 2022 (33% of overall capacity to be from Renewable Sources by 2022)
- Green Energy Corridors-I : Inter-State Transmission Systems; already under implementation
- Green Energy Corridors-II for Solar Park Integration of about 20 GW capacity across country is under consideration (34 solar parks)
- Maintaining grid stability is a challenge given the variability
- Interconnections with neighbouring countries is planned

Current state of Global Transmission Industry

As at the end of 2015, the global transmission network is estimated to comprise line length of around 41,12,169 km and a transformer capacity of 14,007 GVA at 100 kV and above voltage levels. Line length is estimated to have grown at a CAGR of about 3.5 per cent since 2006 while transformer capacity has increased at a CAGR of 6 per cent.

The global ultra high voltage (UHV) line network has increased at a CAGR of over 13 per cent during 2006–15. This growth was mainly driven by China.

Growth in transmission line length (km) over last 10 years

Voltage	2006	2010	2015E
100-187 kV	14,01,622	16,02,319	18,15,098
220-287 kV	9,16,582	10,56,070	12,36,382
300-440 kV	4,20,488	4,84,465	5,62,707
450/500/533 kV	2,50,611	3,27,522	4,03,610
600/660 kV	1,612	4,624	14,152
700-765 kV	30,678	39,743	64,130
800 kV	477	3,811	10,609
1,000/1,100 kV	949	1,587	4,060
1,150 kV	1,421	1,421	1,421
Total	30,24,440	35,21,562	41,12,169
- AC	30,01,003	34,78,500	40,40,477
- DC	23,437	43,062	71,692

(Source: Global Transmission Report dated October 2016)

The prices of transmission equipment have been declining for the past few years due to declining raw material costs. This seems to have stabilised now and prices are expected to rise again in the coming decade. The industry is very price-sensitive as utilities are now more cost conscious. While procurement processes and criteria vary across regions and across utilities, there is an increased focus on centralised supply chain management (both in public and private utilities) through the greater use of information technology tools.

Many global players are now facing threats from manufacturers in countries like China and India offering cheaper products and services. To deal with the competition, manufacturers are focusing on streamlining operations and on research on differentiated products.

Equipment manufacturers are also facing several other challenges. Economic volatility and financial market disruptions adversely impact the demand for their products. Political or social instability, such as those in Northern Africa and the Middle East, impact businesses as customers become less willing to make investments in such regions.

Planned transmission line addition (km) globally till 2025

	2016-20	2021-25	2016-25
100-151 kV	2,38,993	1,63,253	4,02,246
-AC	2,38,913	1,63,253	4,02,166
-DC	80	0	80
220-287 kV	2,33,460	1,74,751	4,08,211
-AC	2,32,761	1,74,751	4,07,512
-DC	699	0	699
315-440 kV	99,804	73,772	1,73,576
-AC	94,668	70,110	1,64,778
-DC	5,136	3,662	8,798
500 kV	1,18,140	87,647	2,05,788
-AC	1,00,458	77,440	1,77,898
--DC	17,682	10,207	27,889
600 kV Dc	5,237	550	5,787
700-765 kV AC	35,216	30,367	65,583
800 kV DC	25,900	22,680	48,580
1,000 kV AC	13,000	9,750	22,750
1,100 kV DC	11,085	8,314	19,399
Total	7,80,835	5,71,084	13,51,919
-AC	7,15,016	5,25,671	12,40,687
-DC	65,819	45,413	111,232

(Source: Global Transmission Report dated October 2016)

Africa

Growing energy demand, regulatory and social reforms and the need for infrastructure makes Africa an attractive investment destination. Business perception is promising and global agencies have begun to see the opportunities in partnering with governments. Africa's recent growth in the electricity sector is expected to grow further primarily because of increasing access to electricity and a substantial investment requirement in this sector in near future.

On an average, African countries spend about 28% of their GDP on financing of public infrastructure. Given the dearth of private and multilateral funding, African countries have to spend a substantial portion of their resources on infrastructure. Debt financing is also the key source of funding for infrastructure projects. World Bank's lending during the period of 2008-2013 to infrastructure in Africa has increased at a CAGR of 7.8%, which has played a key role in development of infrastructure in the region. World Bank has funded approximately USD 23 billion in different forms and grant to these countries of which majority was towards energy and mining.

Half of the African Development Bank's operations account for infrastructure financing and is growing steadily. Infrastructure commitment has increased at a CAGR of 2.36% over 2007-2012. Within this, power sector contributes 33% of the total commitments. Bilateral funding, Arab Bank for Economic development in Africa, Arab co-ordinated group and export credit agencies are amongst the other major lenders.

Multiple stakeholders working within the African energy sector agree that the resources and solutions are in place for electrification in Africa. A combined investment in grid and off-grid, fossil fuels and renewables, could increase the pace of electrification in Africa leading to better growth prospects for the transmission & distribution sector. McKinsey's 2015 report 'Powering Africa' estimates the Sub-Saharan Africa region would require about USD 490 billion of capital for new generating capacity, plus another USD 345 billion for transmission and distribution. *(Source: Global Transmission Report dated October 2016 and African Opportunity report)*

Estimated Demand for Transmission Towers by Region

Voltage	North America	Latin America	Asia	Europe	Middle East	Africa	Global
100-161 kV	26,641	33,827	13,03,991	51,780	19,188	46,855	14,82,282
- AC	26,641	33,827	13,03,991	51,780	19,188	46,855	14,82,282
- DC	0	0	0	0	0	0	0
220-287 kV	16,552	1,22,833	10,65,594	97,524	16,030	96,462	14,14,995
-AC	16,552	1,22,833	10,65,251	97,524	16,030	96,462	14,14,652
-DC	0	0	343	0	0	0	343
315-450 kV	36,513	30,226	1,71,139	1,30,558	57,393	1,52,135	5,77,964
-AC	31,654	30,226	1,70,765	1,28,741	57,393	1,52,135	5,70,914
-DC	4,859	0	374	1,817	0		7,050
500/600 kV	39,672	1,43,099	3,16,251	22,628	5,906	12,856	5,40,412
-AC	20,711	1,39,979	2,78,674	22,485	0	2,290	4,64,139
-DC	18,961	3,120	37,577	143	5,906	10,566	76,273
700-765 kV	3,720	0	1,43,572	5,045	0	5,064	1,57,401
-AC	3,720	0	1,43,572	5,045	0	5,064	1,57,401
-DC	0	0	0	0	0	0	0
800 kV	0	22,121	92,460	0	0	0	1,14,581
-AC	0	0	0	0	0	0	0
-DC	0	22,121	92,460	0	0	0	1,14,581
1,000/1,100 kV	0	0	1,01,157	0	0	0	1,01,157
-AC	0	0	54,600	0	0	0	54,600
-DC	0	0	46,557	0	0	0	46,557
Total	1,23,098	3,52,106	31,94,164	3,07,535	98,517	3,13,372	43,88,792
-AC	99,278	3,26,865	30,16,853	3,05,575	92,611	3,02,806	41,43,988
-DC	23,820	25,241	1,77,311	1,960	5,906	10,566	2,44,804

(Source: Global Transmission Report dated October 2016 and African Opportunity report)



Middle East

The majority of the existing transmission networks in the Middle Eastern countries was built only over a decade ago, mainly driven by the need to provide electricity access to meet new demand and for industrial areas. Investments in the coming decade will continue to be driven by the need to expand electricity access, given the rising demand for electricity. Going forward, the region is also expected to invest more in new technologies, smart grid projects and IT systems to strengthen networks. It is also expected to initiate projects at higher voltage levels and introduce HVDC technology. Within Middle East, Saudi Arabia, Qatar and Oman needs about 7,930 km of lines to support installed generation capacity, future expected demand, and also to modernise, minimise congestion and interconnect isolated regions. This would result in additional investment of USD 41 billion between 2016-2025.

Asia

Electricity markets in the Asia region are poised for significant expansion in the coming years. Key drivers for this growth include the objectives of providing universal access to electricity, connecting new fossil fuel and renewable energy generation resources, and investing in smart and new technologies. China and India will lead the growth in Asia, and additional expected investment in these two countries will be USD 54 billion. Majority of the planned investments in these countries will be directed towards the creation of extra high voltage grid infrastructure, to connect new capacity, mainly from renewable sources. In developing

countries like Bangladesh, Pakistan, Kazakhstan, etc. the focus of transmission investment will continue to be on the expansion and strengthening of existing grid structures in order to supply reliable and efficient power to end-consumers.

CIS

CIS countries started off 2017 on a brighter note as GDP growth gained traction in Q1. The region's GDP grew 1.0% over the same period of last year. The Growth improved in the majority of the region's economies and in particular the Russian recovery is having positive spillover effects for many other economies in the region. Our present projects are in countries like Armenia, Tajikistan and Ukraine. There is an increased demand in the region for power with substantial investment in Power Generation and aligned sectors, including Transmission & Distribution.

SAARC

This region is a power deficient region and continues to invest in development of power infrastructure. There is a large potential in countries like Afghanistan, Bangladesh, Nepal and Bhutan. We have been successful in executing projects in countries like Afghanistan, Bhutan, Nepal, Sri Lanka, etc. and are targeting projects across this region.

Europe

Investments in European countries are focused on strengthening internal markets, integrating renewable energy sources (both onshore and offshore) and addressing security of supply issues. Grid investments over the coming decade will support an expected addition of over 229 GW of net generation capacity. Cross-border lines are being built to meet the EU target of increasing interconnection capacity to 10 per cent by 2020. Several countries such as Germany and Denmark are also making provisions for costs related to the increased use of underground cables in their future budget plans. Investments will also be made to replace and refurbish existing grid infrastructure. In the leading markets of Europe, expected investment is USD 75 billion (of which ~60% is in Germany) over 2016-2025.

North America

Transmission investments have picked up significantly in North America in the past five years as a result of the increased focus on bolstering system reliability, improving grid resilience and grid security, replacing ageing grid infrastructure and connecting new facilities (mainly renewable) to the high voltage grids. The focus of investments going forward will be on upgrading the existing transmission infrastructure to maintain the reliability, safety and integrity of the high voltage grids. Significant spending is also expected on new technologies and on undertaking security measures for critical infrastructure protection. Planned interconnections, mainly high voltage direct current (HVDC), between the US and Canada are also expected to entail significant investments in the region. The investment outlook for the US is improving with the proposal of new laws to increase competition. Transmission projects, earlier assigned based on geographic locations, and service territory to incumbent utilities, may now be open to competition.

Railways

The Government of India has focused on investing in railway infrastructure by making investor-friendly policies. It has moved quickly to enable FDI in railways to improve infrastructure for freight and high-speed trains. Key initiatives by government for railways:

- Planning to set up a USD 5 billion Railways of India Development Fund (RIDF)
- To award six tenders worth ₹ 8,000 Cr, for setting up a country-wide electricity transmission network, as part of a strategy to reduce electricity bills
- India will likely collaborate with Germany for projects worth ₹ 1,00,000 Cr, aimed at enhancing railway connectivity of Indian ports and identifying environment-friendly technology for scrapping of old vehicles
- Unveiled Mission 41k initiative, aimed at saving ₹ 41,000 Cr on the Indian Railways' expenditure on energy consumption over the next 10 years by doubling the annual rate of electrification from 2,000 km to 4,000 km in the next two year
- Planning to invest around ₹ 3,30,000 Cr for setting up three new arms of the Dedicated Railway Freight Corridors, crisscrossing the length and breadth of the country, in the next eight years
- Approved investments worth ₹ 10,736 Cr in five railway projects involving the decongestion of existing network by doubling and tripling of existing lines
- Approved construction of six railway lines and a railway bridge incurring a total outlay of over ₹ 10,700 Cr which will help to meet the growing needs for transportation of passengers and freight across several parts of India
- The Government of India will be spending ₹ 8,50,000 Cr next five years to modernise Indian Railways for which they have received a 30 year loan from LIC. The Cabinet also cleared the ₹ 82,000 Cr Dedicated Freight Corridor for decongesting existing network
- Investment through public-private partnerships (PPP) was increased to ₹ 5,781 Cr, several schemes for improving efficiency of the Railways were kept under this head

Key Highlights of Union Budget, 2017-18

- The Government will provide ₹ 55,000 Cr (US\$ 8.25 billion) towards capital and development expenditure of Railways
- Capital expenditure for budget was increased by 8% to ₹ 1,31,000 Cr.
- In the next three years, the throughput is proposed to be enhanced by 10%. This will be done through modernisation and upgradation of identified corridors
- Metro Rail Policy to focus on innovative models of implementation and financing
- Railway lines of 3,500 kms will be commissioned in 2017-18 as against 2,800 kms in 2016-17. During 2017-18, at least 25 stations are expected to be awarded for station redevelopment
- Tariffs of railways would be fixed taking into consideration costs, quality of service and competition from other forms of transport



“The expansion in LPG infrastructure is prompted by a consumption surge”

Rural Development and Infrastructure on the Radar

Government has been emphasising on both rural and infrastructure development and has been working on all possible measures to connect and develop each and every part of the country. With this agenda, allocations in sectors such as roads, railway, urban infra, defence, power T&D, irrigation and water has increased. In this budget, Central government has allocated ₹ 5,24,695 Cr towards rural and infrastructure development, which is 16% higher than the last year.

Oil and Gas pipeline infrastructure

The expansion in LPG infrastructure is prompted by a consumption surge, aided largely by the Pradhan Mantri Ujjwala Yojana cooking gas distribution programme launched last May for poor households. The Pradhan Mantri Ujjwala Yojana scheme has covered over 20 million households in its first year. It is expected that for the next four to five years, will see LPG demand at around 10-12%, led by population growth and increased energy consumption due to improving purchasing power of households. Three oil refiners plan to invest ₹ 20,000 Cr by 2020 to meet the rising demand for cooking gas in next two to three years. The investments by IOCL, BPCL and HPCL will go into setting up terminals to import LPG, laying pipelines, and building LPG bottling plants. They are jointly setting up a LPG pipeline which is going

to cost ₹ 10,000 Cr. The three oil companies are building a 2,600-km pipeline to service central India. The oil companies are adding 47 gas bottling plants over the next two years, adding to the existing 189 units. BPCL is planning to build a 2 MTPA LPG import terminal on the Gujarat coast. The terminal will be set up at a cost of ₹ 1,000 Cr. IOCL, along with BPCL, is expanding its LPG production facilities in Kerala and Tamil Nadu. It is also constructing an LPG terminal with a capacity of 6,00,000 tonnes per year at Puthuvyppeen SEZ, Kochi. IOCL is also constructing an LPG import terminal at Paradip, Odisha. HPCL, on the other hand, is setting up a 250 trillion MTPA capacity bottling plant at Panagarh in West Bengal. The plant will cost ₹ 200 Cr in the first phase. (Source: <http://www.financialexpress.com/industry/ioc-plans-capex-of-rs-2k-cr-to-commission-1000-km-pipelines-in-fy18/653355/>)

Agri- Logistics

Agri warehousing accounts for approximately 15% of the warehousing market in India. It has been growing at a 10%–12% rate over the last three years. Agri warehousing capacity in India is 110–120 million metric ton (MT), and it has been growing at a CAGR of 8%–10% over the last 5 years. The significant growth drivers in this segment are growing annual agriculture production, increased private sector intervention, improved agri warehousing infrastructure and

standardised warehousing operations. The sector is being driven by innovations like Scientific Warehousing, GPS tracking, Geo Fencing, Real Time Monitoring, etc. Given the right mix of technological innovations, more investments and strategic initiatives by the Government, the agri-logistics and overall logistics sector is bound to accelerate with enormous growth in the coming years. The current government has taken some constructive steps towards modernising the storage infrastructure in the country. (Source: <http://globallogisticsshow.com/adani-agri-logistics.html> and <http://globallogisticsshow.com/agri-logistics.html>)

OUTLOOK AND OPPORTUNITY

There is an increasing trend towards the use of high voltage alternating current (HVAC) and high voltage direct current (HVDC) overhead lines to carry large amounts of electricity from generation hubs to load centres, especially in countries like China, India and Brazil. The coming decade is expected to witness greater commercial application of these technologies.

In India, apart from PGCIL's sustained and steady capex, state government's spend on transmission infrastructure is also expected to improve to meet their UDAY related milestones. KPTL is expected to be a key beneficiary of this strong growth prospect both in India and overseas.

Government's thrust on improving rail and energy infrastructure is also expected to result in rising capex for the sectors. KPTL is seeing a lot of traction on orders both in railways and pipeline division and has strong order book in both the businesses. KPTL has been building robust team there on execution and that has been a continuous exercise. Currently, these businesses constitute around 8% of the order book and is expected to grow significantly. In addition to above, the Company is keenly exploring opportunities in healthy BOOT projects.

International markets continue to do well and the Company is witnessing good traction especially from African and South East Asian countries.

OPERATIONAL REVIEW

The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure comprising power transmission & distribution, railway track laying & electrification, oil & gas pipelines laying, etc. The Company has presence in over 40 countries across the globe.

Geographically, the revenue of the Company can be divided into two different segments – domestic and international. Revenue from domestic segment was ₹ 3,016 Cr (60%) and international segment contributed revenue of ₹ 1,995 Cr (40%) in FY 17.

Transmission & Distribution Business (T&D)

T&D is the major business vertical for the Company and contributes 85.2% of the total revenue. The revenue in T&D increased to ₹ 4,271 Cr in FY 17 from ₹ 3,783 Cr in FY 16. 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 1,57,830 MT and 1,69,571 MT, respectively in FY 17 as compared to 1,44,887 MT and 1,46,749 MT in FY 16.

The company erected 1,03,714 MT of transmission towers at various locations domestically and internationally and executed about 4086 ckm of stringing work to connect the grid to sub-station or sub-station to sub-station in FY 17 as compared to about 1,17,298 MT of erection and about 3,287 ckm of stringing work in FY 16.

During FY 17, the T&D business has received the following top 5 projects:

- Turnkey project for construction of 225 kV Transmission Line and Substation in Republic of Senegal of approx. ₹ 1340 Cr

- Transmission line construction project in West Africa of approx. ₹ 737 Cr
- Turnkey project (under JV) for construction of 500 kV transmission line in Islamic Republic of Afghanistan of approx. ₹ 575 Cr (KPTL share)
- Turnkey project (under JV) for construction of 400 kV transmission line in East Africa of approx. ₹ 522 Cr (KPTL share)
- Transmission line turnkey project by Transmission Corporation of Telangana Limited, Hyderabad of approx. ₹ 402 Cr

Oil & Gas Pipeline and Railway Business

The revenue in these businesses increased to ₹ 681 Cr in FY 17 from ₹ 559 Cr in FY 16.

During FY17, these businesses received the following projects:

- Railway infrastructure construction project (in JV) in Hyderabad (Telangana) for Railway Vikas Nigam Limited of approx. ₹ 464 Cr
- Intermittent stretches for Paradip-Haldia-Durgapur LPG Pipeline Project from IOCL of approx. 159 Cr
- Auraiya Phoolpur Pipeline Project from GAIL of approx. ₹ 118 Cr
- Railway project by CORE of approx. ₹ 111 Cr

The standalone order book at the end of FY 17 was at ₹ 9,017 Cr.

Construction

The order booked by JMC during FY 17 was around ₹ 3,200 Cr and value of order on hand as on March 31, 2017 stood at around ₹ 7,000 Cr. During the year, JMC bagged certain prestigious orders, some of which are as under:

Factories & Buildings

- a. Construction of Commercial property Mantri Cornerstone for Mantri Group at Bengaluru
- b. Construction of Residential apartments Rio De Goa for TATA Housing Dev. Co at Marmugao, Goa
- c. Township package for Khargone Super Thermal Power Project (2 x 660 MW) for NTPC

- d. Civil & Architectural works for residential project Prestige High Fields for Prestige group at Bengaluru
- e. Construction of Residential Building Immensa for Kalpataru Group, Thane
- f. Civil & Architectural works for residential project Prestige Lake Ridge for Prestige group at Bengaluru
- g. Construction of Commercial property Megasoftware for Salarpuria Sattva at Bengaluru
- h. Shipyard modernisation & construction for Goa Shipyard Ltd at Vasco, Goa
- i. Construction of Commercial Development Brookfield Garden for Brigade Group at Bangalore
- j. Construction of Civil works of commercial project "Rajaangasana" for SJR Prime Corporation (P) Ltd at Bengaluru

Infrastructure

Construction of Ghatkopar Mankhurd Link Road Flyover for MCGM, Mumbai.

International

Jaffna Killinochchi Water Supply & Sanitation project for NWSDB at Jaffna, Sri Lanka.

Financial Review

On a standalone basis, the company reported revenue of ₹ 5,011 Cr in FY 17 against the revenue of ₹ 4,409 Cr in FY 16 after giving Ind AS impact, an increase of 14% over the last year.

Revenue in the power transmission and distribution business increased by 13% to ₹ 4,271 Cr in FY 17 from ₹ 3,783 Cr in FY 16. Oil & Gas Pipeline and Railway Business recorded a growth of 22% in FY 17 over FY 16. EBITDA grew by 17% in FY 17 over FY 16. PAT was up by 40% in FY 17 to ₹ 269 Cr from ₹ 192 Cr in FY 16 mainly on account of lower material consumption and finance costs.

Net fixed assets (including capital work in progress), at the end of FY 17 stood at ₹ 524 Cr as against ₹ 543 Cr in the previous year. During the year under review, the depreciation was at ₹ 78 Cr and net addition in the fixed

asset is ₹ 27 Cr. Net current assets increased to ₹ 930 Cr as against ₹ 790 Cr in the previous year due to increase in inventories and trade receivables due to growth of the business. Borrowing levels of the Company is ₹ 696 Cr in FY 17 against ₹ 599 Cr in FY 16. The net debt is ₹ 489 Cr in FY 17 against ₹ 498 Cr in FY 16. The Borrowing levels remains at a comfortable level with debt/equity ratio of 0.28x. The finance cost declined to around 2% of the revenue during FY 17 as against around 3% of the revenue during FY 16. The Company enjoys A1+ and AA rating for its short-term and long-term borrowing from CRISIL & CARE both. The Company has sufficient working to support its growth plan.

Consolidated revenue of the Company grew by 5%, with revenue of ₹ 7,629 Cr in FY 17 compared to ₹ 7,291 Cr during FY 16. Net debt at consolidated level stood at ₹ 2,613 Cr in FY 17 against ₹ 2,788 Cr in FY 16. The consolidated order book of the Company is in excess of ₹ 16,000 Cr at the end of the year.

RISK MANAGEMENT

The current economic environment, in combination with significant growth ambitions of the Company, carried with it an evolving set of risks. It counters the impact of unfavourable internal and external events and attempts to ensure business continuity across different stages of the economic cycle. The Company's

risk management processes ensure that the Company accepts risks as per the boundary conditions based on its risk appetite. The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure which is a cyclical industry where global liquidity, government policies, government spending, competition and corporate sentiments have a huge bearing on the industry's prospects, and the long-term success of the Company depends mainly on the existence of a robust risk identification and mitigation process. The Company recognises that these risks need to be managed to protect its customers, employees, shareholders and stakeholders, to achieve its business objectives and enable sustainable growth. Our risk management framework reduces the volatility due to unfavorable internal and external events, facilitates risk assessment and mitigation procedures, lays down reporting procedures and enables timely reviews by the management. The Audit Committee of the Board oversees implementation and effectiveness of the risk management processes. Business level risks and their mitigation plans for each business unit are reviewed periodically by the risk management committee. This section provides an overview of the key risks and control framework and its approach to risk management.

The following section discusses some of these risks and its mitigation plans:

Risk type	Description and Mitigation
Economic Risk	Company's business may be affected by interest rates, changes in Government policy, taxation and other economic developments affecting India. 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.
Succession Planning Risk	Scarcity of management resources along with growing costs poses big challenge against building an effective succession structure at senior and middle management level. The Company grooms its internal resources through various training programmes on a continuous basis and intends to build an in-house trained team.

Execution Risk	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. Bank guarantee encashment may also impact Company's reputation. 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.
Safety Risk	The Company is committed to conduct all its activities in such a manner so as to avoid harm to employees and the community.
Credit Risk	If a customer defaults in making payments on a project on which the Company has devoted significant resources, it could have an adverse effect on the Company's financials. While selecting a project, the Company prefers clients with good credit history and projects that are supported by reputed financial institutions. In its global portfolio, the Company prefers projects that are funded by multilateral funding agencies or payments secured by Letters of Credit. The Company takes credit guarantee insurance cover wherever required.
Input Price Risk / Commodity Price Risk	Company's business is significantly dependant 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. The Company passes on such impacts to its clients partially or completely, by adding price escalation clause in most 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.
Currency Risk	With operations in many countries, 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. The Company deploys two-pronged approach of maintaining a balanced order book mix (domestic and overseas orders) and currency hedging whenever possible to mitigate this risk. 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.
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. The Company continues to strengthen its cyber security 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 impact of any cyber-security event.
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
Political Risk	Social / Civil unrest, act of terrorism within India or internationally can have an impact on the Company's operations. Political and civil unrest and tensions globally may have an impact on the safe and timely execution of projects, which may have financial implications. 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 has an adequate system of internal controls implemented by the management towards achieving efficiency in operation, optimum utilisation of the Company's resources and effective monitoring thereof and compliance with applicable laws and regulations.

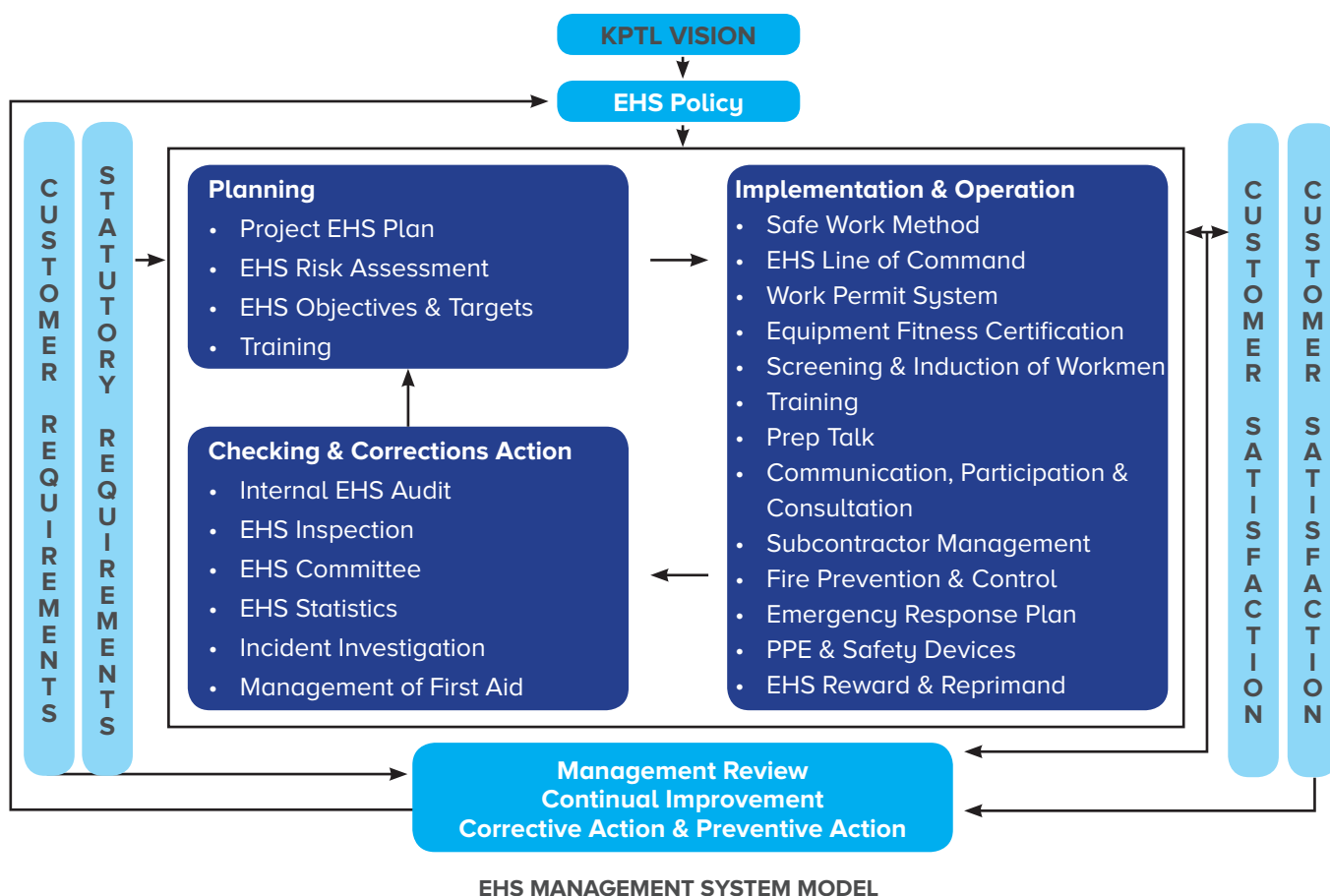
The Company's internal audit department conducts regular audits to ensure adequacy of internal control systems, adherence to management instructions and compliance with laws and regulations of the country, as well as to suggest improvements. The Internal Audit Function provides assurance to the Board and Senior Management in the various Businesses and Functions that the system of internal control deployed

is appropriately designed to manage the key business risks and is operating effectively. Audit plans, internal auditor's observations and recommendations, significant risk areas assessments and adequacy of internal controls are also periodically reviewed by the Audit Committee. The Company has an ERP system - SAP, to have better internal control systems and flow of information. Further, the Company adheres to rules and regulations of ISO.

ENVIRONMENT, HEALTH AND SAFETY

Environment, Health and Safety (EHS) is an integral part of our business and sustainable growth and are scrupulously adhered to from start to finish in every project undertaken.

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



Our Strong Environmental, Occupational Health and Safety Policy which demonstrates our commitment to the issue. Different objectives and targets, are set in all three areas. To achieve the set targets EHS plans are derived with detailed 'Hazard and Risk Assessment', 'Environmental Impact Assessment' and 'Safe Operating Procedures'.

As a part of sustainable growth, Company is continually doing several initiatives w.r.t environment as per following process flow:

Elimination of natural resource (if possible) from the process identifying substitute → Source reduction of natural resources → Reduce the waste of natural resources → Reuse of natural resources → Recycling → treatment (if required) of waste materials → Disposal through proper channels

Some of the initiatives are as follows:

- (i) Through various business actions, e.g. introduction of safe and energy-efficient machineries / fixtures and process in plant and project sites, optimising the natural resources by various process related approaches, etc.
- (ii) Through awareness creation by means of campaigns made and outside the organisation,
- (iii) Setting up safe and environment-friendly plants / establishments in accordance to the requirements,
- (iv) Producing energy by utilising biomass as fuel and accepting carbon credit,
- (v) Regular monitoring of environmental legal requirements and its compliances.

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

The Company has bagged the various safety commendations in its international and domestic projects. During the period 2016-17, KPTL had zero fatalities across its business divisions.

The TLI, Infra and Manufacturing divisions (Raipur and GNR unit 2) were awarded IMS certifications (ISO 14001 (EMS) & OHSAS 18001) and also CE certification for Gandhinagar units.

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

HUMAN RESOURCES

HR Initiates:

Globalisation has thrown up opportunities as well as challenges. With increasing complexity of doing business globally as well as in India, the Company has recognised the need to further strengthen HR systems by recruiting the best talent from the Industry and motivating and retaining them by providing challenging opportunities:

- **KALP - Kalpataru Accelerated Leadership Program:** The Kalpataru Accelerated Leadership Program (KALP) was launched in 2015-16. The objective of KALP is to produce Kalpataru's future leaders. 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.

Participants in KALP are supported with various developmental tools like the Executive Coaching, Executive Education, Senior Management Development Programme, enhanced job profiles, etc. Through this yearly initiative, the organisation seeks to build a pool of homegrown leaders who are able to lead various functions, business verticals or even take up leadership roles at the group level by offering them fast track growth on the basis of their consistent performance.

- **Executive Coaching:** At KPTL, Coaching has been introduced for the first time with an intent of offering existing and potential leaders a platform to hone

their leadership skills for the next big role in its true sense as also to help them with their personal and professional goals, and developed a better understanding and a clear plan of action. External executive coaches have been appointed to coach key contributors through KALP based in India and abroad, as part of their leadership journey

- **Executive Education:** Executive Education was always a part of KPTL L&D policy but, in the year 2016 we took a conscious call to focus such initiatives mainly on our Key Contributors. Such external inputs not only help employees in enhancing their own skills but also provide them a different perspective by encouraging interactions with expert faculty and other participants. Programmes are identified from institutes like IIM Ahmedabad/Bengaluru/Kolkata, ISB Hyderabad, Harvard Business School (India Centre), keeping in mind the areas of development identified for nominated employees and with primary focus on developing their leadership capabilities.
- **Key Contributors' Incentive:** Retention of Key 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 focuses 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 that required progress is made 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 track record, 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

- **Job Rotation:** Job Rotation at KPTL is a planned exercise in which employees are moved between jobs to help them gain wider experience and range of skills. By providing higher levels of job satisfaction, job rotation helps improve employee morale and employee retention. It is an indispensable tool to develop managerial and leadership capability in employees.
- We encourage employees towards outstanding contribution to the organisation and recognise such efforts through rewards and recognitions

CORPORATE SOCIAL RESPONSIBILITY

The Company has engaged in CSR activities for more than two decades and has contributed in the areas like healthcare, education, safe drinking water, food distribution, women empowerment, etc. We were always been at the forefront of voluntary CSR. Details regarding CSR initiatives taken by the Company during the year under review is available on page no. 47 to 50 of this report.

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, price of commodities, business risk, change of government's rules and regulations, etc.

Directors' Report

TO, THE MEMBERS,

Your Directors are pleased to present the 36th ANNUAL REPORT of your Company together with the Financial Statements including Audited Statement of Accounts for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

(₹ in Crores)

	2016-17	2015-16
Revenue from Operations	5,010.74	4,408.80
Profit before Depreciation, Tax and amortization expenses	480.28	379.43
Less: Depreciation and amortization expenses	77.70	83.72
Profit before Tax	402.58	295.71
Tax Expense	133.50	103.28
Profit for the period	269.08	192.43
Other Comprehensive Income (net of tax)		
Items that will be reclassified subsequently to Profit or Loss	(4.23)	7.19
Items that will not be reclassified subsequently to Profit or Loss	(1.04)	(0.26)
Total Comprehensive Income for the period	263.81	199.36
Retained Earnings – Opening balance	1,105.89	995.07
Add: Profit for the period	269.08	192.43
Less: Dividends including Dividend Tax	-	54.94
Less: Transfer to Debenture Redemption Reserve	50.00	16.67
Less: Transfer to General Reserve	10.00	10.00
Retained Earnings – Closing balance	1,314.97	1,105.89

Note: The above figures are extracted from the Standalone Financial statements as per Indian Accounting Standards (Ind AS). For the purpose of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101, First-Time Adoption of Indian Accounting Standards, with April 1, 2015 as the transition date and IGAAP as the previous GAAP.

INDIAN ACCOUNTING STANDARDS

The Ministry of Corporate Affairs (MCA) vide its notification in the Official Gazette dated February 16, 2015 notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP

prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. For your Company, Ind AS is applicable from April 1, 2016 with a transition date of April 1, 2015 and IGAAP as the previous GAAP.

The reconciliations and descriptions of the effect of the transition from IGAAP to Ind AS have been provided in Note No. 30 in the notes to Standalone Financial Statements and Note No. 32 in the notes to Consolidated Financial Statements.

OPERATIONAL HIGHLIGHTS

The Standalone revenue of your Company increased by 13.65 % to ₹ 5,010.74 Crores as against ₹ 4,408.80 Crores in the previous financial year. Total Export revenue (including overseas projects) was ₹ 1,995.12 Crores or approx. 39.82% of revenues in financial year 2016-17.

The Standalone net profit for the year increased by 39.83% to ₹ 269.08 Crores as against ₹ 192.43 Crores in the previous financial year.

Your Company has supplied 1,69,571 MTs of Transmission Line Towers as against 1,46,749 MTs in preceding year, which is higher by 15.55%

Your company has a standalone order book in excess of ₹ 9,000 Crores excluding fairly placed bids.

The consolidated revenue of your Company increased by 4.63% to ₹ 7,629.15 Crores as against ₹ 7,291.74 Crores in the previous financial year.

The consolidated net profit for the year increased by 107.49% to ₹ 157.30 Crores as against ₹ 75.81 Crores in the previous financial year.

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

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

AWARDS & RECOGNITION:

- Raipur Plant of your Company participated in India Manufacturing Excellence Awards (IMEA), 2016 conceptualized by Frost & Sullivan and received the "Silver Certificate of Merit - 2016."
- Your Company has received Certificate of Honour in the category of Leading RE Developers – Biomass at Renewable Energy India awards – 2016.

- C) Your Company has received Certificate of Appreciation from Bakwena Tribal Administration for adopting excellent Environmental Practice during the construction of the 220 kV ISANG to Rakola Transmission Line Project of Botswana Power Corporation.
- D) Power Grid Corporation of India Limited (PGCIL), one of the major client of your Company declared awards for 2017. Your Company has received “Best Performance award - 2017” for early completion of 765 kV D/C Wardha-Nizamabad Line and “Runners up award - 2017” for maximum capitalization in Transmission line category.

TRANSMISSION BOOM PROJECT

Your Company has secured Fourth Transmission Line Project under tariff based competitive bidding process during the year under review. The project scope involves build, own, operate and maintain the transmission system for "North Eastern Region Strengthening Scheme (NERSS-VI)". Your Company needs to establish transmission system from Imphal to New Kohima and New Kohima to New Mariani totaling to approximately line of 253 kms. Your Company has won this BOOM project with the levelized tariff of ₹ 202.74 Crores per annum.

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, 2017 and the date of Directors' Report i.e. May 19, 2017.

DIVIDEND

Your Directors are pleased to recommend dividend for the year ended March 31, 2017 @ ₹ 2 (100%) 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, 2017:

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

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

A report on the performance and financial position of each of the subsidiaries, associates and joint venture companies as per 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 each of the subsidiary, associate and Joint Venture Company of your Company is provided below.

► JMC Projects (India) Ltd. & its subsidiaries (JMC):

JMC is one of the leading construction companies in India, certified under ISO 9001:2015 (Quality Management), ISO 14000:2004 (Environment Management) and BS OHSAS 18001:2007 (Occupational Health & Safety). JMC has shown key role in nation building and integrating cityscapes. It is engaged in building panoramic structures such as public buildings, housing, institutions, hospitals, IT parks, Infrastructure / Area Development, highways, flyovers, factories, power plants etc. JMC has expanded its horizons by getting orders from global markets. JMC has a strong order book of approx. ₹ 7,000 Crores. Your Company holds 67.19% equity shares of JMC.

JMC has executed 3 road BOOT projects, through its Wholly Owned Subsidiary Companies and 1 road BOOT project in Joint Venture. All the four road BOOT projects are now fully operational on full toll and full length basis. JMC through its wholly owned subsidiary is also engaged in the mining activity however, during the year under review, there is no operation in the said Subsidiary.

► Shree Shubham Logistics Ltd (SSLL):

SSLL undertakes an array of activities in the post-harvest value chain for agri-commodities. The activities include warehousing, procurement, primary processing, collateral management, funding facilitation, funding, testing & certification, and pest management in relation to agri-commodities. 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.

Punarvasu Financial Services Private Limited (**PFSPL**) (Formerly known as “Punarvasu Holding and Trading Company Private Limited”), a Wholly Owned Subsidiary (WOS) of SSLL is registered with Reserve Bank of India as Non-Banking Financial Institution classified as a Non-Banking Financial Company – Loan Company and is primarily engaged in providing direct funding facilities to participants in the post-harvest agri-commodities. During the year under review, PFSPL has also started its new product “Invoice Discounting”.

► **Energylink (India) Ltd. (EIL):**

EIL is a Wholly Owned Subsidiary of your Company. EIL through its 100% subsidiary namely, Saicharan Properties Limited (Saicharan) is implementing commercial cum residential project in Indore (Project). Saicharan has started the construction activities and has launched the Project for sale.

► **Amber Real Estate Ltd. (Amber):**

Amber is a Wholly Owned Subsidiary of your Company. The premises developed as Thane IT Park in Maharashtra by Amber has been fully leased or sold out.

► **Adeshwar Infrabuild Ltd. (Adeshwar):**

Adeshwar was incorporated to venture into new areas of business which can be conveniently or advantageously run by company in the coming years which may include mining, cement, transmission and related activities etc. It is a Wholly Owned Subsidiary of your Company.

► **Kalpataru Satpura Transco Private Limited. (KSTPL):**

KSTPL a Special Purpose Vehicle (“SPV”) was incorporated to implement DBFOT Project from Madhya Pradesh Electricity Board to build, own, operate and transfer 240 kms, 400 KV double circuit power transmission line between Satpura to Ashta in the state of Madhya Pradesh. The Company commenced commercial operations of the Project in April, 2015 and the Project is running successfully and the cumulative transmission system availability has been above benchmarked PLF of 98%. The company would own project for 25 years with an option to extend the period for further period of 10 years as mutually agreed for which transmission license has been granted by Madhya Pradesh Electricity Regulatory Commission (MPERC) for transmission of electricity from 2X250 MW extension units at Satpura TPH. It is a Wholly Owned Subsidiary of your Company.

► **Kalpataru Metfab Private Limited (KMPL) (Formerly known as Gestamp Kalpataru Solar Steel Structures Private Limited):**

KMPL is a Wholly Owned Subsidiary of your Company. The Company was a joint venture Company for manufacturing of steel structures for solar power panel. Since the joint venture could not succeed in continuing the business activity, the joint venture was terminated last year. During the year under review, KMPL has changed its business activity from manufacturing of solar energy equipment's and related businesses to manufacturing of Tower parts, structures and related businesses.

► **Alipurduar Transmission Limited (ATL):**

ATL, a SPV Company was incorporated to establish Transmission System Strengthening in Indian System for transfer of power from New HEP's in Bhutan on BOOM basis ("Project"). ATL will own the Project for 35 years from scheduled COD. ATL has achieved Financial closure for its Transmission Line Project during the year under review. The Project is progressing well and is expected to be commissioned on time. ATL is a Wholly Owned Subsidiary of your Company.

► **Kohima-Mariani Transmission Limited (KMTL):**

KMTL was incorporated as a SPV Company by PFC Consulting Limited (PFCCL) to establish Transmission System for "North Eastern Region Strengthening Scheme (NERSS-VI)" on BOOM basis (Project). KMTL will own the Project for 35 years from scheduled COD. Since your Company has secured this Project under tariff based competitive bidding process, your Company has acquired KMTL, which is SPV Company for the Project, from PFCCL on March 31, 2017. KMTL is a Wholly Owned Subsidiary of your Company.

► **Kalpataru Power Transmission USA INC. (KPT USA):**

KPT USA was incorporated to increase focus on American markets with local presence. It is a Wholly Owned Subsidiary of your Company.

► **Kalpataru Power Transmission (Mauritius) Ltd. (KPTML):**

KPTML was incorporated to engage in investment holding activities. It is a Wholly Owned Subsidiary of your Company.

KPTML has a 100% Wholly Owned Subsidiary in Dubai, namely Kalpataru Power DMCC, UAE. The company was formed with the purpose of carrying out General trading activities, Pipes & Fittings Trading and Metal Alloys Trading.

► **LLC Kalpataru Power Transmission Ukraine (KPT Ukraine):**

KPT Ukraine was incorporated to explore & execute Power Transmission contracts in Ukraine. It is a Wholly Owned Subsidiary of your Company.

► **Kalpataru Power Transmission Nigeria Limited (KPTL Nigeria)**

KPTL Nigeria was incorporated to explore the Power Transmission market in Nigeria. It was a Wholly Owned Subsidiary of your company. The Company has closed KPTL Nigeria since there was hardly any extra benefit of having local presence in Nigeria.

► **Kalpataru SA (Proprietary) Ltd. (KPTL SA):**

KPTL SA was formed in South Africa to bid for EPC Power Transmission jobs in South Africa as local Company. It was a Wholly Owned Subsidiary of your Company. Your Company has closed KPTL SA during the year under review since there was hardly any extra benefit of having local presence in South Africa.

► **Kalpataru IBN Omairah Company Limited (KPTL- IOC LLC):**

KPTL- IOC LLC was incorporated as a Subsidiary and Joint Venture Company between your Company and IBN Omairah Contracting Company Limited in the Kingdom of Saudi Arabia, in which your Company holds 65% stake. The Company has been formed to undertake and execute overhead Transmission Lines and / or substation projects on turnkey basis in Kingdom of Saudi Arabia.

► **Jhajjar KT Transco Private Limited (Jhajjar KT):**

Jhajjar KT is a Joint Venture Company, in which your Company holds 49.72% stake.

Jhajjar KT is a SPV Company with an exclusive right and authority to construct, operate, maintain and transfer the 400kv / 200kv Transmission Lines & Sub-stations (Transmission System) in the state of Haryana on Design, Build, Finance, Operate and Transfer (DBFOT) basis and provide transmission system services for a period of 25 years with an option to extend the period for further period of 10 years mutually agreed for which transmission license has been granted by Haryana Electricity Regulatory Commission (HERC) for transmission of electricity from 2X660 MW Thermal Power Plant at Jhajjar. The Project is running successfully and the cumulative transmission system availability has been above benchmarked PLF of 98% for almost entire year under review.

During the year under review, Kohima-Mariani Transmission Limited have become subsidiary company of your Company.

During the year under review, no new Company has become Associate Company of your Company.

During the year under review, no Company have ceased to be Subsidiary Company, Associate Company or Joint Venture Company of your Company except Kalpataru SA (Proprietary) Ltd., South Africa which was de-registered. Further Kalpataru Power Transmission Nigeria Limited, was voluntary wound up during the year under review 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. The statement pursuant to Section 129 (3) of the Companies Act, 2013 containing details of these subsidiaries and Joint Venture Companies forms part of the Annual Report.

As per section 129 of the Companies Act, 2013 your Company has placed Consolidated Financial Accounts before the members for its approval. Since the Consolidated Financial Accounts are being approved by the Members, your Company has not attached the individual Annual Report of each of the Subsidiary Company with this Annual Report. However, 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

Ms. Anjali Seth (DIN: 05234352) erstwhile Non-Independent Director of the Company resigned from the Board of Directors of the Company w.e.f. closing business hours of May 18, 2017 and consequent thereafter, based on the recommendations of Nomination and Remuneration Committee, the Board has appointed Ms. Anjali Seth (DIN: 05234352) as an Additional Director in the category of Independent Director for a period of 3 (three) years w.e.f. May 19, 2017.

The Board of Directors based on recommendation of Nomination and Remuneration Committee has also appointed Mr. Subodh Kumar Jain (DIN: 07085318) as an Additional Director in the category of Non-Executive Director w.e.f. May 19, 2017 on a rotational basis.

Pursuant to Section 161 of the Companies Act, 2013 and Articles of Association of the Company, Ms. Anjali Seth and Mr. Subodh Kumar Jain holds office upto the date of the ensuing Annual General Meeting. Your Company has received notice under Section 160 of the Companies Act, 2013 along with the requisite deposit proposing appointment of Ms. Anjali Seth and Mr. Subodh Kumar Jain as Directors of the Company.

The Board of Directors of your Company at its meeting held on March 28, 2017 and at the recommendation of Nomination and Remuneration Committee appointed Mr. Mofatraj P. Munot as an Executive Chairman of the Company for a period of 5 years w.e.f. April 1, 2017 in terms of the provisions of the Companies Act, 2013 which is subject to approval of shareholders of the Company and all other statutory approvals.

The Board of Directors of your Company at its meeting held on March 28, 2017 at the recommendation of Nomination and Remuneration Committee re-designated Mr. Manish Mohnot as a Managing Director & Chief Executive Officer of your Company.

The Members of the Company at the Annual General Meeting held on August 12, 2016 has appointed Mr. Imtiaz I. Kanga (DIN: 00136272) as Director of your Company, liable to retire by rotation.

Mr. Mahendra G. Punatar, Independent Director of your Company resigned from the Board w.e.f. February 20, 2017 due to persistent health problem.

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

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

A brief resume of Directors being appointed 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, 2017. The dates on which the Board Meetings were held are May 2, 2016, May 28, 2016, August 12, 2016, November 14, 2016, February 14, 2017 and March 28, 2017.

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 statutes.

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 & Chief Executive Officer, Mr. Kamal Kishore Jain, Director (Finance) & Chief Financial Officer 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.

A separate section on Corporate Governance followed by your Company, as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to this Report. The Report on Corporate Governance also contains certain disclosures required under Companies Act, 2013.

A certificate from M/s. Deloitte Haskins & Sells, Chartered Accountants, 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 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.

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

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.

STATUTORY AUDITOR AND AUDITORS' REPORT

M/s. Deloitte Haskins & Sells, (Firm Registration No. 117365W), Chartered Accountants, have been appointed as Statutory Auditor's of the Company at the thirty third Annual General Meeting held on September 27, 2014 to hold office from the conclusion of thirty third Annual General Meeting (AGM) till the conclusion of the thirty seventh Annual General Meeting of the Company, subject to ratification by the members annually. Accordingly, ratification of appointment of Statutory Auditor's is being sought from the members of the Company at the ensuing AGM. In this regard, your Company has received a certificate from the Statutory Auditor's to the effect that appointment if ratified, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013. Statutory Auditor's comments on your Company's accounts for year ended March 31, 2017 are self-explanatory in nature and do not require any explanation as per provisions of Section 134(3)(f) of the Companies Act, 2013.

There were no qualifications, reservation or adverse remark or disclaimer made by Statutory Auditor's 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 2016-17. The Report of the Secretarial Auditor for the FY 2016-17 is annexed to this report as **Annexure B**.

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

COST AUDITOR

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 2016-17.

RISK MANAGEMENT FRAMEWORK

Your Company has reviewed the existing risk framework with the help of experts and has implemented Risk Management framework, wherein all material risks faced by your Company are identified and assessed. For each of the risks identified corresponding controls are assessed and policies and procedures are put in place for monitoring, mitigating and reporting of risk on a periodic basis. Your Company has established the Standard Operating Procedures and reviews the same on regular basis in light of the amendment and / or re-enactment of various statutes and business scenarios. The Risk Management Committee reviewed the Company's risk management practices and activities from time to time.

PARTICULARS OF REMUNERATION

- A. The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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, the Annual Report is 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 and Company's policy on Directors' appointment including criteria for determining qualifications, positive attributes, independence of a director and other matters as required under sub-section (3) of Section 178 of the Companies Act, 2013 is available on the website of your Company www.kalpatarupower.com. 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 Rule (3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is annexed hereto as **Annexure D** and forms part of this Report.

DIVIDEND DISTRIBUTION POLICY

In terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2016, your Company has formulated Dividend Distribution Policy and the same is annexed to this report as **Annexure E** 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, 2017 forms part of this report as **Annexure F**.

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. 44 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. 48 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 Section 134(3)(c) of the Companies Act, 2013 (Act), Directors', confirm that:

- (a) in the preparation of the annual accounts for the year ended on March 31, 2017, the applicable accounting standards read with requirement set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 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 2016-17.

ACKNOWLEDGEMENT

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

Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication and Commitment. The enthusiasm and unstinting efforts of the employees have enabled your Company to remain as one of the top industry leader. 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 19, 2017

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Annexure A to Directors' Report

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.

Kalpataru Power Transmission Limited's CSR Policy

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

Your Company undertook various activities during the year under review in line with its CSR Policy and as prescribed in Schedule VII to the Companies Act, 2013. The activities are healthcare, conducting medical checkups and providing medicine, rural development, preventive healthcare for poor and Tribal children, multidisciplinary rehabilitation to specially abled people including under privileged children and young adults with Special needs, activities for environmental sustainability and ecological balance. While the focus of CSR initiatives were in the areas around Company operations, your Company has also undertaken 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: ₹ 5,904.49 Lakhs calculated as per CSR Rules
4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 118.09 Lakhs
5. Details of CSR Spent during the financial year.

- a. Total amount to be spent for the financial year: ₹ 118.09 Lakhs
- b. Amount unspent, if any: ₹ 45.02 Lakhs

- 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 medical services to poor and needy through the "Kalpa Seva Arogya Kendra" and Medication against complex congenital cardiac diseases.	Promoting Health Care	Gandhinagar, Gujarat	42.00	40.09	105.65	Kalpataru Welfare Trust

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
2.	Construction of Schools in Remote Rural Backward areas near the Project sites under “Project Kalp Education” to ensure that poor / tribal / underprivileged background children are not deprived of regular primary education	Promoting Education & Rural Development	Bihar	60.00	-	-	Project to Commence in FY 2017-18
3.	Project to support Community – based multidisciplinary services centers for People with Parkinson’s and their caregivers, which provide multidisciplinary therapy and education, undertake patient welfare initiatives for those from socio – economically disadvantaged backgrounds	Promoting Health Care & promoting education, including special education and employment enhancing vocation skills among differently abled	Panjim, Mapsua and Margao, Goa	11.92	11.92	11.92	Parkinson’s Disease and Movement Disorder Society
4.	Curative education to Special Children by providing necessary special education, academic education, vocational training (carpentry, pottery, farming, cooking, weaving, artificial jewelry making etc.), therapy, medical assistance etc. for the benefit of special children.		Chennai, Tamil Nadu	5.00	5.00	5.00	Arvind Foundation
5.	Day Centre activities such as Physiotherapy, speech and communication therapy, vision training, occupational therapy, co-curricular activities, counselling, community based rehabilitation, vocational training, exploring and creating employment opportunities for persons with cerebral palsy and other neurological disabilities		Chennai, Tamil Nadu	5.00	5.00	5.00	Vidya Sagar
6.	Cycle Sharing Project in partnership with Gandhinagar Urban Development Authority	Promoting Healthcare & Ensuring Environmental sustainability	Gandhinagar, Gujarat	5.20	5.20	5.20	Direct

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
7.	Mission Secure Raipur	Rural Development	Raipur, Chhattisgarh	2.08	2.08	2.08	Direct
8.	Preventing Health Care for Poor / Tribal Children	Promoting Health Care including preventive health care	Sabarkantha, Gandhinagar, Gujarat	2.00	2.00	5.00	Shri Gajanand Seva Samiti
9.	Maintenance of Garden	Ensuring environmental sustainability, ecological balance and protection of flora	Gandhinagar, Gujarat	1.35	1.35	1.35	Direct
10.	Expenditure on administrative overheads	Administrative expenses	-	0.43 [#]	0.43 [#]	3.81	-
TOTAL				134.98	73.07	145.01	

* 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

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.

In terms of CSR Policy of the Company, atleast 60% of the available funds for CSR, shall be utilized for long term multiyear projects or programmes and balance amount should be spent on the projects or programmes with short term objectives. In addition to existing multi-year projects, the Company has identified long term project of construction of Schools in remote rural backward areas of Bihar. Education is believed to be the stepping stone to improve the quality of life, especially for the poor and the most vulnerable. The ideology behind the "Project

Kalp-education" lies in the very essence of transforming lives through continuous generation of knowledge and empowerment. Therefore, Company has earmarked funds in line with its Policy as well as prescribed CSR Expenditure. However, the implementation of such project will commence in FY 2017-18 as the Company is under process of formulating implementation plan and taking various approvals required in this regards. The Company has incurred CSR Expenditure during the year under review in line with CSR Policy of the Company. The Company has changed lives of many people across the nation with its various social initiatives since many decades. It is the Company's continuous endeavour to increase its CSR impact and spend over the coming years, supplemented by its continued focus towards sustainable development and responsible infrastructure.

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 Company recognizes its obligations to act responsibly, ethically and with integrity in its dealings with employees, community, customers and the environment as a whole. At KPTL, we know that corporate responsibility is essential to our current and future success as a business. The Company believes it has the greatest opportunity to drive values through CSR initiatives in areas pertaining to Health, Education, Environmental sustainability, Rural development and has committed to improving the quality of life in communities in many years.

In the FY 2016-17, in compliance with its CSR Policy and objectives thereof, the Company focused its activities on

promoting health care including preventive health care, promoting education, including special education and employment enhancing vocation skills among differently abled, Ensuring Environmental sustainability, Ecological balance and protection of flora and rural development. These activities are executed with the strong base of wellbeing in community, sustainability, applicable laws, Kalpataru Group's vision and values.

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

Mr. Manish Mohnot

(DIN: 01229696)

Managing Director & CEO

Mr. Sajjanraj Mehta

(DIN: 00051497)

Chairman of CSR Committee

Annexure B to Directors' Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2017

[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 March 31, 2017. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit; I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 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 a Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

During the period under review pursuant to issuance approvals granted by the Board of Directors of the Company on May 28, 2016 and Shareholders at their Annual General Meeting held on August 12, 2016, the following Allotment of debt Securities of ₹ 100 Crores through private placement was made:

Date of Allotment	Nature of Security	Amount Raised in ₹
17/03/2017	Listed Rated Unsecured Redeemable Taxable Non Convertible Debentures	100,00,00,000/-

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

Date: May 19, 2017
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.

- 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.
- 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.

- I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- 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.
- 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 19, 2017
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 2016-17 and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial year 2016-17 are as under:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for Financial year 2016-17 (₹ in crore)	% change in Remuneration in the Financial Year 2016-17	Ratio of remuneration of each Director to median remuneration of employees
1	Mr. Mofatraj P. Munot Executive Chairman	1.54	20.31	26.55
2	Mr. Parag M. Munot Promoter Director	1.03	128.89	17.76
3	Mr. Sajjanraj Mehta Non Executive Independent Director	0.41	10.81	7.07
4	Mr. Vimal Bhandari Non Executive Independent Director	0.29	3.57	5.00
5	Mr. Narayan K Seshadri Non Executive Independent Director	0.28	3.70	4.83
6	Mr. Mahendra G. Punatar* Non Executive Independent Director	0.02	NA	NA
7	Mr. K. V. Mani Non Executive Independent Director	0.53	-3.64	9.14
8	Ms. Anjali Seth Non Executive Director	0.15	0.00	2.59
9	Mr. Imtiaz Kanga Promoter Director	0.03	#	0.52
10	Mr. Manish Mohnot Managing Director & Chief Executive Officer	7.61	48.92	131.21
11	Mr. Kamal Kishore Jain Director (Finance) & Chief Financial Officer	1.92	-1.54	33.10
12	Mr. Rahul Shah Company Secretary & Compliance Officer	0.44	4.76	7.59

* Resigned as Independent Director w.e.f. February 20, 2017

Details of Mr. Imtiaz Kanga is not given as he was a Director for the part of the FY 2015-16 i.e. w.e.f. March 8, 2016.

- ii) The median remuneration of employees of the Company during the financial year under review was ₹ 5.80 Lakhs.
- iii) In the Financial year under review, there was an increase of 12.40% in the median remuneration of employees;
- iv) There were 2316 permanent employees on the rolls of Company as on March 31, 2017;
- v) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 9.98 % whereas the increase in the managerial remuneration for the same financial year was 24.16%

- (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 19, 2017

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Annexure D 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 has conducted energy Audit through "Dynamic Consultant" (Authorized by Government of Gujarat & GEDA) for Plants of the Company situated at Gandhinagar & implemented suggestions of energy saving.
2. Your Company has implemented Automation of Heavy duty motors of white fume extractors to save energy during idle hours.
3. In the previous year, your Company fitted LED (Light emitting Diode) at factory area and both plants at Gandhinagar and the office building which resulted into reduction of energy consumption. Due to benefit derived out of that your Company has also fitted LED lights at the remaining offices, Test Bed and Fuel Yards of Biomass Plants in the current financial year, which has resulted into reduction of energy consumption to a great extent.
4. Your Company has replaced CPH (Condensate Pre Heater) at both the Biomass Plants of the Company which helps in energy conservations.
5. With solar roof top prices falling and solar tariff achieving grid parity and in order to promote usage of natural sources of energy, the Company has appointed consultant to carry out feasibility study to install roof top solar in the factories and other premises of the Company. Based on the preliminary study, the Company proposed to install roof top solar at the plants situated at Gandhinagar.

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

Your Company has used alternative fuels for its Biomass Plants like Eucalyptus, Juli Flora, Peddystraw, Fenu Greek, Lentid of Orange & Black Lentid etc. in order to ensure the availability of Biomass in various seasons throughout the year.

(iii) the capital investment on energy conservation equipment:

The proposed investment for installation of roof top solar shall be approx. ₹ 2 Crores.

(B) Technology absorption-

(i) the efforts made towards technology absorption;

- ▶ 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 constructed the shed & flooring for operating the soil separator to process Wet & Dusty fuels for 9 months in a year.
- ▶ Your Company has deployed Heavy duty Dust siever machines to correctly assess the dust in all kinds of Biomass at both the Biomass Plants.
- ▶ The Company shall be installing modules with polycrystalline technology in roof top Solar which is Operational in India for 5+ years; globally 25+ years.

▶ Research and Development:

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

(ii) the benefits derived:

- ▶ 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 1.41% alternate fuels during the year under review. This helped your Company in having desired fuel availability, lower cost, getting better Gross Calarofic Value (GCV) in the fuel throughout the year, lesser working capital requirement and better fuel consumption ratio.
- ▶ Wet & dusty fuel is made useful to consume & improves 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; and

(iv) the expenditure incurred on Research and Development:

	(₹ in Crores)
	2016-17
Capital Expenditure	1.35
Revenue Expenditure	16.81
Total	18.16
Total R&D expenditure as a percentage of total turnover	0.36%

(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	1,493.46
Foreign Exchange Outgo	753.80

On behalf of the Board of Directors

Place: Mumbai
Date: May 19, 2017

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Annexure E 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 February 14, 2017 and the policy shall be effective from February 14, 2017.

1.2. Philosophy

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

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

1.3. Objective

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

1.4. Regulatory Framework

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

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

1.5. Definitions

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

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

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

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

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

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

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

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

1.6. Interpretation

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

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

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

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

2. POLICY

2.1. Policy

- 2.1.1. The Company would endeavor to keep consistence Dividend payment track record except for the reasons to be recorded.
- 2.1.2. Dividend payout in a particular year shall be determined after considering the operating and financial performance of the Company and the cash requirement for financing the Company's future growth.

2.2. Procedure

- 2.2.1. The agenda of the Board of Directors where Dividend declaration or recommendation is proposed shall contain the rationale of the proposal which shall be in line with the Parameters mentioned in this Policy.
- 2.2.2. If the Company proposes to declare dividend on the basis of parameters in addition to this policy or proposes to change such parameters or the dividend distribution policy contained in any of the parameters, it shall disclose such changes along with the rationale for the same in the annual report and on the website.
- 2.2.3. Pursuant to the provisions of Applicable Laws and this Policy, Interim Dividend approved by the Board of Directors will be confirmed by the shareholders and final Dividend, if any, recommended by the Board of Directors, will be subject to shareholder's approval, at the ensuing annual general meeting of the Company. The Company shall ensure compliance of provisions of Applicable Laws and this Policy in relation to Dividend declared by the Company.

2.3. Parameters for Declaration of Dividend

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

2.3.1. Internal Factors

- a. **Profits Earned:** The extent of stability and magnitude of Company's earnings will directly influence the dividend declaration. Thus, the dividend is directly linked with the availability of the earnings (including accumulated earnings) with the company.
- b. Capital Expenditure Requirements and future working capital requirements
- c. **Current and Projected Liquidity Position:** A Company's liquidity position also determines the level of dividend. If a Company does not have sufficient cash resources to make dividend payment, then it may reduce the amount of dividend pay-out.
- d. **Committed or Projected Cash Flow Requirement:** If a company foresees some profitable investment opportunities including but not limited to Brand / Business Acquisitions, Expansion / Modernization of existing businesses, Additional investments in subsidiaries/associates of the Company, Fresh investments into external businesses, then it may decide for lower dividend payout and vice-versa.
- e. Leverage profile and liabilities of the Company.
- f. Any other factor as deemed fit by the Board.

2.3.2. External Factors

- a. **Industry Practice:** The nature of industry in which a Company is operating, influences the dividend decision. Like the industries with stable demand throughout the year are in a position to have stable earnings and thus declare stable dividends.
- b. **Statutory Provisions and Regulatory concern:** The Board should keep in mind the restrictions imposed by Companies Act or any other applicable laws with regard to declaration of dividend and quantum of dividend. Further, any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company may also impact the declaration of dividend.

- c. **Macro-Economic Factors and General Business Environment:** The Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks in case of uncertain or recessionary economic conditions and in situation where the policy decisions of the Government have a bearing on or affect the business of the Company.
- d. **Fiscal Policy:** The tax policy of the country also influences the dividend policy of a Company. The rate of tax directly influences the amount of profits available to the Company for declaring dividends.
- e. **Capital Markets:** In case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows and reduce the cost of raising funds through alternate resources.

2.4. Circumstances under which the Shareholders may not expect Dividend

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

- a. Due to operation of any other law in force
- b. Due to inadequate profit or losses incurred by the Company and the Board considers it appropriate not to declare dividend for any particular year
- c. Due to any restrictions and covenants contained in any agreement as may be entered into with the Lenders
- d. Whenever Company undertakes or proposes to undertake a significant expansion project requiring higher allocation of capital or undertakes any acquisitions or restructuring
- e. Significant higher working capital requirements adversely impacting free cash flow.
- f. Whenever it proposes to utilise surplus cash for buy-back of securities

2.5. Utilisation of Retained Earnings

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

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

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

3. DISCLOSURE

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

4. GENERAL

- 4.1. The Policy shall be reviewed as and when required to ensure that it meets the objectives of the relevant legislation and remains effective. The Executive Committee has the right to change/amend the policy as may be expedient taking into account the law for the time being in force. Such amended Policy shall be placed before the Board for noting and necessary ratification at its subsequent meeting.
- 4.2. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s) etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s) etc.

On behalf of the Board of Directors

Mofatraj P. Munot

Executive Chairman

DIN: 00046905

Place: Mumbai

Date: May 19, 2017

Annexure F to Directors' Report

Form No. MGT-9 EXTRACT OF ANNUAL RETURN as on the financial year ended on March 31, 2017

[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 506-508, Amarnath Business Centre -1 Near Government Society, Beside Gala Business Centre, Near St. Xavier's College Corner, Market, 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	85.23%

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	71.52	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 (Formerly known as Gestamp Kalpataru Solar Steel Structures Pvt. Ltd.) 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, 3 rd 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.	Kalpataru Power Transmission Nigeria Ltd.# 13B, Ikorodu Road, Maryland, Lagos	N.A.	Subsidiary	100	2(87)(ii)
13.	LLC Kalpataru Power Transmission Ukraine 8-A, Feodora Pushyna Str. Office 502, Kiev 03115, Ukraine	N.A.	Subsidiary	100	2(87)(ii)

Sr. No.	Name of Company & Address	CIN / GLN	Holding / Subsidiary / Associate	% Shares held*	Applicable Section
14.	Kalpataru IBN Omairah Company Limited** PO Box: 8230. RIYADH -11482, Kingdom of Saudi Arabia	N.A.	Subsidiary	65	2(87)(ii)
15.	JMC Mining and Quarries Ltd. A-104, Shapath – 4, Opp. Karnavati Club, S. G. Road, Ahmedabad – 380051	U45201GJ1996PLC028732	Subsidiary	100	2(87)(ii)
16.	Brij Bhoomi Expressway Pvt. Ltd. 6 th Floor, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East) Mumbai -400055	U74900MH2010PTC261958	Subsidiary	100	2(87)(ii)
17.	Wainganga Expressway Pvt. Ltd. 6 th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2011PTC264642	Subsidiary	100	2(87)(ii)
18.	Vindhyachal Expressway Pvt. Ltd. 6 th Floor, Kalpataru Synergy, Opp. Grand Hyatt Hotel, Santacruz East, Mumbai-400055	U45203MH2012PTC271978	Subsidiary	100	2(87)(ii)
19.	Saicharan Properties Ltd. 101, Kalpataru Synergy, Opp. Grand Hyatt, Santacruz (East), Mumbai -400055	U45201MH2006PLC166598	Subsidiary	100	2(87)(ii)
20.	Punarvasu Financial Services Pvt. Ltd. (Formerly known as Punarvasu Holding and Trading Company Private Limited) Unit No. 72, 7 th floor, Kalpataru Square, Kondivita Lane, Off Andheri Kurla Road, Andheri (E) Mumbai-400059	U67120MH1993PTC073611	Subsidiary	100	2(87)(ii)
21.	Kalpataru Power DMCC, UAE Unit No. 2301, HDS Tower, Plot No. PH1-F2, Jumeirah Lakes Tower, Dubai , UAE	N.A.	Subsidiary	100	2(87)(ii)
22.	Jhajjar KT Transco Pvt. Ltd. 101, Part-III, GIDC Estate, Sector-28, Gandhinagar-382028	U45204GJ2010PTC060815	Associate	49.72	2(6)
23.	Kurukshetra Expressway Pvt. Ltd. Toll Plaza Gangaicha Jaat, NH-71 village Gangaicha Jaat, Mastapur post office Rewari Rewari-123401	U45400HR2010PTC040303	Associate	49.57	2(6)

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

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

Kalpataru Power Transmission Nigeria Ltd. has applied for voluntary winding up during the year under review and the same would be wound up effective from expiry of 3 months from January 12, 2017

Note: The company has no holding company.

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, 2016 i.e. on the basis of SHP of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)				% 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	3,11,42,867	-	3,11,42,867	20.29	2,88,11,867	-	2,88,11,867	18.77	-1.52
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5,97,91,796	-	5,97,91,796	38.96	5,97,91,796	-	5,97,91,796	38.96	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other									
f-1) Promoter Trust	-	-	-	-	23,31,000	-	23,31,000	1.52	1.52
Sub-total(A)(1):	9,09,34,663	-	9,09,34,663	59.25	9,09,34,663	-	9,09,34,663	59.25	-
(2) Foreign									
a) NRIs – Individuals	3,00,000	-	3,00,000	0.20	3,00,000	-	3,00,000	0.20	-
b) Other –Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total:(A) (2):	3,00,000	-	3,00,000	0.20	3,00,000	-	3,00,000	0.20	-
Total shareholding of Promoter (A) =(A)(1)+(A)(2)	9,12,34,663	-	9,12,34,663	59.45	9,12,34,663	-	9,12,34,663	59.45	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3,12,81,148	-	3,12,81,148	20.38	2,74,37,586	-	2,74,37,586	17.88	-2.5
b) Banks / FI	26,541	2000	28,541	0.02	50,889	2000	52,889	0.03	0.02
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	47,52,550	-	47,52,550	3.10	6,21,390	-	6,21,390	0.40	-2.7
g) FIIs / FPIs	1,14,32,021	1000	1,14,33,021	7.45	1,10,19,883	1000	1,10,20,883	7.18	-0.27
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	4,74,92,260	3,000	4,74,95,260	30.95	3,91,29,748	3000	3,91,32,748	25.50	-5.45
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	50,52,108	8,500	50,60,608	3.30	87,41,593	8,500	87,50,093	5.70	2.40
ii) Overseas	-	-	-	-	-	-	-	-	-

Category of Shareholder	No. of Shares held at the beginning of the year (as on April 1, 2016 i.e. on the basis of SHP of March 31, 2016)				No. of Shares held at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	65,61,284	5,76,935	71,38,219	4.65	97,73,611	5,48,935	1,03,22,546	6.73	2.08
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7,53,555	96,000	8,49,555	0.55	13,01,381	96,000	13,97,381	0.91	0.36
c) Others (specify)	-	-	-	-	-	-	-	-	-
c-1) Trusts	11,396	-	11,396	0.01	4,689	-	4,689	0	-0.01
c-2) Hindu Undivided Family	3,03,895	-	3,03,895	0.20	3,90,066	-	3,90,066	0.25	0.06
c-3) Non Resident Indians (Repat)	5,50,067	6000	5,56,067	0.36	6,77,062	6000	6,83,062	0.44	0.08
c-4) Non Resident Indians (Non Repat)	5,40,241	-	5,40,241	0.35	7,54,148	-	7,54,148	0.49	0.14
c-5) Clearing Members	2,70,666	-	2,70,666	0.18	7,91,174	-	7,91,174	0.52	0.34
Sub-total (B)(2):-	1,40,43,212	6,87,435	1,47,30,647	9.60	2,24,33,724	6,59,435	2,30,93,159	15.05	5.45
Total Public Shareholding (B)=(B)(1)+(B)(2)	6,15,35,472	6,90,435	6,22,25,907	40.55	6,15,63,472	6,62,435	6,22,25,907	40.55	-
C. Shares held by Custodian for GDRs & ADRs (C)	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	15,27,70,135	6,90,435	15,34,60,570	100.0	15,27,98,135	6,62,435	15,34,60,570	100.00	-

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016 i.e. on the basis of SHP of March 31, 2016)			Shareholding at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)			% 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 Private Ltd.	2,33,50,000	15.22%	5.75%	2,33,50,000	15.22%	11.29%	-
2	K. C. Holdings Private Ltd.	2,11,42,600	13.78%	7.67%	2,11,42,600	13.78%	6.36%	-
3	Mr. Mofatraj Pukharaj Munot	1,37,36,822	8.95%	-	1,14,05,822	7.43%	-	-1.52%
4	Kalpataru Properties Pvt. Ltd.	1,36,46,196	8.89%	-	1,36,46,196	8.89%	2.61%	-
5	Mr. Parag Mofatraj Munot ##	1,34,63,615	8.77%	7.93%	1,34,63,615	8.77%	2.51%	-
6	Ms. Tara Kanga	15,54,130	1.01%	-	15,54,130	1.01%	-	-
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%	-	3,00,000	0.20%	-	-
12	Mr. Imtiaz Kanga	3,00,000	0.20%	-	3,00,000	0.20%	-	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2016 i.e. on the basis of SHP of March 31, 2016)			Shareholding at the end of the year (as on March 31, 2017 i.e. on the basis of SHP of March 31, 2017)			% 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*	
13	Mr. Imran Imtiaz Kanga	1,00,000	0.07%	-	-	-	-	-0.07%
14	Ms. Ishrat Imtiaz Kanga	1,00,000	0.07%	-	-	-	-	-0.07%
15	Ms. Ismat Imtiaz Kanga	1,00,000	0.07%	-	1,00,000	0.07%	-	-
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	0	0.00%	-	2,00,000	0.13%	-	0.13%
23	Aaryaveer Benefit Trust **	0	0.00%	-	7,77,000	0.51%	-	0.51%
24	Saachi Benefit Trust **	0	0.00%	-	7,77,000	0.51%	-	0.51%
25	Shubhika Benefit Trust **	0	0.00%	-	7,77,000	0.51%	-	0.51%
Total		9,12,34,663	59.45%	21.35%	9,12,34,663	59.45%	22.77%	-

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

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

** The Equity shares of Aaryaveer Benefit Trust, Saachi Benefit Trust and Shubhika Benefit Trust are held in the name of Mr. Mofatraj Pukharaj Munot being Trustee of the said respective Trusts.

iii) Change in Promoters' Shareholding

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2016)		Transactions during the year			Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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	Mr. Imran Imtiaz Kanga	1,00,000	0.07%	1-Apr-16	-	-	1,00,000	0.07%
				2-Jan-17	(1,00,000)	Transfer	0	0.00%
				At the end of the year			31-Mar-17	-
2	Ms. Ishrat Imtiaz Kanga	1,00,000	0.07%	1-Apr-16	-	-	1,00,000	0.07%
				2-Jan-17	(1,00,000)	Transfer	0	0.00%
				At the end of the year			31-Mar-17	
3	Mrs. Yasmin Imtiaz Kanga	0	0.00%	1-Apr-16	-	-	0	0.00%
				2-Jan-17	2,00,000	Transfer	2,00,000	0.13%
				At the end of the year			31-Mar-17	-

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (01-04-2016)		Transactions during the year			Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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
4	Mr. Mofatraj Pukharaj Munot	1,37,36,822	8.95%	1-Apr-16			1,37,36,822	8.95%
				1-Feb-17	(23,31,000)	Transfer by way of Gift	1,14,05,822	7.43%
	At the end of the year			31-Mar-17	-	-	1,14,05,822	7.43%
5	Aaryaveer Benefit Trust	0	0.00%	1-Apr-16	-	-	0	0.00%
				1-Feb-17	7,77,000	Acquired by way of Gift	7,77,000	0.51%
	At the end of the year			31-Mar-17	-	-	7,77,000	0.51%
6	Saachi Benefit Trust	0	0.00%	1-Apr-16	-	-	0	0.00%
				1-Feb-17	7,77,000	Acquired by way of Gift	7,77,000	0.51%
	At the end of the year			31-Mar-17	-	-	7,77,000	0.51%
7	Shubhika Benefit Trust	0	0.00%	1-Apr-16	-	-	0	0.00%
				1-Feb-17	7,77,000	Acquired by way of Gift	7,77,000	0.51%
	At the end of the year			31-Mar-17	-	-	7,77,000	0.51%

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

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2016)					Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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	1,33,45,925	8.6966	1-Apr-16			1,33,45,925	8.6966
				8-Apr-16	85,500	Transfer	1,34,31,425	8.7524
				3-Feb-17	(20,000)	Transfer	134,11,425	8.7393
				10-Feb-17	(1,50,000)	Transfer	1,32,61,425	8.6416
				3-Mar-17	(2,558)	Transfer	1,32,58,867	8.6399
				31-Mar-17	(43,000)	Transfer	1,32,15,867	8.6119
At the end of the year							1,32,15,867	8.6119

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2016)					Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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
2	HSBC GLOBAL INVESTMENT FUNDS - INDIAN EQUITY	11,991	0.0078	1-Apr-16			11,991	0.0078
				2-Sep-16	32,60,000	Transfer	32,71,991	2.1321
				7-Oct-16	16,82,208	Transfer	49,54,199	3.2283
				3-Mar-17	(23,038)	Transfer	49,31,161	3.2133
				10-Mar-17	(10,792)	Transfer	49,20,369	3.2063
At the end of the year							49,20,369	3.2063
3	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	47,52,550	3.0969	1-Apr-16			47,52,550	3.0969
				8-Apr-16	285	Transfer	47,52,835	3.0971
				13-May-16	39,582	Transfer	47,92,417	3.1229
				20-May-16	(1,04,729)	Transfer	46,87,688	3.0547
				30-Jun-16	(2,020)	Transfer	46,85,668	3.0533
				15-Jul-16	(2,020)	Transfer	46,83,648	3.0520
				29-Jul-16	(1,920)	Transfer	46,81,728	3.0508
				12-Aug-16	(300)	Transfer	46,81,428	3.0506
				19-Aug-16	(1,890)	Transfer	46,79,538	3.0493
				26-Aug-16	(1,890)	Transfer	46,77,648	3.0481
				16-Sep-16	(3,845)	Transfer	46,73,803	3.0456
				23-Sep-16	3,845	Transfer	46,77,648	3.0481
				4-Nov-16	(2,453)	Transfer	46,75,195	3.0465
				25-Nov-16	20,163	Transfer	46,95,358	3.0597
				30-Dec-16	11,722	Transfer	47,07,080	3.0673
				20-Jan-17	3,496	Transfer	47,10,576	3.0696
				10-Feb-17	(41,493)	Transfer	46,69,083	3.0425
				17-Feb-17	(44,573)	Transfer	46,24,510	3.0135
				24-Feb-17	(1,886)	Transfer	46,22,624	3.0123
				3-Mar-17	(18,227)	Transfer	46,04,397	3.0004
				10-Mar-17	(21,286)	Transfer	45,83,111	2.9865
				17-Mar-17	(10,281)	Transfer	45,72,830	2.9798
				24-Mar-17	(5,338)	Transfer	45,67,492	2.9763
				31-Mar-17	(5,00,000)	Transfer	40,67,492	2.6505
At the end of the year							40,67,492	2.6505
4	RELIANCE CAPITAL TRUSTEE CO. LTD	32,36,000	2.1087	1-Apr-16			32,36,000	2.1087
				31-Mar-17	79,138	Transfer	33,15,138	2.1603
At the end of the year							33,15,138	2.1603

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2016)					Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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
5	DSP BLACKROCK MICRO CAP FUND	31,35,292	2.0431	1-Apr-16			31,35,292	2.0431
				20-May-16	(27,046)	Transfer	31,08,246	2.0254
				8-Jul-16	(1,342)	Transfer	31,06,904	2.0246
				15-Jul-16	1,61,393	Transfer	32,68,297	2.1297
				22-Jul-16	16,209	Transfer	32,84,506	2.1403
				30-Sep-16	(256)	Transfer	32,84,250	2.1401
				11-Nov-16	(86,004)	Transfer	31,98,246	2.0841
				25-Nov-16	38,016	Transfer	32,36,262	2.1089
				31-Mar-17	22,538	Transfer	32,58,800	2.1235
At the end of the year						32,58,800	2.1235	
6	ICICI PRUDENTIAL INFRASTRUCTURE FUND	30,34,326	1.9773	1-Apr-16			30,34,326	1.9773
				10-Jun-16	(1,39,732)	Transfer	28,94,594	1.8862
				17-Jun-16	(8,381)	Transfer	28,86,213	1.8808
				30-Jun-16	(4,596)	Transfer	28,81,617	1.8778
				1-Jul-16	(1,079)	Transfer	28,80,538	1.8771
				15-Jul-16	(94,647)	Transfer	27,85,891	1.8154
				22-Jul-16	(7,539)	Transfer	27,78,352	1.8105
				29-Jul-16	(24,149)	Transfer	27,54,203	1.7947
				2-Sep-16	(19,301)	Transfer	27,34,902	1.7822
At the end of the year						27,34,902	1.7822	
7	HSBC INDIAN EQUITY MOTHER FUND	0	0.0000	1-Apr-16			0	0.0000
				6-Jan-17	17,18,939	Transfer	17,18,939	1.1201
				3-Mar-17	(11,519)	Transfer	17,07,420	1.1126
				10-Mar-17	(4,316)	Transfer	17,03,104	1.1098
At the end of the year						17,03,104	1.1098	
8	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	14,81,515	0.9654	1-Apr-16			14,81,515	0.9654
				19-Aug-16	(4,690)	Transfer	14,76,825	0.9623
				25-Nov-16	10,000	Transfer	14,86,825	0.9689
				30-Dec-16	3,800	Transfer	14,90,625	0.9713
				10-Feb-17	29,829	Transfer	15,20,454	0.9908
				24-Mar-17	20,734	Transfer	15,41,188	1.0043
				31-Mar-17	65,680	Transfer	16,06,868	1.0471
At the end of the year						16,06,868	1.0471	

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2016)					Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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
9	UTI- INFRASTRUCTURE FUND	23,87,109	1.5555	1-Apr-16			23,87,109	1.5555
				6-May-16	(30,938)	Transfer	23,56,171	1.5354
				20-May-16	(5,28,112)	Transfer	18,28,059	1.1912
				27-May-16	(2,23,912)	Transfer	16,04,147	1.0453
				3-Jun-16	(1,92,962)	Transfer	14,11,185	0.9196
				10-Jun-16	(18,000)	Transfer	13,93,185	0.9078
				22-Jul-16	(45,000)	Transfer	13,48,185	0.8785
				29-Jul-16	(18,000)	Transfer	13,30,185	0.8668
				2-Sep-16	(26,318)	Transfer	13,03,867	0.8496
				9-Sep-16	(18,682)	Transfer	12,85,185	0.8375
				16-Sep-16	(90,000)	Transfer	11,95,185	0.7788
				23-Sep-16	(32,500)	Transfer	11,62,685	0.7576
				30-Sep-16	(12,500)	Transfer	11,50,185	0.7495
				14-Oct-16	(4,955)	Transfer	11,45,230	0.7463
				21-Oct-16	(40,045)	Transfer	11,05,185	0.7202
				25-Nov-16	(45,000)	Transfer	10,60,185	0.6909
At the end of the year							10,60,185	0.6909
10	DIMENSIONAL EMERGING MARKETS VALUE FUND	8,59,787	0.5603	1-Apr-16			8,59,787	0.5603
				4-Nov-16	(11,715)	Transfer	8,48,072	0.5526
				24-Mar-17	(9,223)	Transfer	8,38,849	0.5466
				31-Mar-17	(4,242)	Transfer	8,34,607	0.5439
At the end of the year							8,34,607	0.5439
11	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE INFRASTRUCTURE FUND	18,05,321	1.1764	1-Apr-16			18,05,321	1.1764
				22-Apr-16	18,200	Transfer	18,23,521	1.1883
				20-May-16	(6,00,000)	Transfer	12,23,521	0.7973
				10-Jun-16	33,000	Transfer	12,56,521	0.8188
				17-Jun-16	23,600	Transfer	12,80,121	0.8342
				29-Jul-16	93,600	Transfer	13,73,721	0.8952
				5-Aug-16	77,107	Transfer	14,50,828	0.9454
				19-Aug-16	50,000	Transfer	15,00,828	0.9780
				14-Oct-16	(20)	Transfer	15,00,808	0.9780
				4-Nov-16	(11,848)	Transfer	14,88,960	0.9703
				18-Nov-16	(13,881)	Transfer	14,75,079	0.9612
				2-Dec-16	(12,231)	Transfer	14,62,848	0.9532
				9-Dec-16	(17,500)	Transfer	14,45,348	0.9418
				16-Dec-16	(94,000)	Transfer	13,51,348	0.8806
				23-Dec-16	(69,000)	Transfer	12,82,348	0.8356
				30-Dec-16	(19,400)	Transfer	12,62,948	0.8230
				6-Jan-17	(12,500)	Transfer	12,50,448	0.8148
				13-Jan-17	(4,06,032)	Transfer	8,44,416	0.5502
				20-Jan-17	(50,944)	Transfer	7,93,472	0.5171
At the end of the year							7,93,472	0.5171

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2016)					Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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
12	L&T MUTUAL FUND TRUSTEE LIMITED-L&T BUSINESS CYCLES FUND	12,42,008	0.8093	1-Apr-16			12,42,008	0.8093
				8-Apr-16	(10,836)	Transfer	12,31,172	0.8023
				17-Jun-16	(5,940)	Transfer	12,25,232	0.7984
				5-Aug-16	(64,840)	Transfer	11,60,392	0.7561
				12-Aug-16	(2,742)	Transfer	11,57,650	0.7544
				19-Aug-16	(531)	Transfer	11,57,119	0.7540
				9-Sep-16	(1,15,045)	Transfer	10,42,074	0.6790
				16-Sep-16	(1,70,800)	Transfer	8,71,274	0.5678
				7-Oct-16	(1,00,000)	Transfer	7,71,274	0.5026
				28-Oct-16	(33,725)	Transfer	7,37,549	0.4806
				4-Nov-16	(37,630)	Transfer	6,99,919	0.4561
				11-Nov-16	(1,28,645)	Transfer	5,71,274	0.3723
				31-Mar-17	34,576	Transfer	6,05,850	0.3948
At the end of the year							6,05,850	0.3948
13	HSBC GLOBAL INVESTMENT FUNDS A/C HSBC GIF MAURITIUS LIMITED	49,42,208	3.2205	1-Apr-16			49,42,208	3.2205
				2-Sep-16	(32,60,000)	Transfer	16,82,208	1.0962
				7-Oct-16	(16,82,208)	Transfer	0	0.0000
At the end of the year							0	0.0000

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

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year (01-04-2016)					Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		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
<u>DIRECTORS</u>								
1	Mofatraj Pukharaj Munot	1,37,36,822	8.95%	1-Apr-16			1,37,36,822	8.95%
				1-Feb-17	(23,31,000)	Transfer by way of Gift	1,14,05,822	7.43%
	At the end of the year			31-Mar-17	-	-	1,14,05,822	7.43%
2	Parag M. Munot	1,34,63,615	8.77	1-Apr-16	-	-	1,34,63,615	8.77%
	At the end of the year			31-Mar-17	-	-	1,34,63,615	8.77%
3	Sajjanraj Mehta	10,000	0.01	1-Apr-16	-	-	10,000	0.01
	At the end of the year			31-Mar-17	-	-	10,000	0.01
4	Imtiaz Kanga	3,00,000	0.20	1-Apr-16	-	-	3,00,000	0.20
	At the end of the year			31-Mar-17	-	-	3,00,000	0.20
<u>KMPs</u>								
1	Kamal Kishore Jain	500	0.00	1-Apr-16	-	-	500	0.00
	At the end of the year			31-Mar-17	-	-	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	39,736.39	20,132.29	-	59,868.68
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not Due	1,011.63	138.44	-	1,150.07
Total (i+ii+iii)	40,748.02	20,270.73	-	61,018.75
Change in Indebtedness during the financial year				
Addition	10,288.64	10,394.91	-	20,683.55
Reduction	-11,029.56	-138.44	-	-11,168.00
Exchange (Gain)/Loss (Net)	-32.13	-	-	-32.13
Net Change	-773.05	10,256.47	-	9,483.42
Indebtedness at the end 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	-	-	959.71
Total (i+ii+iii)	39,974.97	30,527.20	-	70,502.17

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. Manish Mohnot Managing Director & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	2.60
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	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	5.00
	- As % profit	
5.	Others, specify	
	TOTAL (A)	7.61
	CEILING AS PER THE ACT	20.13
	(being 5% of the net profits of the Company calculated as per Section 198 of the Act)	

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	Mr. Mahendra G. Punatar	Mr. K.V. Mani	
1	Fee for attending Board / Committee meetings (in ₹)	0.05	0.05	0.04	0.02	0.03	0.19
2	Commission	0.36	0.24	0.24	0.00	0.50	1.34
3	Others, please specify	-	-	-	-	-	-
	TOTAL (B1)	0.41	0.29	0.28	0.02	0.53	1.53

2. Other Non-Executive Directors

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Name of Director				Total Amt
		Mr. Mofatraj P. Munot	Mr. Parag M. Munot	Ms. Anjali Seth	Mr. Imtiaz Kanga	
1	Fee for attending Board / Committee meetings (in ₹)	0.04	0.03	0.03	0.03	0.13
2	Commission	1.5	1.00	0.12	0	2.62
3	Others, please specify	-	-	-	-	-
	TOTAL (B2)	1.54	1.03	0.15	0.03	2.75
	TOTAL B = B(1) + B(2)					4.28
	CEILING AS PER ACT [#] (being 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					4.03
	TOTAL MANAGERIAL REMUNERATION*					11.89
	OVERALL CEILING AS PER ACT (being 6% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)					24.16

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

Sitting fees is not included in ceiling as per Act

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

(₹ in Crores)

Sr. No.	Particulars of Remuneration	Mr. Kamal Kishore Jain, Chief Financial Officer	Mr. Rahul Shah Company Secretary	Total Amt
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	1.91	0.44	2.35
	(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	-	-	-
	- As % profit			
	- Others, specify			
5	Others, please specify	-	-	-
	TOTAL	1.92	0.44	2.36

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 19, 2017

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's Philosophy on Corporate Governance streams from fair and transparent conduct and fiscal accountability in all dealings for maximizing value for all Stakeholder. At KPTL, we feel proud to belong to a Company 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 helps to enhance and retain trusts of all stakeholders'. The said Values are center for all business dealings of the Company and act as a guiding force for sustainable growth of the Company and all its Stakeholders.

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, 2017, the Board of Directors consisted of 9 Directors, out of which 8 are Non-Executive Directors including the Chairman and 1 is Managing Director & CEO. Out of 8 Non-Executive Directors, 4 are Independent Directors and 1 is Woman Director. Subsequently, the Non-Executive Chairman of the Company was re-designated as an Executive Chairman w.e.f. April 1, 2017. 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. Mahendra G. Punatar has resigned from the Board of the Company w.e.f. March 20, 2017 due to his persistent health issue. Also, during the year under review, Mr. Manish Mohnot has been redesignated as a Managing Director & CEO w.e.f. March 28, 2017.

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 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, 2017 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 2, 2016, May 28, 2016, August 12, 2016, November 14, 2016, February 14, 2017 and March 28, 2017.

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.

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, 2017 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)	5	No	14	-	-
Mr. Parag M. Munot	Non – Executive (Promoter)	6	Yes	13	-	1
Mr. Sajjanraj Mehta	Non - Executive (Independent)	6	Yes	2	1	1
Mr. Vimal Bhandari	Non - Executive (Independent)	6	Yes	9	2	3
Mr. Narayan K. Seshadri	Non - Executive (Independent)	5	Yes	19	4	6
Mr. Mahendra G. Punatar (Resigned w.e.f. February 20, 2017)	Non – Executive (Independent)	3	No	NA	NA	NA
Mr. K. V. Mani	Non – Executive (Independent)	6	Yes	1	-	-
Ms. Anjali Seth	Non - Executive Woman Director	5	No	7	2	5
Mr. Imtiaz I. Kanga	Non – Executive (Promoter)	5	Yes	17	1	1
Mr. Manish Mohnot	Managing Director & CEO***	6	Yes	5	-	2

* Re-designated as an Executive Chairman of the Company w.e.f. April 1, 2017.

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

*** Re-designated as a Managing Director & Chief Executive Officer of the Company w.e.f. March 28, 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.

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, 2017 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

Manish Mohnot

Managing Director & CEO

Place: Mumbai

Date : May 19, 2017

III. AUDIT COMMITTEE:

The Audit Committee comprises of 4 Non-Executive Directors out of which 3 are Independent Directors. The Chairman of the Audit Committee is an Independent Director. Mr. Mahendra G. Punatar, Independent Director of the Company and member of the Committee resigned as Director of the Company as well as member of the Committee w.e.f. February 20, 2017. However, 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 and reasons for the same

- Major accounting entries involving estimates based on the exercise of judgment by management
- Significant adjustments made in the financial statements arising out of audit findings
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions
- 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 and 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
- ▶ The appointment, removal and terms of remuneration of the Chief internal auditor
- ▶ Statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Committee met 6 times during the year on May 2, 2016, May 28, 2016, August 12, 2016, November 14, 2016, February 14, 2017 and March 28, 2017 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	6/6
Mr. Mofatraj P. Munot	Non Executive-Promoter	Member	5/6
Mr. Vimal Bhandari	Non Executive-Independent	Member	6/6
Mr. Narayan K. Seshadri	Non Executive-Independent	Member	5/6
Mr. Mahendra G. Punatar	Non Executive-Independent	Member	3/5

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 12, 2016.

IV. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee comprises of 3 Non-Executive Directors out of which 2 are Independent Directors. 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:

- 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,
 - the level & composition of remuneration is reasonable & sufficient to attract, retain & motivate directors of the quality required to run the Company successfully,
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks, and
 - 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.
- To formulate criteria for evaluation of performance of Independent Directors and Board.
- To devise a policy on diversity of Board of Directors;
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- To perform any other functions as may be assigned to Committee by the Board from time to time.

The Committee met 2 times during the year on May 28, 2016 and March 28, 2017 and the attendance of Members at the Meetings is as follows:

Name of Member	Category	Status	No. of Meetings attended /held
Mr. Vimal Bhandari	Non Executive-Independent	Chairman	2/2
Mr. Mofatraj P. Munot	Non Executive-Promoter	Member	2/2
Mr. Sajjanraj Mehta	Non Executive-Independent	Member	2/2

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 19, 2017.

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 19, 2017 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 development, Contribution in the Board development processes, participation in the Meeting 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 Managing Director & CEO for the FY 2016-17 is as under: (₹ in Crores)

Name of Director	Salary	Perquisites	Contribution to PF	Commission / Incentive	Total	Stock Options granted
Mr. Manish Mohnot	2.49	0.01	0.11	5.00	7.61	-

The contractual agreements 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. 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 2016-17 is as under:

(₹ in Crores)

Name of Director	Sitting Fees	Commission	Total
Mr. Mofatraj P. Munot*	0.04	1.50	1.54
Mr. Parag M. Munot	0.03	1.00	1.03
Mr. Sajjanraj Mehta	0.05	0.36	0.41
Mr. Vimal Bhandari	0.05	0.24	0.29
Mr. Narayan K. Seshadri	0.04	0.24	0.28
Mr. Mahendra G. Punatar	0.02	0.00	0.02
Mr. K. V. Mani	0.03	0.50	0.53
Ms. Anjali Seth	0.03	0.12	0.15
Mr. Imtiaz Kanga	0.03	0.00	0.03

*Mr. Mofatraj P. Munot was re-designated as an Executive Chairman of the Company w.e.f. April 1, 2017.

Commission is paid to the abovementioned 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 2016-17 not exceeding in aggregate 1% of net profits for the financial year 2016-17, calculated under Section 198 of the Companies Act, 2013.

Information of Directors as on March 31, 2017 is as under:-

Name	Age	Designation	Date of initial appointment	Shares held
Mr. Mofatraj P. Munot	72	Chairman	June 27, 1989	1,14,05,822
Mr. Parag M. Munot	47	Director	September 30, 1991	1,34,63,615
Mr. Sajjanraj Mehta	65	Director	July 25, 1998	10,000
Mr. Vimal Bhandari	58	Director	June 28, 2002	Nil
Mr. Narayan K. Seshadri	59	Director	January 29, 2007	Nil
Mr. Mahendra G. Punatar*	81	Director	June 01, 2009	7,000
Mr. K. V. Mani	73	Director	January 19, 2014	Nil
Ms. Anjali Seth	58	Director	March 28, 2015	Nil
Mr. Imtiaz Kanga	64	Director	March 08, 2016	3,00,000
Mr. Manish Mohnot	44	Managing Director & CEO	November 01, 2006	Nil

*Resigned as an Independent Director of the Company w.e.f. February 20, 2017

There is no pecuniary relationship or transaction of the Company with any Non-Executive Director other than as disclosed above related to sitting fees and remuneration including commission. All related party transactions are disclosed in notes to accounts.

V. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee comprises of 3 Directors out of which Chairman is Non-Executive Independent Director. Accordingly, the Company has complied with the requirements of Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to composition of Stakeholders Relationship Committee.

The Stakeholders' Relationship Committee comprises of Mr. K. V. Mani, Mr. Parag M. Munot and Mr. Manish Mohnot.

The role of the Committee 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 complaint. 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 28, 2016, August 12, 2016, November 14, 2016 and February 14, 2017 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	4/4

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

During the year, the Company has received 1 Complaint from its members and the same was 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 6 times during the year. There were no transfers pending as on March 31, 2017. The aforesaid functions of Share Transfer Committee were reviewed by Stakeholders' Relationship Committee.

VI. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The Corporate Social Responsibility (CSR) Committee comprises of 4 Directors out of which Chairman is a Non-Executive Independent Director.

The terms of reference of Committee broadly comprises following:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which includes the activities to be undertaken by the Company as specified in Schedule VII;
- Recommend the amount of expenditure to be incurred on the CSR activities
- Monitor the CSR Policy of the Company from time to time.
- Institute a transparent monitoring mechanism for implementation of the CSR Projects or Programs or activities undertaken by the Company.

The Committee met Four times during the year on May 28, 2016, August 12, 2016, November 14, 2016 and February 14, 2017. 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	4/4
Mr. Mofatraj P. Munot*	Non-Executive – Promoter	Member	3/4
Mr. Parag M. Munot	Non-Executive – Promoter	Member	4/4
Mr. Manish Mohnot	Managing Director & CEO	Member	4/4

*Mr. Mofatraj P. Munot was re-designated as an Executive Chairman of the Company w.e.f. April 1, 2017.

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
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
2013-2014	September 27, 2014	4.00 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 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.

In AGM held on September 27, 2014, Four Special Resolutions were passed as under:

- (i) Adoption of the new set of the Articles of Association in substitution of the existing articles of the Company.
- (ii) To borrow any sum or sums of money from time to time at the discretion of the Board (which term shall include any committee thereof) for the purpose of the business of the Company, which together with the monies already borrowed by the Company, (apart from the temporary loans obtained by the Company from the Company's Bankers in the ordinary course of business) not exceeding in aggregate ₹ 1,000 Crores (Rupees One Thousand Crores) over and above the paid up capital and free reserves of the Company.
- (iii) Creation of mortgage and / or charge, in addition to the mortgages and / or charges created by the Board of Directors of the Company (which term shall include any committee thereof) not exceeding in aggregate ₹ 10,000 Crores over and above the paid up capital and free reserves of the Company.
- (iv) Issuance of redeemable Non-Convertible Debentures upto ₹ 500 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 in the ensuing Annual General Meeting.

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 along with 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, 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. If 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 managers to the Independent Directors covering nature of Industry, business model, business performance and operations, 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. 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 of 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 Commodity Risk Management (CRM) team of KPTL, based on intelligence and monitoring, forecasts commodity prices and movements 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 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, 2017 are disclosed in Note No. 31 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 - Gujarati and Gandhinagar Samachar - Gujarati daily.

The Results of the Company were displayed on website 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 etc.

c) News, Release, Presentations etc.

Official news, Press releases, presentation made to analysts & institutional investors, conference call transcript etc. are displayed on the website of the Company www.kalpatarupower.com

d) Website

The Company maintains a functional website www.kalpatarupower.com which depicts detailed information about the business activities of the Company. It contains a separate dedicated section namely "Investors" where all information relevant to members is available. The achievements and important events taking place in the Company like receipt of major orders are announced through electronic media and posted on the Company's website also. The Company's other press coverage and corporate presentations, if made to Institutional Investors and Analysts, are also made available on the website. All the submissions made by the Company to Stock Exchanges are also disclosed on the website of the Company. The Annual Report of the Company is also available on the website of the Company www.kalpatarupower.com in a downloadable form.

XI. GENERAL SHAREHOLDER INFORMATION:

► Annual General Meeting and Book Closure

Date, time and venue of Annual : August 11, 2017 at 4:00 p.m.

General Meeting : Kalpa-Vriksha Learning Centre, A-1 & A-2, GIDC Electronic Estate, Sector-25, Gandhinagar

Dates of Book closure : Saturday, August 5, 2017 to Friday, August 11, 2017 (both days inclusive)

Dividend Payment Date : Before September 10, 2017

► Financial Calendar

Financial Year : April 01 to March 31

► Financial Results:

First Quarter Results : by August 14

Half Year Results : by November 14

Third Quarter Results : by February 14

Annual Results : by May 30

► Listing

At present, the equity shares of the Company are listed on the BSE Limited (BSE) and the National Stock Exchange of India Ltd. (NSE). The Non Convertible Debentures issued by the Company are listed on BSE Limited.

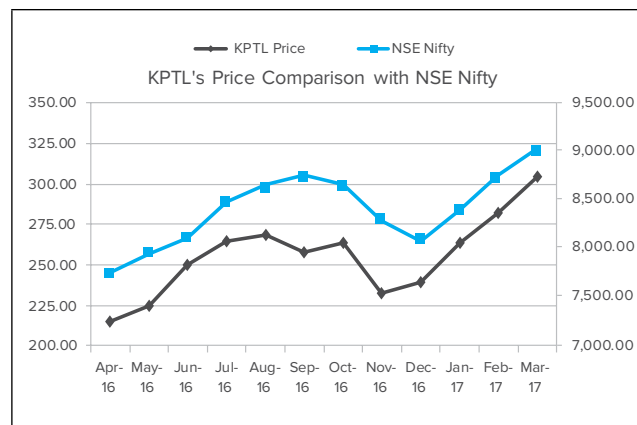
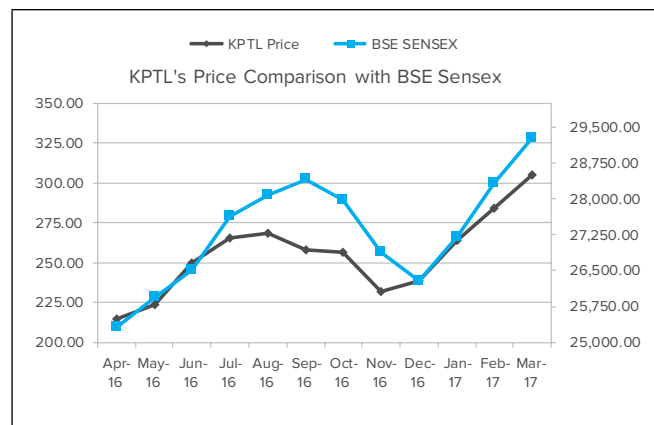
Name of Stock Exchange	Stock Code	Address
BSE Limited	522287	Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai - 400 001, Maharashtra, India
National Stock Exchange of India Limited	KALPATPOWR	'Exchange Plaza', C-1, Block 'G', Bandra-Kurla Complex, Bandra (E) Mumbai – 400 051, Maharashtra, India

The Company has already paid the listing fees for the year 2017-18 to both the Stock Exchanges.

► Stock Market Data

Monthly High and Low price of the Company's shares with a face value of ₹ 2 each for financial year 2016-2017 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-16	226.00	203.00	26,100.54	24,523.20	226.90	203.05	7,992.00	7,516.85
May-16	246.00	202.00	26,837.20	25,057.93	246.70	202.00	8,213.60	7,678.35
Jun-16	270.10	230.10	27,105.41	25,911.33	269.45	230.00	8,308.15	7,927.05
Jul-16	275.85	254.75	28,240.20	27,034.14	276.00	254.00	8,674.70	8,287.55
Aug-16	286.55	250.00	28,532.25	27,627.97	286.00	251.00	8,819.20	8,518.15
Sep-16	276.05	240.50	29,077.28	27,716.78	276.50	240.05	8,968.70	8,555.20
Oct-16	276.20	237.00	28,477.65	27,488.30	277.45	249.50	8,806.95	8,506.15
Nov-16	256.00	208.00	28,029.80	25,717.93	257.30	207.00	8,669.60	7,916.40
Dec-16	256.00	221.00	26,803.76	25,753.74	256.95	222.25	8,274.95	7,893.80
Jan-17	280.60	246.60	27,980.39	26,447.06	281.50	246.60	8,672.70	8,133.80
Feb-17	299.85	267.55	29,065.31	27,590.10	300.50	263.30	8,982.15	8,537.50
Mar-17	333.80	275.40	29,824.62	28,716.21	333.40	274.95	9,218.40	8,860.10



► Registrar & Transfer Agent (RTA)

Link Intime India Private Limited

506-508, Amarnath Business Centre -1

Beside Gala Business Centre,

Near St. Xavier's College Corner,

Off C. G. Road,

Navrangpura, Ahmedabad – 380009

Email: ahmedabad@linkintime.co.in

Tel. & Fax: 91 79 26465179

► Share Transfer System

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.

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, 2017)

No. of Shares of ₹ 2 each	Members		No. of Share Held	
	Number	% of Total	Number	% of Total
Upto – 500	16,606	76.39	19,54,979	1.27
501 – 1,000	2,677	12.31	21,72,940	1.42
1,001 – 2,000	1,159	5.33	16,73,876	1.09
2,001 – 3,000	370	1.70	9,04,932	0.59
3,001 – 4,000	219	1.01	7,83,835	0.51
4,001 – 5,000	133	0.61	6,11,213	0.40
5,001 – 10,000	258	1.19	18,52,548	1.21
10,001 – And Above	317	1.46	14,35,06,247	93.51
Total	21,739	100.00	15,34,60,570	100.00

► **Shareholding Pattern as on March 31, 2017**

SN	Category	No. of Shares held	% of Shares held
A	Promoter & Promoter Group Share Holding :		
	Indian	9,09,34,663	59.26%
	Foreign	3,00,000	0.20%
B	Public Share Holding :		
1.	Institutional :		
	Mutual Funds	2,74,37,586	17.88%
	Foreign Institutional Investor	1,10,20,883	7.18%
	Financial Institutions / Banks	52,889	0.03%
	Insurance Companies	6,21,390	0.40%
2.	Non-Institutional :		
	Individuals	1,17,19,927	7.64%
	Trusts / HUF	3,94,755	0.26%
	NRIs	14,37,210	0.94%
	Clearing Members	7,91,174	0.52%
	Bodies Corporate	87,50,093	5.70%
	Total	15,34,60,570	100.00%

*Out of above, Promoters & Promoter group have pledged 3,49,34,601 Equity Shares constituting 38.29% of their holding in the Company and 22.76% of total equity of the Company.

► **Unclaimed Shares**

There are no unclaimed shares lying with the Company in Demat Suspense account / Unclaimed Suspense account.

► **Dematerialization of Shares and Liquidity**

99.57% Shares are in demat form as on March 31, 2017

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, 2017

► **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
2009-10	July 29, 2010	August 30, 2017
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

During the year under review, the Company has credited ₹ 3.54 Lakhs to the Investor Education and Protection Fund (IEPF) pursuant to applicable provisions of Companies Act, 2013.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on August 12, 2016 (date of last Annual General Meeting) on the Company's website (www.kalpatarupower.com), as also on the Ministry of Corporate Affairs' website.

► **Debenture Trustees**

10.50%, 9.55% and 7.90% 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.vistra.com

► **Plant Location**

Main Plant, Registered Office & R&D Tower Drawing & Design Centre

(Address for Correspondence)
Plot No.101, Part III,
G.I.D.C. Estate, Sector – 28
GANDHINAGAR – 382 028
Tel : 079 – 23214000,
Fax : 079- 23211966

Raipur Plant:

Khasra No.1778, 1779
Old Dhamtari Road
Village : Khorpa
Tehsil : Abhanpur
Dist : Raipur, Chhattisgarh
Fax : 0771 2446988

Corporate Office

“Kalpataru Synergy”
7th Floor, Opp. Grand Hyatt Hotel,
Vakola, Santa Cruz (East),
Mumbai – 400 055
Tel.: 022 – 30645000
Fax: 022 – 30643131

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

Biomass Energy Division (Power Plant)

1) 27BB, Tehsil Padampur
Dist. Sri Ganganagar
(Rajasthan)
Tel : 0154 - 2473725
Fax : 0154 -2473724

R & D Proto Tower Development & Validation Centre

At Punadara Village
Near Talod Dam
Taluka – Prantij
Dist. Sabarkatha (Gujarat)
Tel : 02770- 255414

2) Near Village Khatoli
Tehsil Uniara, Dist. Tonk,
Rajasthan - 304 024
Tel : 01436 – 260665
Fax : 01436 – 260666

On behalf of the Board of Directors

Place: Mumbai
Date : May 19, 2017

Mofatraj P. Munot
Executive Chairman
DIN: 00046905

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, 2017 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 19, 2017

Manish Mohnot

Managing Director & CEO

Kamal Kishore Jain

Director (Finance) & CFO

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF KALPATARU POWER TRANSMISSION LIMITED

1. This certificate is issued in accordance with the terms of our engagement letter dated November 15, 2016.
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, 2017, 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, 2017.
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)

Sunil S Kothari
Partner
(Membership No. 208238)

MUMBAI, May 19, 2017

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, 2016 to March 31, 2017

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 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):

- Design, Testing, Fabrication and Manufacturing of Transmission Line Towers and erection, procurement and construction of transmission lines and sub-station on a turnkey basis
- EPC contracting services for cross-country pipelines, terminals and gas gathering stations across diverse territories
- Railways EPC services for executing civil infrastructure, Bridges, new track laying, Track renewal, Gauge conversion, signaling & telecommunication and over-head electrification 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 23 international locations. The major locations include Senegal, Kenya, Cameroon, Tanzania and Afghanistan

b) Number of National Locations

KPTL is undertaking business activity in over 108 national locations. The Company's manufacturing plants are situated at Gandhinagar and Raipur.

10. Markets served by the Company: Local/State/National/International: All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up capital (INR)** : ₹ 30.69 Crores
2. **Total turnover (INR)** : ₹ 5010.74 Crores
3. **Total profit after taxes (INR)** : ₹ 269.08 Crores
4. **Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax:** 0.27%
5. **List of activities in which expenditure in 4 above has been incurred:**

The major activities in which Corporate Social Responsibility was undertaken are healthcare, rural development, Community – based multidisciplinary services centers for People with Parkinson's, Preventive healthcare for poor and Tribal children, multidisciplinary rehabilitation to Specially abled people including under privileged children and young adults with Special needs and persons with cerebral palsy and other neurological disabilities, activities for environmental sustainability and ecological balance etc. The Company has also identified long term CSR project of construction of schools in remote backward areas of Bihar for the benefit of vulnerable and marginalized poor community.

For detailed information regarding CSR Activities of the Company, you may refer [Annexure A](#) to Directors' Report.

SECTION C: OTHER DETAILS

1. **Does the Company have any subsidiary company / companies?**
Yes, the Company has 21 subsidiary companies (including step-down subsidiaries) as on March 31, 2017.
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. 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 Number : 01229696

Name : Mr. Manish Mohnot

Designation : Managing Director & CEO

b) Details of the BR head:

DIN Number (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

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.								
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

b) If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sr. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the principle									
2	The Company is not at stage where it finds itself in a position to formulate and implement the policies on specified principle									
3	The company does not have financial or manpower resources available for the task						Not Applicable			
4	It is planned to be done within next six month									
5	It is planned to be done within next one year									
6	Any other reason (please specify)									

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 first 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 has adequate control measures in place to address the issues relating to ethics, bribery, and corruption in its Anti Bribery and Corruption policy. The Policy is extended to the KPTL workforce, subsidiaries and affiliates of KPTL and all other individuals or entities with which KPTL does business with.

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*	NIL	N.A.
Vendor	NIL	N.A.
Company	NIL	N.A.
Investor	1	100%
Society	NIL	N.A.
Total	1	100%

**No complaints have been received from the employees in the past financial year, however queries related to the employee basic needs were received from time to time and 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):

- Reduction during sourcing / production / distribution achieved since the previous year through the value chain?
- Reduction during usage by consumers (energy, water) achieved since the previous year?

KPTL is engaged in the business of power transmission and infrastructure EPC space executing projects covering design, testing, manufacturing, fabrication, erection and construction of transmission lines, oil and gas infrastructure and railways projects on a turnkey basis as well as Sub-station and Biomass power generation business. In all our businesses, it is our endeavor to extend safe goods and services that contribute to sustainability throughout their lifecycle. We ensure that sustainability aspects, risks and opportunities are integrated into our engineering and design.

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

The Company has enclosed galvanized line and acid scrubbers at its manufacturing plant at Gandhinagar and Raipur. It has resulted into reduction in heat loss, environment friendly due to white no white smoke & acid fumes and safe environment to work. It has also resulted into reduced consumption of Zinc. The Company has implemented Automation of heavy duty motors of white fume extractors to save energy during idle hours.

As a continuous endeavor to have environment friendly systems and processes, KPTL has conducted energy Audit through "Dynamic Consultants" (Authorized Energy Auditor by Government of Gujarat & GEDA) for Plants of the Company situated at Gandhinagar & suggestions of energy saving were implemented by the Company reducing environmental impact of manufacturing activity.

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. Also different agro waste / forestry waste were mixed and matched with Mustard Crop Residue (main fuel) to have optimum Electricity generation and the plant efficiency. The Company organizes Stakeholder meetings at Biomass power generation plants whereby local community comprising of villagers, farmers, suppliers, local social workers / NGO's, government departments are invited and they are

briefed about the working of the power plants and the Company provides clarifications / redresses any grievances of the local community and their suggestions on environmental aspect are implemented by the Company in the working of its Plants.

- 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, Sustainability is extended to suppliers/vendors/sub-contractors through various policies of KPTL. It lays down the requirements on various aspects of sustainability such as ethics & compliance, bribery & corruption, Human Rights, Health & Safety and environment protection. KPTL ensures compliance of statutory laws and regulations including labour laws by its contractors. The Company discourages use of wood & plastics in most products & services procured in Supply Chain & encourages use of environment friendly goods & services. The Company takes special care in safe handling of its materials and also does necessary investigation of entire logistics handling/ storage, from supplier factory to its gate.

- 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. 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.

Principle 3: Business should promote the wellbeing of all employees

- 1. Please indicate total number of employees:**

The Company has a total of 2316 employees as on March 31, 2017.

- 2. Please indicate total number of employees hired on temporary/contractual/casual basis:**

The Company has a total of 5992 employees hired on temporary/contractual/casual basis as on March 31, 2017.

- 3. Please indicate the number of permanent women employees:**

The Company has 59 women employees as on March 31, 2017.

- 4. Please indicate the number of permanent employees with disabilities:**

The Company has 11 permanent employees with disabilities as on March 31, 2017.

- 5. Do you have an employee association that is recognized by the Management?**

No there is no employee association which is recognized by the management of the Company.

- 6. What percentage of permanent employees are members of this recognized employee association?**

Not Applicable

- 7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and those pending as on the end of the financial year.**

Sr. No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1.	Child labour/forced labour/involuntary labour	0	0
2.	Sexual harassment	0	0
3.	Discriminatory employment	0	0

8. What percentage of under mentioned employees were given safety and skill up-gradation training in the last year?

- (a) Permanent employees
- (b) Permanent women employees
- (c) Causal / subcontracted employees
- (d) Employees with disabilities.

Employee training and development is an essential element of KPTL's people strategy. The Company has a dedicated Centre for conducting Learning & Organization development trainings and workshops named as "**Kalpataru Learning Centre**". The Company conducts various types of training and workshops through internal experts as well as by inviting external faculties on varied range of topics to ensure overall skill up-gradation of its employees. During FY 2016-17, KPTL conducted 278 Programs in various fields for skill up-gradation of its workforce spanning over 4225 man days and in total 3954 participants participated in such programs from time to time. 65.11% of the permanent employees while 85% of permanent women employees received skill up-gradation trainings during FY 2016-17.

The employees of the Company were also imparted various types of Safety awareness trainings, in house first aid awareness trainings, 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 etc.

During FY 2016-17, around 80 sessions were conducted on various types of safety trainings and around 1310 plant personnel participated in the same. Also safety trainings are imparted on continuous basis at various project sites. The Company do not maintain separate data of participation in such trainings by Causal / subcontracted employees. The Company continuously promotes active participation by women employees and disable employees in such trainings.

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. KPTL believes the stakeholder engagement process is necessary for achieving its sustainability goal of inclusive growth. Stakeholder engagement helps in better understanding of the perspectives on key issues and builds a strong relationship with them.

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

Stakeholders	Medium of Engagement
Government and Regulatory Authorities	Industry associations / forums
Employees	Meetings, newsletters, Circulars, notices, Corporate policies, Surveys, trainings, Welfare / social initiatives including Annual get-together for employees and their families etc.
Clients / Customers	Client meetings, monthly / quarterly Project review meetings, Performance Reports etc.
Local community	Visits, Camps, Corporate Social initiatives, meetings with villagers, farmers (stakeholder's meetings at Biomass power plants) etc.
Investors and shareholders	Investor meetings, Investor Conferences, Annual General meetings, Press Releases, Annual Report etc.
Suppliers	Site visits, Supplier's visit, personal / telephonic interactions and stakeholder meetings
Contactors	Monthly review meet and Annual meet with Contractors

2. Out of the above, has the company identified the disadvantaged, vulnerable and marginalized stakeholders?

Yes. The CSR programmes run by the Company are focusing weaker sections which are disadvantaged, vulnerable and marginalized. We contribute positively to improve their standard of living by providing health, education, sustainable environment and safe drinking water etc.

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 Company has taken number of initiatives for continuous engagement and betterment of lives of disadvantaged, vulnerable and marginalized stakeholders. Your Company's social responsibility activities focus on using the capabilities of business to improve lives and contribute to sustainable living of communities including disadvantaged, vulnerable and marginalized stakeholders. The Company has carried out CSR Project to support Community – based multidisciplinary services centers for Support and Rehabilitation of People with Parkinson's (PWPS) from socio – economically disadvantaged backgrounds. The Company has carried out project for special education, academic education, vocational training (carpentry, pottery, farming, cooking, weaving, artificial jewelry making etc.), therapy, medical assistance etc. for the benefit of specially abled children. The Company supports running of Day Centre activities such as Physiotherapy, speech and communication therapy, vision training etc. for persons with cerebral palsy and other neurological disabilities. An Annual Report on such activities carried out by the Company for well-being of society at large is annexed as **Annexure A** to the Director's Report.

The company has identified marginalized and disadvantaged communities which includes Tribal Villages, vulnerable children who are in great need of care, protection and improvement in Quality of life. The Company under its initiatives through SPARSH, focuses on Skill Development, providing financial support, organizing medical camps, distributing clothes, providing food etc., supporting Blind Schools Students for the betterment and facilitating access to basic essentials amenities like safe drinking water, health care, lights, fan etc.

Principle 5: Business should respect and promote human rights

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

KPTL's Corporate Human Rights Policy demonstrates its commitment towards the preservation of human rights across the value chain. The Company adheres to all applicable labour laws and other statutory requirements in order to uphold the human rights within its organizational boundary. 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 conduct business with a strong environmental conscience, ensuring sustainable development. KPTL is committed to protection of Environment and Prevention of injury & ill occupational health of all its employees. The Environmental, Occupational Health & Safety Policy (EOHS Policy) of the Company covers the Company and its Contractors & all other relevant stakeholders. The awareness related to EOHS policy are cascaded down to relevant stake holders through different avenues.

2. Does the company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y / N. If yes, please give hyperlink for webpage etc.

Yes, as a responsible Company, KPTL addresses global long term challenges such as Climate change and diminishing resources in a socially, ecologically and economically responsible manner. The Company as a continuous ongoing activity introduces energy efficient machineries and processes in plant and project sites optimizing the use of natural resources. As a part of its strategy of sustainable development, the Company has conducted energy Audit through "Dynamic Consultants" (Authorized Energy Auditor by Government of Gujarat & GEDA) for Plants of the Company situated at Gandhinagar & suggestions of energy saving were implemented by the Company reducing environmental impact of manufacturing activity. The Company has celebrated the World Environment day in order to create awareness amongst mass population about the environmental issues

faced by the world and the responsibility of the people towards Mother Earth.

The manufacturing plants of the Company situated at Gandhinagar (Unit II) and Raipur and Transmission Line International Projects and Infra projects maintain management system based on ISO 14001 (EMS) and OHSAS 18001 certifications. Both the manufacturing plants situated at Gandhinagar has been awarded CE Certifications (European Conformity certification).

To contribute to sustainable development and renewable energy, the Company has two Biomass power generation plants and both the plants have been registered with UNFCCC under the Clean Development mechanism and both the projects has contributed to a great extent over years in reducing carbon intensity of emissions and have earned Gold Standard Certifications.

The details of other initiatives undertaken by the Company are provided in “*Annexure D* – Conservation of Energy & Technology absorption” to the Director’s Report.

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

Though, KPTL business is not so hazardous in nature, being a IMS certified organization, it regularly identifies and assesses environmental risk during various stages. The organization is carrying out environmental impact assessment (EIA) for assessing the risk and taking suitable measures for mitigation. Both for work place and surrounding environment, the organization is conducting regular environmental monitoring as per statute on desired intervals and initiate “Corrective & Preventive Actions” (CAPA) as required. The Plants and Project sites of the Company are certified as per ISO-14001 environment management system and Periodic audits are conducted as part of these management systems which helps KPTL to identify potential risks at its locations. The Company has conducted Energy Audit through Energy Auditors which help in identifying potential risks and necessary corrective actions are taken to mitigate the same.

As a part of its mitigation plan to environmental risks, among other things, the Company has enclosed galvanized line and acid scrubbers with heavy capacity blowers at the manufacturing plants located at Gandhinagar and Raipur. The Company has also implemented Automation of Heavy Duty motors of white fume extractors.

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 August 1, 2003 to July 31, 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 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 October 7, 2008 to October 6, 2015. The project registration number is 1774. The renewal of second crediting period has been granted by UNFCCC and the crediting period is October 7, 2015 to October 6, 2022. The link of the project at UNFCCC is <https://cdm.unfccc.int/Projects/DB/TUEV-SUED1207570579.37/view> The total number of Carbon Emission Reductions approved by UNFCCC during 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.

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 is constantly and 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. The Company is planning to install roof top solar at main manufacturing plant at Gandhinagar (Unit I) to generate renewable solar energy. The Company has implemented CSR Activities to protect Flora, ensure environmental

sustainability and maintain ecological balance. The Company has installed energy efficient LED Lights in its manufacturing plants and offices. The Company has also implemented suggestions of Energy Auditors for overall energy efficiency. The Company has taken the initiative of development of Green Belts around its operations at Biomass power generation plants. The Company has installed 4 windmills to generate renewable energy for captive consumption.

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

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

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

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

Principle 7: Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your Company a member of any trade and chambers of association: If yes, name only those major ones that your business deals with.

Yes, the Company is a member of the following key associations:

- ▶ Confederation of Indian Industry
- ▶ Federation of Indian Chamber of Commerce and Industry
- ▶ The Associated Chambers of Commerce and Industry of India
- ▶ Indian Electrical & Electronics Manufacturers' Association (IEEMA)
- ▶ National Safety Council
- ▶ Gujarat Chamber of Commerce and Industry
- ▶ Rajasthan Chamber of Commerce and Industry
- ▶ Chhattisgarh Chamber of Commerce and Industry
- ▶ Exim Club (Association of Exporters & Importers)
- ▶ Indian Lead Zinc Development Association
- ▶ CACMAI (Cable and Conductor Manufacturers Association of India)
- ▶ Project Exports Promotion Council of India
- ▶ EEPC India (formerly Engineering Export Promotion Council)
- ▶ International Pipeline & Offshore Contractors Association
- ▶ The Committee for International Council on Large Electric systems (CIGRE), India

2. Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (Governance and Administration, Economic Reform, Inclusive Development Policies, 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. 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 including special education and employment enhancing vocation skills among differently abled, Ensuring Environmental sustainability and Ecological balance and protection of flora etc.

2. Are the programmes/projects undertaken through in-house team / own foundation /external NGO/Govt. structure /any other organisation?

The Company follows multiple models for implementing its CSR initiatives. Kalpataru Welfare Trust is a registered trust established by the Company and runs Kalpa-Seva Arogya Kendra 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 in FY 2016-17 was ₹ 101.58 Lakhs. An Annual Report on details of projects undertaken as CSR activities is annexed as **Annexure A** to the Director's Report.

5. Have you taken steps to ensure that community development initiative is successfully adopted by the community? Please explain in 50 words or so.

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 2016-17?

There are no customer complaints / consumer cases pending as of end of financial year 2016-17. 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.

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. Power Grid Corporation of India Limited (PGCIL), one of the major client of your Company declared awards for 2017. Your Company has received “Best Performance award - 2017” for early completion of 765 kV D/C Wardha-Nizamabad Line and “Runners up award - 2017” for maximum capitalization in Transmission line category. Your Company received three awards from PGCIL in the year 2016 namely Best Transmission Line EPC Player in the country, Best safety norms on PGCIL Projects (Zero Fatal accidents) and Runners up award of “Maximum volume of work in 2015-16 on PGCIL Projects. KPTL has received Certificate of Appreciation from Ministry of Energy and Coal Industry of Ukraine for successful completion of “750 kV Rivne NPP – Kiev Substation Transmission Line” project, one of the biggest projects of its type constructed in Ukraine which was completed atleast nine months ahead of scheduled date. KPTL has also received appreciation letter from MPPTCL for completing the 400kV Satpura – Ashta Transmission Line Project in record 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.

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, 2017, 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 information.

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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

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 the standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, 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, 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 as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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, 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
 - iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.
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)

Place: Mumbai
Date: May 19, 2017

Sunil S Kothari
(Partner)
(Membership No.208238)

Annexure “A” to the Independent Auditor’s Report

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report 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”)

We have audited the internal financial controls over financial reporting of **KALPATARU POWER TRANSMISSION LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on, the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial Controls System over financial Reporting.

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 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.

Annexure “A” to the Independent Auditor’s Report

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, 2017, based on the internal control over financial reporting criteria established by 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 Accountant of India.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm’s Registration No.117365W)

Place: Mumbai
Date: May 19, 2017

Sunil S Kothari

(Partner)
(Membership No.208238)

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 of even date)

- (i) (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 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, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (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, cess and other material statutory dues in arrears as at March 31, 2017 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, 2017 on account of disputes are given below:

Annexure “B” to the Independent Auditor’s Report

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	3245.71	Customs, Excise and Service Tax, Appellate Tribunal	445.66
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	2012-13 & 2014-15	3.59	Commissioner (Appeal)	44.20
4	The Customs Act, 1962	Customs Duty	2014-15	14.64	CESTAT-Mumbai	-
5	The Madhya Pradesh VAT Act, 2002	VAT	2011-12	17.50	Madhya Pradesh Commercial Tax Appellate Board	110.00
6	The Madhya Pradesh VAT Act, 2002	VAT	2007-08	2.88	Assistant Commissioner-Satna	-
7	The Bihar VAT Act, 2005	VAT	2016-17	3.29	Commissioner of Commercial Taxes Appellate Board	-
8	The Gujarat VAT Act, 2003	VAT	2005-06 & 2010-11	255.74	Gujarat Value Added Tax Tribunal	78.00
9	The Gujarat VAT Act, 2003	VAT	2012-13	99.52	Joint Commissioner of Commercial Tax Appeal	17.00
10	Maharashtra VAT Act, 2002	VAT	2007-08 & 2010-11	2,266.39	Deputy Commissioner of Appeal	171.73
11	Uttar Pradesh VAT Act, 2008	VAT	2005-06 to 2007-08 & 2013-14	416.72	Additional Commissioner - Appeal	1.14
12	West Bengal VAT Act, 2003	VAT	2013-14	225.61	Calcutta High Court	45.00
13	West Bengal VAT Act, 2003	VAT	2004-05	12.34	Appellate Tribunal West Bengal and Revision Board of Calcutta	12.00
14	Haryana VAT Act, 2003	VAT	2012-13 & 2013-14	793.53	Punjab and Haryana High Court	139.00
15	Haryana VAT Act, 2003	VAT	2011-12	58.74	Joint Commissioner of Appeal	128.00
16	Haryana VAT Act, 2003	VAT	2003-04, 2004-05, 2008-09 & 2009-10	76.13	Haryana VAT Tribunal	60.37
17	Orissa VAT Act, 2004	VAT	2009-10 to 2013-14	35.12	Joint Commissioner of Appeal	168.00
18	Global Income Tax Act, Algeria	Income Tax and Turnover Tax	2006 to 2009	2,863.14	Central Commission of Appeal, Algeria	-

*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 (xii) of the CARO 2016 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 (xiv) of CARO 2016 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-I of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm’s Registration No.117365W)

Sunil S Kothari

(Partner)
(Membership No.208238)

Place: Mumbai
Date: May 19, 2017

Balance Sheet

as at March 31, 2017

(₹ in Lakhs)

Particulars	Note	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-Current Assets				
(a) Property, Plant and Equipments	5(i)	51,531.56	53,510.28	55,122.26
(b) Capital Work in Progress		264.30	411.79	544.06
(c) Intangible Assets	5(ii)	569.31	333.50	232.25
(d) Financial Assets				
(i) Investments	6(i)	71,596.40	51,776.75	41,346.79
(ii) Trade Receivables	7(i)	8,448.13	9,004.38	7,017.70
(iii) Loans	8 (i)	47,234.82	48,160.84	46,357.26
(iv) Others	9(i)	3,822.73	3,604.47	3,092.60
(e) Deferred Tax Assets (net)	10	4,103.18	2,591.26	2,010.96
(f) Other Non Current Assets	11(i)	5,359.09	6,143.64	4,333.81
		192,929.52	175,536.91	160,057.69
Current Assets				
(a) Inventories	12	45,418.24	42,440.03	59,886.88
(b) Financial Assets				
(i) Trade Receivables	7(ii)	276,352.20	221,453.84	208,459.73
(ii) Cash and Cash Equivalents	13	20,646.81	10,073.16	6,965.65
(iii) Other Balances with Banks	14	451.20	549.80	561.02
(iv) Loans	8 (ii)	1,303.56	-	-
(v) Others	9(ii)	2,712.30	2,112.96	8,424.96
(c) Current Tax Assets (net)	15	1,276.28	551.67	1,255.04
(d) Other Current Assets	11(ii)	68,882.57	71,734.07	65,779.34
		417,043.16	348,915.53	351,332.62
Assets classified as held for sale	6(ii)	-	38.62	44.40
TOTAL ASSETS		609,972.68	524,491.06	511,434.71
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	16	3,069.21	3,069.21	3,069.21
(b) Other Equity	17	244,802.03	218,421.55	203,979.35
		247,871.24	221,490.76	207,048.56
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18 (i)	32,115.46	27,161.48	29,431.68
(ii) Trade Payable	19 (i)	3,610.54	3,693.75	-
(b) Provisions	21 (i)	2,165.26	2,088.74	1,862.08
(c) Other Non-Current Liabilities	22 (i)	195.75	159.43	141.20
		38,087.01	33,103.40	31,434.96
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	18 (ii)	23,146.44	28,699.15	61,627.86
(ii) Trade Payables	19 (ii)	155,658.68	147,905.99	136,025.68
(iii) Other Financial Liabilities	20	15,977.90	6,116.97	9,645.67
(b) Provisions	21 (ii)	29,640.69	23,603.58	18,764.29
(c) Other Current Liabilities	22(ii)	99,590.72	63,571.21	46,887.69
		324,014.43	269,896.90	272,951.19
TOTAL EQUITY AND LIABILITIES		609,972.68	524,491.06	511,434.71
Significant Accounting Policies				
Notes forming part of the Financial Statements	1 to 57			

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants**Sunil S Kothari**Partner
(M. No. 208238)

Mumbai : May 19, 2017

Kamal Jain

Director (Finance) & CFO

Rahul Shah

Company Secretary

For and on behalf of the Board

Mofatraj P MunotExecutive Chairman
DIN : 00046905**Manish Mohnot**Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Statement of Profit and Loss

for the year ended March 31, 2017

		(₹ in Lakhs)	
	Note	2016-17	2015-16
Revenue from Operations	23	5,01,073.66	4,40,880.19
Other Income	24	4,934.37	5,370.79
TOTAL INCOME		5,06,008.03	4,46,250.98
EXPENSES			
Cost of Materials Consumed	25	2,03,432.75	1,67,767.19
Changes in Inventories	26	109.94	10,381.31
Excise Duty on Sale of Goods		11,667.69	10,685.09
Employee Benefits Expenses	27	29,180.22	29,276.73
Finance Costs	28	9,818.31	12,735.82
Depreciation and Amortization Expenses	5	7,769.96	8,371.33
Other Expenses	29	2,03,771.72	1,77,462.66
TOTAL EXPENSES		4,65,750.59	4,16,680.13
Profit Before Exceptional Items and Tax		40,257.44	29,570.85
Exceptional Items		-	-
Profit Before Tax		40,257.44	29,570.85
Tax Expenses			
Current Tax		14,583.00	11,275.00
Deferred Tax		(1,233.00)	(947.30)
Profit for the year		26,907.44	19,243.15
Other Comprehensive Income			
Items that will be reclassified subsequently to Profit or Loss			
Exchange differences in translating foreign operations		(1,849.80)	1,597.33
Gain/(Loss) on hedging instruments		1,203.03	(497.46)
Income tax on above items		223.85	(380.67)
		(422.92)	719.20
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		(159.11)	(39.49)
Income tax on Actuarial Loss		55.07	13.67
		(104.04)	(25.82)
Total Comprehensive Income for the year		26,380.48	19,936.53
Earnings per Equity Share (of ₹ 2 each)			
Basic and Diluted (₹)	40	17.54	12.54
Significant Accounting Policies			
Notes forming part of the Financial Statements	1 to 57		

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants

Sunil S Kothari

Partner
(M. No. 208238)

Mumbai : May 19, 2017

Kamal Jain

Director (Finance) & CFO

Rahul Shah

Company Secretary

For and on behalf of the Board

Mofatraj P Munot

Executive Chairman
DIN : 00046905

Manish Mohnot

Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Cash Flow Statement

For the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Profit for the year	26,907.44	19,243.15
Adjustments for :		
Income Tax Expense	13,350.00	10,327.70
Depreciation and Amortization Expenses	7,769.96	8,371.33
Finance Costs	9,818.31	12,735.82
Dividend Income	(229.21)	(232.85)
Interest Income	(4,495.90)	(4,730.35)
(Profit)/ Loss on sale of assets (net)	41.82	(44.75)
Bad Debt written off	-	129.93
Provision for Expected Credit Loss	(262.93)	(1,116.99)
Unrealised Foreign Exchange Loss (net)	1,973.61	660.52
Net (gain)/ loss arising on financial assets measured at FVTPL	(28.11)	2.80
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	54,844.99	45,346.31
Adjustments for:		
Trade and other Receivables	(57,460.41)	(13,945.16)
Inventories	(3,049.38)	17,318.51
Trade and other Payables	53,369.58	37,271.94
CASH GENERATED FROM OPERATIONS	47,704.78	85,991.60
Income Tax Paid (net)	(15,531.48)	(10,439.11)
NET CASH GENERATED FROM OPERATING ACTIVITIES	32,173.30	75,552.49
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Payment for Property, Plant and Equipments	(6,089.80)	(9,954.41)
Proceeds from disposal of Property, Plant and Equipments	327.32	462.89
Investment in Subsidiaries	(19,605.26)	(10,603.32)
Loans to Subsidiaries and Joint Ventures	2,936.96	534.07
Interest Received	956.91	2,524.76
Dividend Received	229.21	232.85
Deposits with Banks	100.00	10.21
CASH GENERATED FROM / (USED IN) INVESTING ACTIVITIES	(21,144.66)	(16,792.95)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Long Term Borrowings	9,214.18	1,601.99
Proceeds from Issue / (Redemption) of Non Convertible Debentures	10,000.00	(2,666.67)
Repayment of Long Term Borrowings	(3,955.02)	(3,462.69)
Short Term Borrowings (net)	(5,559.35)	(33,060.49)
Interest Paid	(10,009.21)	(12,388.51)
Dividend Paid , including dividend tax	-	(5,494.33)
CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(309.40)	(55,470.70)
Effect of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	(145.59)	(181.33)
D. NET INCREASE IN CASH AND CASH EQUIVALENTS	10,573.65	3,107.51
E. Opening Cash and Cash Equivalents	10,073.16	6,965.65
F. Closing Cash and Cash Equivalents	20,646.81	10,073.16

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 31 st March, 2017	As at 31 st March, 2016
(a) Cash on hand	109.89	288.30
(b) Cheques on hand	8,368.11	2,547.87
(c) Balance with Banks		
(i) In current accounts	11,798.33	6,496.10
(ii) In deposit accounts	370.48	740.89
Cash and Cash Equivalents as per Cash flow statement	20,646.81	10,073.16
(iii) 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

Kamal Jain
Director (Finance) & CFO

Sunil S Kothari
Partner
(M. No. 208238)

Rahul Shah
Company Secretary

Mumbai : May 19, 2017

For and on behalf of the Board

Mofatraj P Munot
Executive Chairman
DIN : 00046905

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Statement of Changes in Equity

for year ended March 31, 2017

A : Equity Share Capital

(₹ in Lakhs)

	Amount
Balance as at April 1, 2015	3,069.21
Changes in equity share capital during financial year 2015-16	-
Balance as at March 31, 2016	3,069.21
Changes in equity share capital during financial year 2016-17	-
Balance as at March 31, 2017	3,069.21

B : Other Equity

(₹ in Lakhs)

	Reserves & Surplus					Other Comprehensive Income			Total
	Debentures Redemption Reserve	Securities Premium Reserve	General Reserve	Retained Earnings	Revaluation Surplus	Effective portion of Cash Flow Hedges	Exchange differences of foreign operations	Actuarial Loss on Defined Plan Liability	
Balance as at April 1, 2015	1,500.00	77,942.17	26,613.02	99,507.00	29.05	(269.29)	(1,342.60)		2,03,979.35
Profit for the Year 2015-16	-	-	-	19,243.15	-	-	-	-	19,243.15
Other Comprehensive income / (loss) for the year (net of tax)	-	-	-	-	-	(325.30)	1,044.50	(25.82)	692.38
Dividends including distribution tax	-	-	-	(5,494.33)	-	-	-	-	(5,494.33)
Transfer to General Reserve from Retained Earnings	-	-	1,000.00	(1,000.00)	-	-	-	-	-
Transfer to Debenture Redemption Reserve from Retained Earnings	1,666.67	-	-	(1,666.67)	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	(666.67)	-	666.67	-	-	-	-	-	-
Balance as at March 31, 2016	2,500.00	77,942.17	28,279.69	1,10,589.15	29.05	(595.59)	(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	29,279.69	1,31,496.59	29.05	191.32	(1,506.93)	(129.86)	2,44,802.03

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants

Sunil S Kothari

Partner
(M. No. 208238)

Mumbai : May 19, 2017

Kamal Jain

Director (Finance) & CFO

Rahul Shah

Company Secretary

For and on behalf of the Board

Mofatraj P Munot

Executive Chairman
DIN : 00046905

Manish Mohnot

Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Significant Accounting Policies

for the year ended March 31, 2017

1. CORPORATE INFORMATION

Kalpataru Power Transmission Limited (referred to as “the company”) is a global EPC player with diversified interest in power transmission and distribution, oil and gas pipeline, railways and biomass based power generation.

The company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India

2. Basis of preparation of Financial Statement

The 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.

Upto the year ended March 31, 2016, the company prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the companies (Accounting Standards) Rules, 2006. These are the company's first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. In accordance with Ind AS 101 First time adoption of Indian Accounting Standard, the company has presented a reconciliation from the presentation of financial under previous GAAP to Ind AS shareholder's equity as at March 31, 2016 and April 1, 2015. Refer Note 30 for the details of such reconciliations and exemptions availed by the Company on first-time adoption.

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 O.

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 E.

Significant Accounting Policies

for the year ended March 31, 2017

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 wherever delay are attributable to the company 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, transactions in foreign currencies i.e. other than the company's functional currency are recognised at rate of exchange prevailing for the month on the date of the transaction.

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.

Significant Accounting Policies

for the year ended March 31, 2017

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 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. Excise Duty

The liability for excise duty in respect of materials lying in factory/ bonded premises is provided for in the accounts.

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. 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.

Significant Accounting Policies

for the year ended March 31, 2017

J. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the period in which they are incurred.

K. Provisions and Contingent Asset /Liabilities

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as 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 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.

M. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

All financial liabilities are classified as subsequently measured at amortised cost except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives, are subsequently measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

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.

Significant Accounting Policies

for the year ended March 31, 2017

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 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

Significant Accounting Policies

for the year ended March 31, 2017

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.

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.:

- 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.
- 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%

- 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 April 1, 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

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

Significant Accounting Policies

for the year ended March 31, 2017

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. Exemptions on first time adoption of Ind AS

- (a) The Company has opted to continue with the carrying value for all of its property, plant and equipment and intangible assets as recognised in the financial statements prepared under Previous GAAP and use the same as deemed cost in the financial statement as at the transition date.
- (b) The carrying amounts of the Company's investments in its subsidiary and associate companies as per the financial statements of the Company prepared under Previous GAAP, are considered as deemed cost for measuring such investments in the opening Ind AS Balance Sheet.

S. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2017, notifying amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share Based Payments. The amendments to Ind AS 7 are applicable to the company from April 1, 2017 and Ind AS 102 is not applicable to the company. 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, 2017

5. PROPERTY, PLANT, EQUIPMENTS AND INTANGIBLE ASSETS

(₹ in Lakhs)

Particulars	GROSS BLOCK (Deemed Cost)					DEPRECIATION					NET BLOCK	
	As at 1 st April, 2016	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2017	As at 1 st April, 2016	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2017	As at 31 st 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	12,737.19	1,304.07	1.15	-	14,040.11	493.45	574.64	0.01	-	1,068.08	12,972.03	
Plant and Equipment	33,640.39	2,885.12	1,145.31	(973.75)	34,406.45	4,578.89	5,375.87	901.27	(668.22)	8,385.27	26,021.18	
Electric Installation	577.55	14.99	11.09	0.13	581.58	67.49	84.64	10.49	0.10	141.74	439.84	
Furniture and Fixtures	900.71	131.21	36.91	(9.91)	985.10	214.10	150.84	21.90	(5.13)	337.91	647.19	
Office Equipments	1,006.79	480.89	149.99	(17.14)	1,320.55	196.64	331.44	120.92	(10.19)	396.97	923.58	
Vehicles	3,095.11	1,337.12	1,038.49	(557.33)	2,836.41	373.66	1,036.98	959.24	(594.73)	(143.33)	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	
Vehicles	-	24.50	-	-	24.50	-	0.96	-	-	0.96	23.54	
TOTAL (i)	59,489.16	6,288.43	2,383.34	(1,558.00)	61,836.25	5,978.88	7,618.19	2,014.21	(1,278.17)	10,304.69	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	

(₹ in Lakhs)

Particulars	GROSS BLOCK (Deemed Cost)					DEPRECIATION					NET BLOCK	
	As at 1 st April, 2015	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2016	As at 1 st April, 2015	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2016	As at 31 st March, 2016	
(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	11,696.29	1,045.95	5.05	-	12,737.19	-	495.74	2.29	-	493.45	12,243.74	
Plant and Equipment	30,052.63	4,994.46	953.64	(453.06)	33,640.39	-	5,657.25	776.81	(301.55)	4,578.89	29,061.50	
Electric Installation	402.60	183.30	9.12	0.77	577.55	-	75.84	9.12	0.77	67.49	510.06	
Furniture and Fixtures	923.14	12.36	39.91	5.12	900.71	-	237.91	29.06	5.25	214.10	686.61	
Office Equipments	762.35	351.66	108.60	1.38	1,006.79	-	290.59	93.94	(0.01)	196.64	810.15	
Vehicles	3,831.63	592.44	1,134.02	(194.94)	3,095.11	-	1,451.22	920.97	(156.59)	373.66	2,721.45	
R & D Assets												
Leasehold Land	46.83	-	-	-	46.83	-	-	-	-	-	-	46.83
Buildings	31.76	-	-	-	31.76	-	5.05	-	-	5.05	26.71	
Plant & Equipment	197.45	64.12	-	-	261.57	-	31.66	-	-	31.66	229.91	
Electric Installation	1.80	-	-	-	1.80	-	0.08	-	-	0.08	1.72	
Furniture and Fixtures	0.01	-	-	-	0.01	-	-	-	-	-	0.01	
Office Equipments	22.00	13.68	-	-	35.68	-	17.86	-	-	17.86	17.82	
TOTAL (i)	55,122.26	7,257.97	2,250.34	(640.73)	59,489.16	-	8,263.20	1,832.19	(452.13)	5,978.88	53,510.28	

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	GROSS BLOCK (Deemed Cost)					DEPRECIATION					NET BLOCK
	As at 1 st April, 2015	Additions	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2016	As at 1 st April, 2015	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2016	As at 31 st March, 2016
(ii) INTANGIBLE ASSETS											
Software (Other than internally generated)											
R&D Assets	4.41	-	-	-	4.41	-	0.90	-	-	0.90	3.51
Others	227.84	209.38	-	-	437.22	-	107.23	-	-	107.23	329.99
TOTAL (ii)	232.25	209.38	-	-	441.63	-	108.13	-	-	108.13	333.50

The gross block, accumulated depreciation and net block of Property, Plant and Equipment as on transition date i.e April 1, 2015 under the previous GAAP are given below :

(A) Property, Plant and Equipments

Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipment	Vehicles	Total (A)
Gross Block	2,491.58	4,662.19	13,768.92	61,361.89	724.21	2,041.67	2,684.83	8,405.37	96,140.66
Accumulated Depreciation	-	-	2,072.63	31,309.26	321.61	1,118.53	1,922.48	4,573.74	41,318.25
Net Block	2,491.58	4,662.19	11,696.29	30,052.63	402.60	923.14	762.35	3,831.63	54,822.41

(B) Research & Development Assets

Particulars	Leasehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipment	Total (B)
Gross Block	46.83	144.77	757.51	32.71	0.32	88.29	1,070.43
Accumulated Depreciation	-	113.01	560.06	30.91	0.31	66.29	770.58
Net Block	46.83	31.76	197.45	1.80	0.01	22.00	299.85

(C) Intangible Assets

Particulars	R&D Assets	Others	Total (C)	Total (A) + (B) + (C)
Gross Block	4.49	1,181.23	1,185.72	98,396.81
Accumulated Depreciation	0.08	953.39	953.47	43,042.30
Net Block	4.41	227.84	232.25	55,354.51

Notes :

- Please refer note 49 for security created on property plant & equipments. In addition, one car has been pledged with civil court, Armenia.
- Buildings includes ₹ 0.11 Lakhs (As at March 31, 2016: ₹ 0.11 Lakhs; As at April 1, 2015: ₹ 0.11 Lakhs) being value of investment in shares of Co-operative Societies)

Notes on Financial Statement

for the year ended March 31, 2017

6. INVESTMENTS

i. Non Current

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units			Amount		
	Currency	Per Share/ Unit	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
A. Investments - carried at cost								
(a) In Equity Instruments of Subsidiaries								
Quoted,								
JMC Projects (India) Limited [refer note 6.1 (c)]	INR	10	2,25,62,881	2,25,62,881	1,75,48,908	32,086.97	32,086.98	22,008.89
Unquoted,								
Shree Shubham Logistics Limited [refer note 6.1 (d)]	INR	10	5,25,16,660	3,58,50,000	3,58,50,000	11,631.34	4,631.34	4,210.71
Energylink (India) Limited	INR	10	5,20,00,000	10,00,000	10,00,000	5,200.00	100.00	100.00
Amber Real Estate Limited	INR	10	9,90,000	9,90,000	9,90,000	99.00	99.00	99.00
Adeshwar Infrabuild Limited	INR	10	50,000	50,000	50,000	5.00	5.00	5.00
Kalpataru Satpura Transco Private Ltd.	INR	10	1,61,90,000	1,61,90,000	1,61,90,000	5,654.00	5,654.00	5,654.00
Kalpataru Metfab Private Limited	INR	10	3,00,10,000	3,00,10,000	3,00,10,000	2,604.87	2,604.87	2,604.87
Alipurduar Transmission Limited	INR	10	2,14,50,000	50,000	-	7,495.00	5.00	-
Kohima-Mariani Transmission Limited	INR	10	10,000	-	-	1.00	-	-
Kalpataru Power Transmission (Mauritius) Limited	USD	1	5,75,000	5,75,000	5,75,000	290.33	290.33	290.33
Kalpataru Power Transmission USA, Inc.	USD	1	5,00,000	5,00,000	5,00,000	228.17	228.17	228.17
LLC Kalpataru Power Transmission Ukraine	UAH	1	3,99,650	3,99,650	3,99,650	27.32	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)	(408.00)
Total of Unquoted Investments in Subsidiaries						32,883.05	13,292.05	12,811.40
Total of Investments in Equity of Subsidiaries						64,970.02	45,379.03	34,820.29
(b) In Equity Instruments of Joint Venture, Unquoted,								
Jhajjar KT Transco Private Limited	INR	10	1,12,64,286	1,12,64,286	1,12,64,286	3,815.00	3,815.00	3,815.00
Total of Investments in Equity instruments carried at cost						68,785.02	49,194.03	38,635.29

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Face Value		No. of Shares / Units			Amount		
	Currency	Per Share/ Unit	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
B. Investment - carried at fair value through profit or loss (FVTPL)								
Quoted,								
Mutual Fund,								
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option			500,000	500,000	500,000	50.00	50.00	50.00
Equity instruments,								
Power Grid Corporation of India Limited	INR	10	48,366	48,366	48,366	95.55	67.45	70.25
Unquoted,								
Investments in Non-Convertible Preference Shares of a Subsidiary,								
Shree Shubham Logistics Limited	INR	10	13,500,000	13,500,000	13,500,000	1,110.65	1,057.76	1,007.40
Equity instruments,								
Transpower Engineering Limited	INR	10	100	100	100	-	-	-
Total of Investments carried at fair value through profit or loss (FVTPL)						1,256.20	1,175.21	1,127.65
C. Interest Free Loans to Subsidiaries in the nature of Equity Support carried at cost						1,555.18	1,407.51	1,583.85
Grand Total						71,596.40	51,776.75	41,346.79
Aggregate amount of Quoted Investments						32,232.52	32,204.43	22,129.14
Market Value of Quoted Investments						59,846.76	49,123.85	32,252.28
Aggregate amount of Unquoted Investments						39,363.88	19,572.32	19,217.65

- 6.1 (a) 30,04,337 (As at March 31, 2016 - 30,04,337, As at April 1, 2015 -58,93,123) Equity Shares of Jhajjar KT Transco Private Limited, 42,09,400 (As at March 31, 2016 - 42,09,400, As at April 1, 2015 - 48,57,000) Equity Shares of Kalpataru Satpura Transco Pvt. Ltd and 1,09,39,500 (As at March 31, 2016 - nil, As at April 1, 2015 -nil) shares of Alipurduar Transmission Limited have been pledged with Banks and Financial Institutions for providing financial assistance to them.
- (b) 55,64,069 (As at March 31, 2016 - 55,64,069, As at April 1, 2015 - nil) Equity Shares of Shree Shubham Logistics Limited has been pledged with a Bank for obtaining financial assistance.
- (c) Investment in equity instrument of 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.
- (d) 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.

Notes on Financial Statement

for the year ended March 31, 2017

(ii) Assets Classified as held for sale

(₹ in Lakhs)

	Currency	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
i) Kalpataru SA Proprietary Limited, South Africa	RAND	-	5,00,000	5,00,000	-	38.62	44.40
ii) Kalpataru Power Transmission Nigeria Limited	NAIRA	-	1,00,00,000	1,00,00,000	-	-	-
					-	38.62	44.40

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
7. TRADE RECEIVABLES			
(Unsecured Considered good)			
(i) Non Current	9,176.84	10,253.43	8,761.29
Less : Allowance for expected credit loss	(728.71)	(1,249.05)	(1,743.59)
TOTAL	8,448.13	9,004.38	7,017.70
(ii) Current	2,79,887.82	2,24,755.44	2,13,074.78
Less : Allowance for expected credit loss	(3,535.62)	(3,301.60)	(4,615.05)
TOTAL	2,76,352.20	2,21,453.84	2,08,459.73
8. LOANS			
(Unsecured Considered good)			
(i) Non Current			
Loan to related parties			
to Subsidiaries	46,869.57	47,330.16	45,592.01
to Joint Venture Company	365.25	830.68	765.25
TOTAL	47,234.82	48,160.84	46,357.26
(ii) Current			
Loan to related parties			
to Subsidiaries	1,303.56	-	-
TOTAL	1,303.56	-	-
9. OTHER FINANCIALS ASSETS			
(i) Non Current			
Security Deposits	3,822.73	3,604.47	3,092.60
TOTAL	3,822.73	3,604.47	3,092.60
(ii) Current			
Security Deposits	806.26	748.97	1,152.67
Accrued Income	8.68	6.36	4.47
Others	1,897.36	1,357.63	7,267.82
TOTAL	2,712.30	2,112.96	8,424.96

Notes on Financial Statement

for the year ended March 31, 2017

10. DEFERRED TAX ASSET (NET)

Particulars	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance
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	384.25	4,146.96	-	4,531.21
Foreign Currency Translation Reverse	159.02	(451.59)	640.22	347.65
Provision for Expected Credit Loss	1,535.22	(59.33)	-	1,475.89
Change in method of determining revenue	3,050.46	(3,050.46)	-	-
Impact of accounting of forward contract at fair value	(133.21)	-	(416.37)	(549.58)
Related to employee benefits	13.67	-	55.07	68.74
Fair value of financial assets and liabilities through profit and loss	(639.15)	529.42	-	(109.73)
TOTAL	2,591.26	1,233.00	278.92	4,103.18

2015-16

Deferred tax (liabilities)/assets in relation to:				
Property, Plant and Equipment	(2,441.63)	662.63	-	(1,779.00)
Expenses deductible / income taxable in other tax accounting period	1,905.55	(1,521.30)	-	384.25
Foreign Currency Translation Reverse	711.86	-	(552.84)	159.02
Provision for Expected Credit Loss	2,161.69	(626.47)	-	1,535.22
Change in method of determining revenue	883.92	2,166.54	-	3,050.46
Impact of accounting of forward contract at fair value	(564.08)	258.70	172.17	(133.21)
Related to employee benefits	-	-	13.67	13.67
Fair value of Financial Assets and Liabilities through Profit and Loss	(646.35)	7.20	-	(639.15)
TOTAL	2,010.96	947.30	(367.00)	2,591.26

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
11. OTHER ASSETS			
(i) Non Current			
Capital Advances	773.29	1,429.65	617.71
Advance Rental	-	210.49	420.97
Prepaid Expenses	37.83	30.70	14.35
VAT Credit and WCT Receivable	3,737.66	3,662.49	2,370.47
Advance to Suppliers	810.31	810.31	910.31
TOTAL	5,359.09	6,143.64	4,333.81

Notes on Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
(ii) Current			
Taxes and duties Recoverable	1,868.08	3,114.67	2,786.07
Cenvat Credit Receivable	2,154.08	1,669.92	2,893.91
VAT Credit and WCT Receivable	8,427.75	6,702.23	6,609.92
Export Benefits Receivable	2,479.80	3,613.86	4,359.23
Taxes Paid Under Protest	1,161.06	708.47	457.21
Advance to Suppliers	5,037.54	4,384.46	3,993.94
Prepaid Expenses	3,640.98	3,094.12	3,305.55
Amount Due from Customers under Construction Contracts	43,902.80	48,235.86	41,163.03
Advance Rental	210.48	210.48	210.48
TOTAL	68,882.57	71,734.07	65,779.34
11.1 Amount due from / (to) customers under construction contracts			
Contracts in progress at the end of the reporting period			
Construction cost incurred plus recognised profits less recognised losses to date	21,68,288.87	17,42,479.75	13,54,819.37
Less: Progress billing	21,40,419.75	17,03,090.37	13,15,734.11
	27,869.12	39,389.38	39,085.26
Recognised as amounts due:			
- from Customers under Construction contract	43,902.80	48,235.86	41,163.03
- to Customers under Construction contract (Refer Note 22)	16,033.68	8,846.48	2,077.77
	27,869.12	39,389.38	39,085.26
12. INVENTORIES			
Raw Materials and Components	22,837.48	15,895.02	23,503.16
Work-in-progress	3,188.07	2,410.68	3,028.97
Finished goods	7,658.63	8,432.76	18,130.72
Store, Spares, Construction Materials and Tools	11,103.74	12,199.26	10,967.41
Construction Work-in-Progress	450.62	3,209.41	3,898.66
Scrap	179.70	292.90	357.96
TOTAL	45,418.24	42,440.03	59,886.88

12.1 Amount of ₹ 38.43 Lakhs (As at March 31, 2015 : ₹ 348.76 Lakhs, As at April 1, 2015 : ₹ 3.88 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 ₹ 1,423.71 Lakhs (As at March 31, 2016: ₹ 1,050.02 Lakhs, As at April 1, 2015: ₹ 945.35 Lakhs) are expected to be realised after twelve months.

12.3 Refer accounting policy 4 F for valuation of inventories

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
13. CASH AND CASH EQUIVALENTS			
Balances With Banks			
In Current Accounts	11,798.33	6,496.10	6,051.56
In Fixed Deposit Accounts	370.48	740.89	725.87
Cheques on hand	8,368.11	2,547.87	-
Cash on hand	109.89	288.30	188.22
TOTAL	20,646.81	10,073.16	6,965.65
14. OTHER BALANCES WITH BANKS			
Unpaid Dividend Accounts	33.20	31.80	32.81
Deposits with maturity more than 12 months	418.00	518.00	528.21
TOTAL	451.20	549.80	561.02
15. CURRENT TAX			
Advance Income Tax and TDS (net of provisions)	1,276.28	551.67	1,255.04
TOTAL	1,276.28	551.67	1,255.04
16. EQUITY			
AUTHORISED :			
17,50,00,000 (As at March 31, 2016 - 17,50,00,000, As at April 1, 2015 - 17,50,00,000) Equity Shares of ₹ 2 each	3,500.00	3,500.00	3,500.00
TOTAL	3,500.00	3,500.00	3,500.00
ISSUED, SUBSCRIBED and PAID-UP:			
15,34,60,570 (As at March 31, 2016 - 15,34,60,570, As at April 1, 2015 - 15,34,60,570) Equity Shares of ₹ 2 each fully paid up	3,069.21	3,069.21	3,069.21
TOTAL	3,069.21	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 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Numbers	₹ in Lakhs	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	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	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.

Notes on Financial Statement

for the year ended March 31, 2017

16.3 Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,14,05,822	7.43	1,37,36,822	8.95	1,37,36,822	8.95
Mr. Parag M. Munot	1,34,63,615	8.77	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	2,33,50,000	15.22
K. C. Holdings Private Limited	2,11,42,600	13.78	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	1,36,46,196	8.89
HDFC Trustee Company Limited	1,32,15,867	8.61	1,33,45,925	8.70	37,80,000	2.46

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
17. OTHER EQUITY			
Revaluation Reserve :			
As per last Balance Sheet	29.05	29.05	29.05
Share Premium Account :			
As per last Balance Sheet	77,942.17	77,942.17	77,942.17
Debentures Redemption Reserve :			
As per last Balance Sheet	2,500.00	1,500.00	2,115.00
Add : Transferred from Surplus in the Statement of Profit & Loss	5,000.00	1,666.67	930.00
Less : Transferred to General Reserve	-	666.67	1,545.00
	7,500.00	2,500.00	1,500.00
General Reserve :			
As per last Balance Sheet	28,279.69	26,613.02	24,068.02
Add : Transferred from Debenture Redemption Reserve	-	666.67	1,545.00
Add : Transferred from Surplus in the Statement of Profit & Loss	1,000.00	1,000.00	1,000.00
	29,279.69	28,279.69	26,613.02
Surplus in the Statement of Profit and Loss :			
As per last Balance Sheet	1,10,589.15	99,507.00	88,474.63
Less : Depreciation	-	-	402.71
Add : Profit for the year	26,907.44	19,243.15	16,561.45
Less : Ind AS Adjustments (net of tax)	-	-	3,196.37
Less : Dividend on Equity Shares	-	-	-
[Dividend per Share ₹ Nil (Previous Year ₹ 3.00)]	-	4,603.82	-
Less : Corporate Tax on Dividend	-	890.51	-
Less : Transfer to Debenture Redemption Reserve	5,000.00	1,666.67	930.00
Less : Transfer to General Reserve	1,000.00	1,000.00	1,000.00
	1,31,496.59	1,10,589.15	99,507.00
Other Comprehensive Loss			
As per last Balance Sheet	(918.51)	(1,611.89)	-
Add: Other comprehensive income / (loss) for the year	(526.96)	693.38	(1,611.89)
	(1,445.47)	(918.51)	(1,611.89)
TOTAL	2,44,802.03	2,18,421.55	2,03,979.35

Notes on Financial Statement

for the year ended March 31, 2017

- 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.

(₹ in Lakhs)

	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
18. (i) NON CURRENT BORROWINGS						
Secured - at amortised cost						
a) Non-Convertible Redeemable Debentures	-	-	-	-	-	2,666.67
b) Term Loan						
Foreign Currency Loans						
From Banks	-	2,074.84	2,122.65	2,896.03	4,831.58	2,269.38
Rupee Loans						
From Banks	12,115.46	2,206.26	5,038.83	1,110.89	4,598.97	1,122.30
From NBFC	-	-	-	1.13	1.13	19.76
Unsecured - at amortised cost						
Non-Convertible Redeemable Debentures	20,000.00	10,000.00	20,000.00	-	20,000.00	-
Amount disclosed under the head "Other Current Liabilities" (Refer Note 20)	-	(14,281.10)		(4,008.05)		(6,078.11)
TOTAL	32,115.46	-	27,161.48	-	29,431.68	-

18.1 Details of Secured Non-Convertible Redeemable Debentures :

Redemption Profile	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	Interest	Date of Allotment
Redeemable at face value in 3 equal annual instalments at the end of 5 th , 6 th & 7 th year starting from 26.12.2013	-	-	2,666.67	12.50% p.a. payable annually	December 26, 2008

Security:

The debentures are secured by first exclusive charge on movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission & distribution division and infrastructure division of Company to the extent of 1.25 times of NCDs outstanding.

Notes on Financial Statement

for the year ended March 31, 2017

18.2 Details of Unsecured Non-Convertible Redeemable Debentures :

Redemption Profile	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	Interest	Date of Allotment
Redeemable at face value on 15.05.2020	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	10,000.00	9.55% p.a. payable on May 20, 2015 and annually thereafter	March 26, 2015
Redeemable at face value on 05.09.2017	10,000.00	10,000.00	10,000.00	10.50% p.a. payable quarterly	September 5, 2014

18.3 Foreign Currency Loans from Banks

- ₹ Nil (As at March 31, 2016 - ₹ 1,702.03 Lakhs, As at April 1, 2015 - ₹ 3,971.42 Lakhs) carries interest of 3 months Libor + spread secured by charge over specific moveable and immovable fixed assets and is repayable in 13 Equal Quarterly instalment ending on October 21, 2016.
- ₹ 1296.77 Lakhs (As at March 31, 2016 - ₹ 1,326.66 Lakhs, As at April 1, 2015 - ₹ 1,251.82 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.
- ₹ 778.07 Lakhs (As at March 31, 2016 - ₹ 1,989.99 Lakhs, As at April 1, 2015 - ₹ 1,877.72 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 ending on June 28, 2017.

18.4 Rupee Loans from NBFC

₹ Nil (As at March 31, 2016 - ₹ 1.13 Lakhs, As at April 1, 2015 - ₹ 20.89 Lakhs) carries interest in the range of 8.83% - 10.75% p.a. and is repayable in 36 equal monthly instalments along with interest. The loan is secured by hypothecation of Specific Vehicles.

18.5 Rupee Loans from Banks

- ₹ 321.72 Lakhs (As at March 31, 2016 ₹ 214.82 Lakhs, As at April 1, 2015 ₹ 221.27 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.
- ₹ 3,500.00 Lakhs (As at March 31, 2016 - ₹ 4,500 Lakhs, As at April 1, 2015 - ₹ 5,500 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.
- ₹ 10,500.00 Lakhs (As at March 31, 2016 - ₹ 1,434.90 Lakhs, As at April 1, 2015 - ₹ Nil) 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 of Shree Shubham Logistics Limited. It is repayable in 20 Equal Quarterly instalment ending on September 30, 2022.

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
18. (ii) CURRENT BORROWINGS			
Secured			
Working Capital Facilities from Banks	22,619.24	28,566.86	61,517.58
Unsecured			
Short Term Loans from Banks	527.20	132.29	110.28
TOTAL	23,146.44	28,699.15	61,627.86

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.

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
19. TRADE PAYABLE			
(i) Non Current			
Others	3,610.54	3,693.75	-
	3,610.54	3,693.75	-
(ii) Current			
Micro and Small Enterprises (Refer Note 52)	1,586.87	1,299.79	1,531.01
Acceptances	-	18,777.92	26,912.86
Others	1,54,071.81	1,27,828.28	1,07,581.81
TOTAL	1,55,658.68	1,47,905.99	1,36,025.68

All trade payables are non interest bearing and payable or settled with in normal operating cycle of the Company.

20. OTHER FINANCIAL LIABILITIES			
Current			
Current maturities of long term debt (Refer Note 18)	14,281.10	4,008.05	6,078.11
Creditors for capital expenditure	704.43	927.05	2,731.99
Interest accrued but not due on borrowings	959.17	1,150.07	802.76
Unpaid Dividend	33.20	31.80	32.81
TOTAL	15,977.90	6,116.97	9,645.67

21. PROVISIONS			
(i) Non Current			
Provision for employee benefits	745.00	658.94	547.63
Provision for Performance Warranties	1,420.26	1,429.80	1,314.45
TOTAL	2,165.26	2,088.74	1,862.08
(ii) Current			
Provision for employee benefits	226.95	214.96	129.08
Provision for Performance Warranties	20,885.91	17,931.03	14,842.60
Provision for Expected Loss on Long Term Contracts	8,527.83	5,457.59	3,792.61
TOTAL	29,640.69	23,603.58	18,764.29

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
22. OTHER LIABILITIES			
(i) Non Current			
Other Payable	195.75	159.43	141.20
TOTAL	195.75	159.43	141.20
(ii) Current			
Amount Due to Customers under Construction Contracts	16,033.68	8,846.48	2,077.77
Advance from Customers	78,522.22	51,489.61	40,623.55
Statutory Liabilities	4,674.96	2,787.47	4,112.61
Deferred Income	359.86	447.65	73.76
TOTAL	99,590.72	63,571.21	46,887.69

	2016-17	2015-16
23. REVENUE FROM OPERATIONS		
Sale of Products		
Tower Parts & Components	61,921.32	34,847.37
Others	5,550.47	6,619.52
Income from EPC contracts	4,27,053.64	3,92,991.52
Income from other Services	956.57	1,402.86
Other Operating Income		
Sale of Scrap	5,196.94	5,018.92
Certified Emission Reduction Receipts	394.72	-
TOTAL	5,01,073.66	4,40,880.19

24. OTHER INCOME		
Interest Income		
On financial assets carried at amortised cost		
On Loans	4,115.18	4,339.39
On bank deposits	106.07	136.87
Others	274.65	446.08
Dividend Income		
Dividend from Equity investment in subsidiaries	225.63	229.49
Dividend from investment measured at FVTPL	3.58	3.35
Other non operating income		
Rent Income	56.80	56.72
Insurance Claims	71.95	14.53
Liabilities Written Back	3.45	12.50
Miscellaneous Income	2.97	43.17
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	28.11	(2.80)
Gain / (Loss) on disposal of property, plant and equipments (net)	(41.82)	44.75
Others	87.80	46.74
TOTAL	4,934.37	5,370.79

Notes on Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
25. COST OF MATERIAL CONSUMED		
Raw Materials		
Steel	55,075.48	54,968.51
Zinc	11,069.65	11,291.16
Components & Accessories, etc	1,34,394.74	97,247.27
Agricultural Residues	2,892.88	4,260.25
TOTAL	2,03,432.75	1,67,767.19
26. CHANGES IN INVENTORIES		
STOCK AT BEGINNING OF THE YEAR		
Finished Goods		
Towers Parts	8,425.19	18,123.00
Others	7.57	7.72
	8,432.76	18,130.72
Semi-finished Goods	2,410.68	3,028.97
Scrap	292.90	357.96
	11,136.34	21,517.65
STOCK AT CLOSE 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
TOTAL	109.94	10,381.31
27. EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus	27,166.87	27,054.19
Contributions to Provident and Other Funds (includes social security and other benefits for overseas employees)	1,366.25	1,334.78
Employees' Welfare Expenses	647.10	887.76
TOTAL	29,180.22	29,276.73
28. FINANCE COSTS		
Interest	8,676.76	11,065.80
Other Borrowing Costs	1,162.51	418.40
Exchange Rate variation	(20.96)	1,251.62
TOTAL	9,818.31	12,735.82

Notes on Financial Statement

for the year ended March 31, 2017

		(₹ in Lakhs)
	2016-17	2015-16
29. OTHER EXPENSES		
Erection, Sub-Contracting and other Project Expenses	1,39,501.99	1,23,600.80
Job Charges	4,752.33	5,182.61
Power and Fuel	1,753.86	1,873.11
Excise Duty	55.27	956.94
Repairs and Maintenance:		
Plant and Machinery	360.78	264.37
Building	272.85	221.74
Others	53.91	56.69
Freight and Forwarding Expenses	6,903.27	8,054.35
Stores, Spares and Tools Consumed	1,191.17	1,316.06
Vehicle/ Equipment Running and Hire Charges	320.16	297.72
Testing Expenses	390.75	100.16
Pollution Control Expenses	151.25	157.20
Insurance	2,258.71	2,229.42
Rent	3,201.32	3,099.72
Rates, Taxes and Duties	6,454.65	3,128.23
Stationery, Printing and Drawing Expenses	321.11	825.70
Telecommunication Expenses	444.01	460.74
Travelling Expenses	3,774.31	3,068.01
Legal and Professional Expenses	4,983.23	4,959.98
Service Charges	3,156.97	1,036.78
Auditor's Remuneration		
Audit Fees	70.00	70.00
Other Services & Reports	26.11	18.58
Reimbursement of Expenses	3.43	1.73
Service Tax	5,345.77	3,731.28
Bank Commission and Charges (Including ECGC Premium)	7,379.54	3,819.40
Allowance for Expected Credit Losses	(262.93)	(1,116.99)
Performance Warranties Expenses	4,715.72	3,357.79
Provision for Diminution in value of Investments / Loans	(1.12)	55.09
Provision for Contractual Deductions	1,384.12	1,431.18
Bad Debt Written Off	-	129.93
Loss on Material Damaged / Lost / Fire	685.99	2,736.55
Loss / (Gain) on Exchange Rate Variation	672.86	(624.16)
Sitting Fees and Commission to Non-Executive Directors	427.45	349.00
Corporate Social Responsibility Expenses	73.08	70.93
Carbon Credit Expenses	27.02	21.15
Miscellaneous Expenses *	2,922.78	2,520.87
TOTAL	2,03,771.72	1,77,462.66

* includes ₹ 400 Lakhs (previous year - Nil) towards contribution to Electoral Trust

Notes on Financial Statement

for the year ended March 31, 2017

30. FIRST TIME IND AS ADOPTION RECONCILIATIONS

30.1 Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015

		As at 31 st March, 2016			As at 1 st April, 2015 (Date of transition)			
		Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
ASSETS								
Non-Current Assets								
(a)	Property, Plant and Equipments		53,510.28	-	53,510.28	55,122.26	-	55,122.26
(b)	Capital Work in Progress		411.79	-	411.79	544.06	-	544.06
(c)	Intangible Assets		333.50	-	333.50	232.25	-	232.25
(d)	Financial Assets							
(i)	Investments	a, b, c, e	49,487.35	2,289.40	51,776.75	39,349.24	1,997.55	41,346.79
(ii)	Trade Receivables	d	10,253.43	(1,249.05)	9,004.38	8,761.29	(1,743.59)	7,017.70
(iii)	Loans	c, e	49,568.35	(1,407.51)	48,160.84	47,941.11	(1,583.85)	46,357.26
(iv)	Others	f	4,040.03	(435.56)	3,604.47	3,724.05	(631.45)	3,092.60
(e)	Deferred Tax Assets (net)	n	39.23	2,552.03	2,591.26	(536.07)	2,547.03	2,010.96
(f)	Other Non Current Assets	f	5,933.15	210.49	6,143.64	3,912.84	420.97	4,333.81
			1,73,577.11	1,959.80	1,75,536.91	1,59,051.03	1,006.66	1,60,057.69
Current Assets								
(a)	Inventories		42,440.03	-	42,440.03	59,886.88	-	59,886.88
(b)	Financial Assets							
(i)	Trade Receivables	d	2,24,755.44	(3,301.60)	2,21,453.84	2,13,074.78	(4,615.05)	2,08,459.73
(ii)	Cash and Cash Equivalents		10,073.16	-	10,073.16	6,965.65	-	6,965.65
(iii)	Other Balances with Banks		549.80	-	549.80	561.02	-	561.02
(iv)	Others	m	1,727.59	385.37	2,112.96	6,794.65	1630.31	8,424.96
(c)	Current Tax Assets (net)		551.67	-	551.67	1,255.04	-	1,255.04
(d)	Other Current Assets	f, g	71,490.59	243.48	71,734.07	66,042.08	(262.74)	65,779.34
			3,51,588.28	(2,672.75)	3,48,915.53	3,54,580.10	(3,247.48)	3,51,332.62
	Assets classified as held for sale		38.62	-	38.62	44.40	-	44.40
TOTAL ASSETS			5,25,204.01	(712.95)	5,24,491.06	5,13,675.53	(2,240.82)	5,11,434.71
EQUITY AND LIABILITIES								
Equity								
(a)	Equity Share Capital		3,069.21	-	3,069.21	3,069.21	-	3,069.21
(b)	Other Equity	26.4	2,22,785.83	(4,364.28)	2,18,421.55	2,04,009.37	(30.02)	2,03,979.35
			2,25,855.04	(4,364.28)	2,21,490.76	2,07,078.58	(30.02)	2,07,048.56
Liabilities								
Non Current Liabilities								
(a)	Financial Liabilities							
(i)	Borrowings		27,161.48	-	27,161.48	29,431.68	-	29,431.68
(ii)	Trade Payable		3,693.75	-	3,693.75	-	-	-
(b)	Provisions		2,088.74	-	2,088.74	1,862.08	-	1,862.08
(c)	Other Non-Current Liabilities		159.43	-	159.43	141.20	-	141.20
			33,103.40	-	33,103.40	31,434.96	-	31,434.96
Current Liabilities								
(a)	Financial Liabilities							
(i)	Borrowings		28,699.15	-	28,699.15	61,627.86	-	61,627.86
(ii)	Trade Payables	h	1,48,025.99	(120.00)	1,47,905.99	1,36,145.68	(120.00)	1,36,025.68
(iii)	Other Financial Liabilities		6,116.97	-	6,116.97	9,645.67	-	9,645.67
(b)	Provisions	g, i, o	29,126.39	(5,522.81)	23,603.58	23,006.62	(4,242.33)	18,764.29
(c)	Other Current Liabilities	b, g	54,277.07	9,294.14	63,571.21	44,736.16	2,151.53	46,887.69
			2,66,245.57	3,651.33	2,69,896.90	2,75,161.99	(2,210.80)	2,72,951.19
TOTAL EQUITY AND LIABILITIES			5,25,204.01	(712.95)	5,24,491.06	5,13,675.53	(2,240.82)	5,11,434.71

Notes on Financial Statement

for the year ended March 31, 2017

30.2 Effect of Ind AS adoption on the statement of profit and loss for the year ended 31st March, 2016.

Year ended 31 st March, 2016				
	Notes	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Revenue from Operations	g, j	4,36,457.59	4,422.60	4,40,880.19
Other Income	a,b,c,f	5,080.59	290.20	5,370.79
TOTAL INCOME		4,41,538.18	4,712.80	4,46,250.98
EXPENSES				
Cost of Materials Consumed	k	1,68,424.06	(656.87)	1,67,767.19
Changes in Inventories		10,381.31	-	10,381.31
Excise Duty on Sale of Goods	j	-	10,685.09	10,685.09
Employee Benefits Expenses	l	29,316.22	(39.49)	29,276.73
Finance Costs	d,i	12,749.73	(13.91)	12,735.82
Depreciation and Amortization Expenses		8,371.33	-	8,371.33
Other Expenses	d, f, g, l, m	1,81,646.18	(4,183.52)	1,77,462.66
TOTAL EXPENSES		4,10,888.83	5,791.30	4,16,680.13
Profit Before Exceptional Items and Tax		30,649.35	(1,078.50)	29,570.85
Exceptional Items		-	-	-
Profit Before Tax		30,649.35	(1,078.50)	29,570.85
Tax Expenses				
Current Tax		11,275.00	-	11,275.00
Deferred Tax	n	(575.30)	(372.00)	(947.30)
Profit for the year		19,949.65	(706.50)	19,243.15
Other Comprehensive Income				
Items that will be reclassified subsequently to Profit or Loss				
Exchange difference in translating foreign operations		-	1,597.33	1,597.33
Loss on hedging instruments	k	-	(497.46)	(497.46)
Income tax on above items	n	-	(380.67)	(380.67)
		-	719.20	719.20
Items that will not be reclassified subsequently to Profit or Loss				
Actuarial Loss on Defined Plan Liability	l	-	(39.49)	(39.49)
Income tax on Actuarial Loss	n	-	13.76	13.76
		-	(25.82)	(25.82)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		19,949.65	(13.12)	19,936.53

Notes on Financial Statement

for the year ended March 31, 2017

30.3 Reconciliation of total comprehensive income

			(₹ in Lakhs)
Particulars	Notes	Year ended 31 st March, 2016	
Net profit under Previous Indian GAAP as published		19,949.65	
Change of method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work, to proportion of contract cost incurred for work performed to date bears to the estimated total contract costs.	g	(2,113.49)	
Net profit under Previous Indian GAAP after change of method			
Provision for expected credit loss towards possible delay in collection of trade receivable beyond contractual terms.	d	1,807.99	
Impact of accounting forward contracts at fair value	k,m	(747.48)	
Accounting provisions at present value	i	(144.71)	
Others	a,b,c, f, l	119.19	
Impact of deferred tax on above adjustments	n	372.00	
Net profit (before OCI) under Ind AS		19,243.15	
Other Comprehensive Income comprising of foreign currency translation reserve, hedge reserve and others (net of tax)	k,l,n	693.38	
TOTAL COMPREHENSIVE INCOME AS PER IND AS		19,936.53	

30.4 Reconciliation of total equity as at March 31, 2016 and April 1, 2015

				(₹ in Lakhs)
Particulars	Notes	As at 31 st March, 2016	As at 1 st April, 2015	
Total equity under previous GAAP		2,25,855.04	2,07,078.58	
Change of method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work, to proportion of contract cost incurred for work performed to date bears to the estimated total contract costs.	g	(4,664.48)	(2,550.99)	
Provision for expected credit loss towards possible delay in collection of trade receivable beyond contractual terms.	d	(4,550.65)	(6,358.64)	
Impact of accounting forward contracts at fair value	k,m	1,294.89	2,042.37	
Accounting provisions at present value	i	1,373.81	1,518.52	
Others	a,b,h	579.13	459.94	
Impact of deferred tax on above adjustments	n	2,064.43	1,692.43	
Proposed Dividend and Dividend Distribution Tax thereon	o	-	2,723.81	
Other Comprehensive Income comprising of foreign currency translation reserve, hedge reserve and others (net of tax)		(461.41)	442.54	
Total Adjustments to equity		(4,364.28)	(30.02)	
TOTAL EQUITY UNDER IND AS		2,21,490.76	2,07,048.56	

Notes on Financial Statement

for the year ended March 31, 2017

30.5 Reconciliation of income tax expenses with the accounting profit

(₹ in Lakhs)		
Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Profit before tax	40,257.44	29,570.85
Income tax calculated at 34.61%	13,933.10	10,234.47
tax effect of adjustment to reconcile reported income tax expenses		
Income exempt from taxation	(69.22)	(416.24)
Investment allowance claimed u/s 32 AC	(155.05)	-
Tax concessions	(496.29)	(242.27)
Temporary timing differences related to		
depreciation	255.00	334.97
expenses deductible Income taxable in different tax accounting period	4,146.96	1,147.53
exchange difference on foreign operations	(451.59)	(156.78)
change in method of determining revenue	(3,050.00)	990.18
provision for expected credit Loss	(59.33)	(625.60)
fair value of financial assets & liabilities through Profit and Loss	529.42	8.74
Income tax expenses recognised in the statement of profit and loss	14,583.00	11,275.00

30.6 Effect of Ind AS adoption on the statement of cash flows for the year ended March 31, 2016

The transition from previous GAAP to Ind AS has no impact on the statement of cash flows except regrouping among the cash flows from operating, financing and investing activities.

30.7 Notes to the reconciliations

- Under previous GAAP, Long term investment were measured at cost less diminution in value which is other than temporary. Under Ind AS 109, Investment in equity instruments of companies other than subsidiaries, joint ventures & associates are classified as FVTPL. On transition to Ind AS, these financial assets have been measured at fair value which is higher than cost as per previous GAAP, resulting in an increase in carrying amount of investments and retained earnings by ₹ 42.29 Lakhs as at March 31, 2016 (₹ 45.10 Lakhs as at April 1, 2015). Consequent to above adjustment charge to profit and loss for the year 2015-16 increased by ₹2.80 Lakhs.
- Under previous GAAP, Company has given guarantee amongst others, financial guarantee on behalf of its Subsidiaries. The Company does not charges any amount for the guarantee provided. Under Ind AS, fair value presentation has been done for the notional commission earned on corporate guarantee given on behalf of subsidiaries. This resulted in an increase in carrying amount of investment by ₹ 506.12 Lakhs as at March 31, 2016 (₹85.49 Lakhs as at April 1, 2015) and corresponding increase in other current liability by ₹447.65 Lakhs (₹73.76 Lakhs as at April 1, 2015). The corresponding notional commission income has also been recognised as other income amounting to ₹46.74 Lakhs for the year ended March 31, 2016.
- Under previous GAAP, investment in 4 % non-convertible redeemable preference shares of a subsidiary were carried at cost. On transition to Ind AS, these financial assets have been measured at fair value at amortised cost on the date of issue and resultant difference in carrying amount of investment of ₹ 625.71 Lakhs as at as at April 1, 2015, was added to equity investment in that subsidiary. These financial assets are being re-measured at each reporting period and resultant

Notes on Financial Statement

for the year ended March 31, 2017

differences are recognised as income in statement of profit and loss. Consequently, retained earnings were higher by ₹ 333.47 Lakhs as at March 31, 2016 (₹ 283.10 Lakhs as at April 1, 2015) and income for the year 2015-16 was higher by ₹ 50.37 Lakhs.

- d As per Ind AS 109 Financial Instruments, the company has made provision for expected credit loss allowance on current trade receivables based on its aging from contractual due date and on non-current trade receivables based on expected period of its realisation. Contract retention money receivables has been presented at fair value by discounting at NPV based on the expected date of realisation. Consequently, trade receivable has decreased by ₹ 4,550.65 Lakhs as at March 31, 2016 (₹6,358.64 Lakhs as at April 1, 2015). Consequent to above adjustment provision for expected credit loss for the year ended March 31, 2016 was reduced by ₹1,807.99 Lakhs. Out of which, ₹ 1,116.99 Lakhs is decreased from other expenses and ₹691 Lakhs is decreased from finance cost.
- e The company has given interest free loans to its subsidiaries amounting to ₹1,407.51 Lakhs as on March 31, 2016 (₹ 1,583.85 Lakhs As at April 1, 2015), in the nature of equity support, which has been classified as non-current investments.
- f Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it taking lease contract period and the differential amount has been treated as advance rentals to be amortised as rent over lease period. Accordingly, security deposit amount has been reduced by ₹435.56 Lakhs as at March 31, 2016 (₹ 631.45 Lakhs as at April 1, 2015) and advance rental has been recognised at ₹420.98 Lakhs divided into current portion ₹ 210.49 Lakhs and non current portion ₹210.49 Lakhs as at March 31, 2016 (₹ 631.47 Lakhs as at April 1, 2015 divided into current portion ₹ 210.49 Lakhs and non current portion ₹420.98 Lakhs). Consequently, rent expense and interest income for the year ended March 31, 2016 are higher by ₹210.49 Lakhs and ₹195.91 Lakhs respectively.
- g The company has changed, with effect from April 1, 2015, the method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work, to proportion of contract cost incurred for work performed to date bears to the estimated total contract costs. Consequently, cumulative revenue recognition for the period up to March 31, 2015 is lower by ₹ 2,550.99 Lakhs, which has been adjusted from retained earnings / other equity. Further, provision for expected loss from long term contracts is reduced by ₹4,149 Lakhs (₹Nil as at April 1, 2015) and other current liabilities increased by ₹8,846.48 Lakhs (₹2,077.77 Lakhs as at April 1, 2015) for amount due to customer and other current assets increased by ₹32.99 Lakhs as at March 31, 2016 (₹473.23 Lakhs as at April 1, 2015) for amount due from customer. Consequent to above adjustment turnover and profit for the financial year ended March 31, 2016 are lower by ₹ 6,262.49 Lakhs and ₹ 2,113.49 Lakhs respectively.
- h As per Ind AS 109 Financial Instruments, retention trade payables have been presented at fair value. Consequently, trade payables as at March 31, 2016 and as at April 1, 2015 are decreased by ₹ 120 Lakhs.
- i Under Ind AS, provision for warranty guarantee expenses are measured and presented at fair value. Consequently, provisions for warranty and guarantee expenses decreased by ₹ 1,373.81 Lakhs as at March 31, 2016 (₹ 1,518.52 Lakhs as at April 1, 2015). Consequent to above adjustment, other expense decreased by ₹532.38 Lakhs and finance cost increased by ₹ 677.09 Lakhs.
- j Under previous GAAP, revenue from operations was presented net of excise duty whereas under Ind AS, revenue from operations are presented inclusive of excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. This change has no impact on total equity as at March 31, 2016 and April 1, 2015 and profit for the year ended March 31, 2016.
- k Under previous GAAP, loss on account of mark to market of forward commodity contracts were expensed out in the statement of profit and loss and gains were ignored. Under Ind AS, forward commodity contracts against firm commitment is designated as hedged item and its subsequent cumulative changes in the fair value is recognised as an asset or liability with corresponding gain or loss recognised in OCI as hedge reserve.

Notes on Financial Statement

for the year ended March 31, 2017

- l Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset which is recognised in other comprehensive income in the respective periods. This difference has resulted in increase in net profit of ₹39.49 Lakhs for the year ended March 31, 2016. However, the same does not result in difference in equity or total comprehensive income.
- m Under the previous GAAP, effect of mark to market on derivative instruments was not given except loss was accounted ignoring gain on derivative losses. Under Ind AS, mark to market effect is given. Consequently, other financial assets are increased by ₹385.37 Lakhs as at March 31, 2016 (₹1,630.31 Lakhs as at April 1, 2015). Consequent to above adjustment, other expenses increased by ₹1404.36 Lakhs.
- n Consequent to adoption of Ind AS from April 1, 2016, deferred tax at applicable rates has been recognised on effect of Ind AS adoption and transition on retained earnings as at April 1, 2015 and on impact on profit for the year ended March 31, 2016 for the adjustment carried out in the statement of profit and loss.
- o Under previous GAAP, dividend recommended by board of directors on equity shares for the reporting period while approving financial statement, subject to its approval by members in general meeting, was being recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised as liability when declared by the members in a general meeting. The effect of this change is an increase in total equity as at April 1, 2015 by ₹2,723.81 Lakhs and decrease in provisions by that amount, but does not affect profit before tax and total comprehensive income for the year ended March 31, 2016.

31. FINANCIAL INSTRUMENTS – FAIR VALUES AND RISK MANAGEMENT

Capital Management

The company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

Gearing ratio	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Debt (i)	69,543.00	59,868.68	97,137.65
Cash and bank balances	(21,098.01)	(10,622.96)	(7,526.67)
Net debt	48,444.99	49,245.72	89,610.98
Total Equity	2,47,871.24	2,21,490.76	2,07,048.56
Net debt to equity ratio	0.20	0.22	0.43

- (i) Debt is defined as aggregate of long-term borrowings, short-term borrowings and current maturities of long term debt.

Notes on Financial Statement

for the year ended March 31, 2017

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

As at 31st March, 2017

(₹ In Lakhs)

	Measured At Cost	Measured At Fair Value through Profit and Loss	Measured At Amortised Cost	Total	Total Carrying Value
Financial assets					
(i) Investments	70340.20	1256.20	-	71,596.40	71,596.40
(ii) Trade receivables	-	-	2,84,800.33	2,84,800.33	2,84,800.33
(iii) Loans	-	-	48,538.38	48,538.38	48,538.38
(iv) Cash and cash equivalents	-	-	20,646.81	20,646.81	20,646.81
(v) Other balances with Bank	-	-	451.20	451.20	451.20
(vi) Others	-	-	6,535.03	6,535.03	6,535.03
	70,340.20	1,256.20	360,971.75	4,32,568.15	4,32,568.15
Financial liabilities					
(i) Borrowings	-	-	55,261.90	55,261.90	55,261.90
(ii) Trade payables	-	-	1,59,269.22	1,59,269.22	1,59,269.22
(iii) Other financial liabilities	-	-	15,977.90	15,977.90	15,977.90
	-	-	2,30,509.02	2,30,509.02	2,30,509.02

As at 31st March, 2016

(₹ In Lakhs)

	Measured At Cost	Measured At Fair Value through Profit and Loss	Measured At Amortised Cost	Total	Total Carrying Value
Financial assets					
(i) Investments	50601.54	1175.21	-	51,776.75	51,776.75
(ii) Trade receivables	-	-	2,30,458.22	2,30,458.22	2,30,458.22
(iii) Loans	-	-	48,160.84	48,160.84	48,160.84
(iv) Cash and cash equivalents	-	-	10,073.16	10,073.16	10,073.16
(v) Other balances with Bank	-	-	549.80	549.80	549.80
(vi) Others	-	-	5,717.43	5,717.43	5,717.43
	50,601.54	1,175.21	294,959.45	3,46,736.20	3,46,736.20
Financial liabilities					
(i) Borrowings	-	-	55,860.63	55,860.63	55,860.63
(ii) Trade payables	-	-	1,51,599.74	1,51,599.74	1,51,599.74
(iii) Other financial liabilities	-	-	6,116.97	6,116.97	6,116.97
	-	-	2,13,577.34	2,13,577.34	2,13,577.34

Notes on Financial Statement

for the year ended March 31, 2017

As at 1st April, 2015

(₹ In Lakhs)

	Measured At Cost	Measured At Fair Value through Profit and Loss	Measured At Amortised Cost	Total	Total Carrying Value
Financial assets					
(i) Investments	40219.14	1127.65	-	41,346.79	41,346.79
(ii) Trade receivables	-	-	2,15,477.43	2,15,477.43	2,15,477.43
(iii) Loans	-	-	46,357.26	46,357.26	46,357.26
(iv) Cash and cash equivalents	-	-	6,965.65	6,965.65	6,965.65
(v) Other balances with Bank	-	-	561.02	561.02	561.02
(vi) Others	-	-	11,517.56	11,517.56	11,517.56
	40,219.14	1,127.65	280,878.92	3,22,225.71	3,22,225.71
Financial liabilities					
(i) Borrowings	-	-	91059.54	91,059.54	91,059.54
(ii) Trade payables	-	-	136025.68	1,36,025.68	1,36,025.68
(iii) Other financial liabilities	-	-	9645.67	9,645.67	9,645.67
	-	-	2,36,730.89	2,36,730.89	2,36,730.89

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, 2017

(₹ In Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	7,291.93	-	4,211.33	11,503.26
Trade Receivables	86,080.72	17,022.67	38,173.92	1,41,277.31
Other Financials Assets	213.30	0.20	512.88	726.38
Total Asset	93,585.95	17,022.87	42,898.13	1,53,506.95
Trade Payables	43,469.02	5,848.75	17,178.53	66,496.30
Other Financials Liabilities	2,074.84	15.28	-	2,090.12
Total Liabilities	45,543.86	5,864.03	17,178.53	68,586.42
Net Assets / (Liabilities)	48,042.09	11,158.84	25,719.60	84,920.53

Notes on Financial Statement

for the year ended March 31, 2017

The following table analyses foreign currency risk from financial instruments as at March 31, 2016

(₹ In Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	1,867.87	-	7,524.45	9,392.32
Trade Receivable	60,933.11	21,797.68	31,360.61	1,14,091.40
Other Financials Assets	168.11	-	557.82	725.93
Total Asset	62,969.09	21,797.68	39,442.88	1,24,209.65
Trade Payable	43,084.31	4,256.88	12,356.41	59,697.60
Other Financials Liabilities	3,040.75	325.79	4.63	3,371.17
Total Liabilities	46,125.06	4,582.67	12,361.04	63,068.77
Net Assets / (Liabilities)	16,844.03	17,215.01	27,081.84	61,140.88

The following table analyses foreign currency risk from financial instruments as at April 1, 2015

(₹ In Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	330.19	1,158.33	5,016.29	6,504.81
Trade Receivable	71,197.94	34,292.34	19,060.81	1,24,551.09
Other Financials Assets	3,605.75	32.33	508.58	4,146.66
Total Asset	75,133.88	35,483.00	24,585.68	1,35,202.56
Trade Payable	23,739.58	10,191.76	20,036.35	53,967.69
Other Financials Liabilities	3,820.61	482.17	-	4,302.78
Total Liabilities	27,560.19	10,673.93	20,036.35	58,270.47
Net Assets / (Liabilities)	47,573.69	24,809.07	4,549.33	76,932.09

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:

Sensitivity Analysis

For the year ended March 31, 2017 and March 31, 2016, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/EUR would impact company's profit before tax by approximately 7.34% and 5.73% 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 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 market place.

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for the year ended March 31, 2017

As at 31st March, 2017

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	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)
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)

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for the year ended March 31, 2017

As at 31st March, 2016

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)	-	-	-	-
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	68.52	USD 50.00	3,426.17	72.43
Maturing in 3 months to 6 months	64.91	USD 60.00	3,894.68	(186.14)
Maturing in 6 months to 9 months	71.28	USD 40.00	2,851.28	77.06
Maturing in 9 months to 12 months	72.27	USD 90.00	6,504.31	189.38
More than 12 Months	72.72	USD 10.00	727.23	19.51
Total/Average	69.61	USD 250.00	17,403.67	172.24
Sell EUR Buy USD				
Maturing less than 3 months	72.56	EUR 137.94	10,009.68	(411.42)
Total/Average	72.56	EUR 137.94	10,009.68	(411.42)
Buy JPY Sell USD				
Maturing less than 3 months	0.55	JPY 4,300.00	2,370.21	175.71
Total/Average	0.55	JPY 4,300.00	2,370.21	175.71
Sell EUR Buy INR				
Maturing less than 3 months	76.30	EUR 27.12	2,069.31	(11.36)
Maturing in 3 months to 6 months	80.01	EUR 60.00	4,800.68	132.74
Total/Average	78.86	EUR 87.12	6,869.99	121.38

As at 1st April, 2015

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)	-	-	-	-
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	64.69	USD 164.19	10,621.39	250.34
Maturing in 3 months to 6 months	65.10	USD 160.00	10,415.50	106.50
Maturing in 6 months to 9 months	66.41	USD 100.00	6,641.08	83.44
Maturing in 9 months to 12 months	67.08	USD 100.00	6,707.50	44.89
More than 12 Months	55.21	USD 20.00	1,104.20	(264.56)
Total/Average	65.22	USD 544.19	35,489.67	220.61
Sell EUR Buy USD				
Maturing less than 3 months	76.15	EUR 225.68	17,184.73	1,983.19
Maturing in 3 months to 6 months	78.01	EUR 120.00	9,360.94	1,266.60
Total/Average	76.79	EUR 345.68	26,545.67	3,249.79
Buy JPY Sell USD				
Maturing less than 3 months	0.52	JPY 3,300.00	1,721.06	3.68
Total/Average	0.52	JPY 3,300.00	1,721.06	3.68

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for the year ended March 31, 2017

As at 1st April, 2015

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Lakhs)	Nominal Amount (₹ in Lakhs)	MTM Value (₹ in Lakhs)
Sell EUR Buy INR				
Maturing in 9 months to 12 months	78.25	EUR 25.00	1,956.25	145.91
More than 12 Months	79.50	EUR 50.00	3,975.00	240.57
Total/Average	79.08	EUR 75.00	5,931.25	386.48
Buy EUR Sell USD				
Maturing in 3 months to 6 months	78.01	EUR 13.96	1,089.34	(147.56)
Maturing in 6 months to 9 months	79.85	EUR 11.00	878.39	(135.43)
Total/Average	78.82	EUR 24.96	1,967.73	(282.99)
Sell CAD Buy USD				
Maturing in 3 months to 6 months	55.17	CAD 50.00	2,758.40	308.07
Total/Average	55.17	CAD 50.00	2,758.40	308.07

Reconciliation of Hedge Reserve

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017:

Particulars	(₹ in Lakhs)	
	2016-17	2015-16
Balance at the beginning of the year	(909.52)	(412.06)
Gain/(Loss) recognised in OCI during the year	1,203.03	(497.46)
Amount reclassified to revenue during the year	-	-
Tax impact on above **	101.58	(314.77)
Balance at the end of the year (Gross)	293.51	(909.52)
Balance at the end of the year (Net of Tax)	191.93	(594.75)

** Deferred Tax Asset/Liability @ 34.608%

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.

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for the year ended March 31, 2017

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade and other receivables and investments.

Credit risk in respect of other receivables mainly comprises of loan to components which are managed by the Company, by way of assessing financial condition, current economic trends and ageing of other receivables. The Company considers the probability of default and whether there has been a significant increase in the credit risk on an ongoing basis through each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of default occurring on financial assets as on the reporting date.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

(₹ in Lakhs)

Particulars	Carrying amount as on		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Not Due	269,125.45	217,677.92	205,199.81
Past due up to 1 years	6,157.34	6,589.54	2,822.20
From 1 year to 2 years	3,058.51	4,402.41	4,764.04
From 2 year to 3 years	5,340.44	2,835.48	5,692.09
Above 3 years	5,382.92	3,503.52	3,357.93
	289,064.66	235,008.87	221,836.07

Expected credit loss assessment for customers as at April 1, 2015, March 31, 2016 and March 31, 2017

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 Group 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 %		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
From 181 days to 1 year	6.24%	-	-
From 1 year to 2 years	12.04%	12.04%	12.04%
From 2 year to 3 years	19.31%	19.31%	19.31%
Above 3 years	25.97%	25.97%	25.97%

Notes on Financial Statement

for the year ended March 31, 2017

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(₹ in Lakhs)

Particulars	March 31, 2017
Balance as at April 1, 2015	6,358.64
Impairment loss recognised	-
Impairment loss reversed	1,807.99
Balance as at March 31, 2016	4,550.65
Impairment loss recognised	-
Impairment loss reversed	286.32
Balance as at March 31, 2017	4,264.33

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 32)

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant financial liabilities

(₹ in Lakhs)

Particulars	31 st March, 2017			31 st March, 2016		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payable	1,51,186.62	8,082.60	1,59,269.22	1,47,905.99	3,693.75	1,51,599.74
(ii) Borrowings	23,146.44	32,115.46	55,261.90	28,699.15	27,161.48	55,860.63
(iii) Other financial liabilities	15,977.90	-	15,977.90	6,116.97	-	6,116.97
Total			2,30,509.02			2,13,577.34

Particulars	1 st April, 2015		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	1,36,025.68	-	1,36,025.68
(ii) Borrowings	61,627.86	29,431.68	91,059.54
(iii) Other financial liabilities	9,645.67	-	9,645.67
Total			2,36,730.89

The above table not include liability on account of future interest obligation

The company had undrawn borrowing facilities from banks amounting to ₹ 54,879.00 Lakhs (As at March 31, 2016: ₹ 49,004.00 Lakhs; As at April 1, 2015: ₹ 15,752.00 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.

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for the year ended March 31, 2017

Interest Rate Sensitivity Analysis

For the year ended March 31, 2017 and March 31, 2016, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact company's profit before tax by approximately 1.0 % and 1.3 % 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 7.89 % for FY 2016-17 and 8.95 % for FY 15-16.

Exposure as on March 31, 2017

₹ in Lakhs

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminium	Fixed Price Contracts	10,314.00	516.00	(516.00)
Zinc	Fixed Price Contracts	10,543.00	527.00	(527.00)
Steel	Fixed Price Contracts	42,674.00	2,134.00	(2,134.00)
Total		63,531.00	3,177.00	(3,177.00)

Exposure as on March 31, 2016

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminium	Fixed Price Contracts	6,329.00	316.00	(316.00)
Zinc	Fixed Price Contracts	2,311.00	116.00	(116.00)
Steel	Fixed Price Contracts	44,318.00	2,216.00	(2,216.00)
Total		52,958.00	2,648.00	(2,648.00)

Exposure as on April 1, 2015

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminium	Fixed Price Contracts	721.74	36.09	(36.09)
Zinc	Fixed Price Contracts	5,844.07	292.20	(292.20)
Steel	Fixed Price Contracts	40,439.70	2,021.98	(2,021.98)
Total		47,005.50	2,350.28	(2,350.28)

Notes on Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
32. CONTINGENT LIABILITIES IN RESPECT OF :			
(a) Bank guarantees given by the Company	701.44	195.65	1,148.60
(b) Bills Discounted with Banks	527.20	494.25	11,767.29
(c) Claims against Company not acknowledged as debt	1,252.82	2,627.20	3,165.25
(d) Demands by Excise/Income Tax/Stamp Duty and other Tax/ Revenue Authorities, disputed by the company	4,413.99	5,148.62	4,915.73
(e) VAT/WCT demands disputed in Appeals	4,923.02	1,432.13	79.63
(f) Corporate Guarantee / Letter of Comfort given for loan given to a subsidiaries	19,500.00	30,000.00	10,000.00
(g) Corporate Guarantee given for performance on behalf of a subsidiary company	126.50	126.50	126.50

33. CAPITAL & OTHER COMMITMENTS

(a) Capital Commitments			
Estimated amount of contracts remaining to be executed on capital account Tangible Assets and not provided for (Net of advances)	1,331.82	1,509.07	885.85
(b) The Company has given an undertaking to the term lenders of Alipurduar Transmission Limited to meet cost overrun of the Project.			

	(₹ in Lakhs)	
	2016-17	2015-16
34. CIF VALUE OF IMPORTS		
Raw Material and Components	4,828.85	3,397.00
Stores, Spares & Tools	863.26	3,677.81
Capital Goods	693.03	2,496.24

35. COMPOSITION OF MATERIALS CONSUMED

Indigenous	1,51,176.34	74.31%	1,11,705.64	66.32%
Imported	52,256.42	25.69%	56,718.42	33.68%
Total	2,03,432.76	100.00%	1,68,424.06	100.00%

36. EXPENDITURE IN FOREIGN CURRENCY:

Legal, Professional & Consultancy Fees	1,653.36	2,572.07
Dividend *	-	9.00
Travelling Expenses	586.49	291.72
Service Charges	2,802.00	4,461.46
Interest	82.09	576.90
Third Country Purchases	48,412.12	44,959.16
Others	15,458.57	8,934.51
* No. of non-resident Shareholder	-	1
No. of Equity Shares held by them	-	3,00,000
Year to which dividend relates	-	2014-15 & 2015-16

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for the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
37. EARNINGS IN FOREIGN CURRENCIES :		
Export of goods on FOB basis	1,29,889.00	1,35,855.08
Services	1,204.84	1,684.45
Overseas Projects Earnings	17,857.52	29,996.35
Certified Emission Reduction (CER's)	394.72	-
38. CSR EXPENDITURE :		
(a) Gross amount required to be spent by the company during the year	118.09	220.34
(b) Amount spent on purposes other than construction/ acquisition of any assets	73.07	70.93
39. THE DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES:		
Carrying amount at the beginning of the year	19,360.83	17,675.57
Add: Provision/Expenses during the year	6113.70	3760.73
Less : Reversal of Provision on finality of Warrantee & Guarantee	1,399.62	1,244.37
Less : Utilisation during the year	1,768.74	831.10
Carrying amount at the close of the year	22,306.17	19,360.83
40. 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)	26,907.44	19,243.15
Basic and Diluted Earnings Per Share (₹)	17.54	12.54
Nominal value of Equity Share (₹)	2.00	2.00
41. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :		
Subcontracting expenses	79,377.91	65,688.40
Construction material, stores and spares consumed	26,827.71	28,389.36
Power and fuel	2,444.87	2,265.48
Freight and Forwarding Expenses	3,381.08	5,049.64
Vehicle and Equipment Hire Charges	7,558.93	8,986.92
Custom Duty, Clearing & Handling Charges	7,127.15	4,623.31
Service Charges	1,403.22	4,591.45
Others	11,381.12	4,006.24
Total	1,39,501.99	1,23,600.80

Notes on Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
42. 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 scarp	533.28	1,061.08
(ii) Revenue Expenditure		
Cost of Materials Consumed	939.98	493.16
Employee Benefits Expenses	510.87	522.74
Depreciation	64.68	55.53
Excise Duty	117.50	64.39
Other Expenses	581.58	211.33
(b) Capital Expenditure	135.02	77.80

43. 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 ₹ 5,936.72 Lakhs (previous year 6,568.58 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 ₹ 1,875.08 Lakhs (previous year ₹ 1,727.70 Lakhs), for later than 1 year but not later than 5 years is ₹ 716.39 Lakhs (previous year ₹ 844.62 Lakhs) and for later than 5 years but not later than 9 years is 14.56 Lakhs (previous year - nil).

44. Disclosure under Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 186(4) of the Companies Act, 2013.

44.1 Details of loans given

	As at 31 st March, 2017	Maximum Balance during the year 2016-17	As at 31 st March, 2016	Maximum Balance during the year 2015-16
Shree Shubham Logistics Limited	5,861.23	6,305.63	6,305.63	6,305.63
Energy Link (India) Limited	-	51.00	-	22,564.85
Amber Real Estate Limited	14,908.63	15,839.30	14,764.30	20,631.22
Kalpataru Power Transmission (Mauritius) Limited	766.68	6,050.09	419.51	419.51
Kalpataru Power Transmission Limited, Nigeria	-	-	-	48.41
Adeshwar Infrabuild Limited	21.50	21.50	21.00	21.00
Kalpataru Satpura Transco Private Limited	767.00	967.00	967.00	1,167.00
Saicharan Properties Pvt. Ltd.	23,466.98	26,624.93	24,666.78	24,666.78
Alipurduar Transmission Limited	2,632.73	2,632.73	1,593.45	1,593.45
Kohima Mariani Transmission Limited	1,303.56	1,303.56	-	-
Jhajjar KT Transco Private Limited	365.25	830.68	830.68	830.68
Crest Ventures Limited	-	4,000.00	-	4,000.00
Priyanka Finance Pvt. Ltd.	-	1,531.72	-	-
	50,093.56		49,568.35	

Notes on Financial Statement

for the year ended March 31, 2017

44.2 Investment by above entities in their Subsidiaries.

Shree Shubham Logistics Limited	1,988.10	995.64
Energy Link (India) Limited	5,005.00	5.00
Kalpataru Power Transmission (Mauritius) Limited	139.30	139.30

44.3 Details of Investments made by the company are given in Note 6. Details of guarantees provided are given in Note 32.

44.4 All loans given and guarantees provided are for the purposes of the business.

45. A sum of ₹ 394.72 Lakhs received (Previous Year - Nil) 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 31.03.2017.

46. DISCLOSURES PURSUANT TO ADOPTION OF 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 ₹ 924.22 Lakhs (Previous Year ₹ 820.00 Lakhs) for provident fund contributions in the Statement of Profit & 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 ₹ 10.29 (Previous Year ₹ 5.19 Lakhs) for ESIC contribution in statement of Profit & Loss. The contributions payable to these plans by the company are at rates specified in the rules of the scheme.

(b) Defined benefit plans

The Company offers the following employee benefit schemes to its employees

(i) Gratuity

The company made annual contributions to the Employee's Group Gratuity cash accumulation scheme 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)	
	2016-17	2015-16
(i) Expenses recognised during the year		
In Income Statement	237.11	205.05
In Other Comprehensive Income	159.11	39.49
	396.22	244.54

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	2016-17	2015-16
(ii) Expenses recognised in the Income statement		
Current Service Cost	242.23	221.74
Net Interest Cost	(5.12)	(16.69)
Expenses Recognized in the Income Statement	237.11	205.05
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in demographic assumptions	-	51.49
change in financial assumptions	161.80	(69.52)
experience adjustments	(21.89)	57.60
Return on plan assets	19.20	(0.08)
Expenses Recognized in other comprehensive income	159.11	39.49

(iv) Net Liability recognised in the Balance Sheet

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Present value of obligation	1,987.64	1,657.19	1,357.71
Closing Fair value of plan assets	1,946.17	1,601.73	1,336.52
Liability Recognized in Balance Sheet	41.47	55.46	21.19
(v) Changes in Present Value of Obligations			
Present value of obligation at the beginning of the year	1,657.19	1,357.70	1,163.56
Current service cost	242.23	221.74	177.08
Interest cost	120.92	102.69	100.50
Actuarial (gains) / losses arising from:			
changes in financial assumptions	161.80	(69.52)	32.30
changes in demographic assumptions	-	51.49	-
changes in experience assumptions	(21.89)	57.60	-
Benefits paid	(172.61)	(64.51)	(115.73)
Present value of obligation at the end of the year	1,987.64	1,657.19	1,357.71
(vi) Bifurcation of present value of obligations into current and non-current			
Current Liability	41.47	55.46	21.19
Non-current Liability	-	-	-
(vii) Actuarial assumptions used in determining the obligation are			
Discount rate	7.10%	7.80%	8.00%
Salary Escalation Rate	6.00%	6.00%	6.00%
Mortality Rate	As per Indian Assured Lives Mortality (2006-08) Table		
Withdrawal Rate	2% to 6%	2% to 6%	2% to 6%
Retirement Age	58 years	58 years	58 years

Notes on Financial Statement

for the year ended March 31, 2017

		(₹ in Lakhs)	
		2016-17	2015-16
(viii) Maturity Profile of Defined benefit obligation			
1 year		257.99	217.75
2 year		159.95	115.12
3 year		193.59	150.49
4 year		198.17	170.31
5 year		169.66	174.99
after 5 years		797.48	704.32
(ix) quantitative sensitivity analysis for significant assumptions			
Defined Benefits Obligation (Base)		1,987.64	1,657.19
Impact of change in discount rate			
Impact due to increase of 0.50%		1,798.62	1,601.24
Impact due to decrease of 0.50%		1,937.93	1,717.13
Impact of change in salary increase on			
Present value obligation at the end of the period			
Impact due to increase of 0.50%		1,923.28	1,707.52
Impact due to decrease of 0.50%		1,808.97	1,606.92

Sensitivities due to mortality and rate of withdrawals are insignificant and therefore, ignored.

d) Characteristics of defined benefit plans and risks associated with them:

Valuations of defined benefit plan are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above benefit plans which are as follows:

- (i) Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- (ii) Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan 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.

Notes on Financial Statement

for the year ended March 31, 2017

47. (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%

Revenue, expenses, assets and liabilities for contracts awarded to aforesaid consortiums and executed by the Company under work sharing arrangements are recognized on the same basis as similar contracts independently executed by the Company.

- (2) In respect of contract executed in Joint Ventures, the services rendered to them accounted as revenue for the work done. Detail of Joint Ventures are as follows:-

Name of the Joint Venture (incorporated in India)	Share of Interest
Jhajjar KT Transco Private Limited	49.72%

- (3) Details of proportionate share in the Assets, Liabilities, Income and Expenditure of the Company in its Joint Ventures are given below.

Particulars	(₹ in Lakhs)		
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Assets	15,740.78	16,259.83	16,735.58
Liabilities	11,449.74	12,357.48	13,079.24
Income	2,071.27	2,114.25	
Expenditure	1,682.53	1,868.23	

Notes on Financial Statement

for the year ended March 31, 2017

48. 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 South Africa (Proprietary) Limited
 Kalpataru Power Transmission Nigeria Limited
 Kalpataru Power Transmission USA Inc
 Adeshwar Infrabuild Limited
 Kalpataru Satpura Transco Private Limited
 LLC Kalpataru Power Transmission Ukraine
 Kalpataru Metfab Private Limited (Formerly Gestamp Kalpataru Solar Steel Structure 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
 Vindhychal Expressway Private Limited
 Punarvasu Financial Services Private Limited (Formerly Punarvasu Holding & Trading Co. Private Limited)
 Kalpataru Power DMCC (Formerly Kalpataru Power JLT)

(c) Enterprises under significant influence, which are having transaction with the Company

Kalpataru Properties Private Limited
 Neo Pharma 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

(d) Key Management Personnel:

Ranjit Singh	Managing Director (upto May 31, 2015)
Manish Mohnot	Joint Managing Director (upto May 31, 2015), Managing Director (w.e.f. June 1, 2015) and Managing Director & CEO (w.e.f. March 28, 2017)

(e) Individuals having significant influence and their relatives:

Mofatraj P. Munot	Promoter Director (Executive Chairman w.e.f. April 1, 2017)
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, 2017

Transactions with Related Parties in ordinary course of business are:

		(₹ in Lakhs)	
Particulars	Relationship	2016-17	2015-16
1 Investment in Equity Shares			
Kalpataru IBN Omairah Company Limited	Subsidiary	-	55.02
Alipurduar Transmission Limited	Subsidiary	7,490.00	5.00
JMC Projects (India) Limited	Subsidiary	-	10,078.09
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)	(650.00)
Amber Real Estate Limited	Subsidiary	(880.00)	(5,996.30)
Alipurduar Transmission Limited	Subsidiary	976.55	1,593.45
Kalpataru Satpura Transco Pvt. Limited	Subsidiary	(200.00)	(200.00)
Energy Link (India) Limited	Subsidiary	-	(19,895.64)
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	347.16	-
Adeshwar Infrabuild Limited	Subsidiary	0.50	-
Kohima Mariani Transmission Limited	Subsidiary	1,303.56	-
Saicharan Properties Limited	Indirect Subsidiary	(3,041.85)	24,598.30
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	(465.43)	-
3 Advance For Capex			
Gurukrupa Developers	Enterprises having significant influence	66.66	73.97
Kalpataru Enterprises	Enterprises having significant influence	-	117.15
4 Revenue from Operations			
Kalpataru Satpura Transco Pvt. Limited	Subsidiary	-	243.53
JMC Projects (India) Limited	Subsidiary	3,566.79	2,265.45
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	224.05
Kalpataru IBN Omairah Company Limited	Subsidiary	6,747.72	54.21
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	151.23	150.00
Alipurduar Transmission Limited	Subsidiary	6,796.27	-
5 Other Income			
Energy Link (India) Limited	Subsidiary	3.18	1,851.34
Amber Real Estate Limited	Subsidiary	1,138.15	1,553.42
Shree Shubham Logistics Limited	Subsidiary	734.80	860.31
JMC Projects (India) Limited	Subsidiary	285.91	232.19
Kalpataru Satpura Transco Pvt. Limited	Subsidiary	0.12	0.12

Notes on Financial Statement

for the year ended March 31, 2017

		(₹ in Lakhs)	
Particulars	Relationship	2016-17	2015-16
Kalpataru Metfab Pvt. Ltd.	Subsidiary	0.12	0.12
Saicharan Properties Limited	Indirect Subsidiary	2,046.72	68.48
Jhajjar KT Transco Pvt. Limited	Joint Venture	60.36	72.76
Alipurduar Transmission Limited	Subsidiary	69.75	-
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	210.16	195.90
6 Reimbursement of Expenses (Receivable)			
Kalpataru Satpura Transco Pvt. Limited	Subsidiary	6.84	6.83
Kalpataru IBN Omairah Company Limited	Subsidiary	217.30	-
Alipurduar Transmission Limited	Subsidiary	46.59	-
Shree Shubham Logistics Limited	Subsidiary	1.03	-
JMC Projects (India) Limited	Subsidiary	8.04	-
Saicharan Properties Limited	Indirect Subsidiary	-	1.20
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	0.15
7 Job Charges			
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	137.64	3,742.33
8 Rent Expenses			
Neo Pharma Private Limited	Enterprises having significant influence	-	430.51
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	863.03	428.08
Kalpataru Limited	Enterprises having significant influence	13.69	-
9 Service Charges			
Kalpataru Power Transmission USA Inc.	Subsidiary	58.40	430.81
10 Equipment Hire Charges			
Energy Link (India) Limited	Subsidiary	24.96	25.00
JMC Projects (India) Limited	Subsidiary	2.21	48.08
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	18.19	-
11 Reimbursement of Expenses (Payable)			
Property Solutions (I) Pvt. Ltd.	Enterprises having significant influence	50.65	53.25
Neo Pharma Private Limited	Enterprises having significant influence	-	21.71
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	31.30	7.99
Kalpataru Limited	Enterprises having significant influence	0.41	-
JMC Projects (India) Limited	Subsidiary	-	5.11
Shree Shubham Logistics Limited	Subsidiary	0.83	-
Jhajjar KT Transco Pvt. Limited	Joint Venture	75.92	-

Notes on Financial Statement

for the year ended March 31, 2017

		(₹ in Lakhs)	
Particulars	Relationship	2016-17	2015-16
12 Sale of Property, Plant and Equipments			
Mr. Manish Mohnot	Key Managerial Personnel	12.60	-
13 Purchase of Property, Plant and Equipments			
Argos International Marketing Pvt Ltd	Enterprises having significant influence	7.73	60.83
Kalpataru Enterprises (net of advance adjusted)	Enterprises having significant influence	72.35	-
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	45.53	348.79
Shree Shubham Logistics Limited	Subsidiary	263.53	-
14 Salary & Commission *			
Mr. Manish Mohnot	Key Managerial Personnel	760.44	510.44
Mr. Ranjit Singh	Key Managerial Personnel	-	54.63
Mr. Mofatraj P. Munot	Promoter Director	150.00	120.00
Mr. Parag Munot	Promoter Director	100.00	40.00
* Break up of compensations to key managerial personal short term employment benefits		760.44	565.07
15 Dividend Paid			
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	409.38
Kalpataru Construction Pvt. Ltd.	Enterprises having significant influence	-	700.50
K C Holdings Pvt. Ltd.	Enterprises having significant influence	-	634.28
Kalpataru Viniyog LLP	Enterprises having significant influence	-	39.60
Kalpataru Holdings Pvt. Ltd.	Enterprises having significant influence	-	10.00
Mr. Mofatraj P. Munot	Promoter Director	-	412.10
Mr. Parag Munot	Promoter Director	-	403.91
Ms. Sudha Golechha	Relative of Promoter Director	-	26.15
Ms. Sunita Choraria	Relative of Promoter Director	-	26.15
16 Security Deposit Paid			
Neo Pharma Pvt. Ltd.	Enterprises having significant influence	-	140.61
Kalpataru Retail Ventures Pvt. Ltd.	Enterprises having significant influence	-	3,466.68
17 Security Deposit Received back			
Neo Pharma Pvt. Ltd.	Enterprises having significant influence	-	140.61
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	3,462.16

Notes on Financial Statement

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Balance with Related Parties

(₹ in Lakhs)

Particulars	Relationship	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
1 Loans Given				
Energy Link (India) Limited	Subsidiary	-	-	19,895.64
Amber Real Estate Limited	Subsidiary	14,908.63	14,764.30	19,362.52
Shree Shubham Logistics Limited	Subsidiary	5,861.23	6,305.63	6,285.44
Alipurduar Transmission Limited	Subsidiary	2,632.73	1,593.45	-
Adeshwar Infrabuild Limited	Subsidiary	21.50	21.00	21.00
Kalpataru Power Transmission Nigeria Limited	Subsidiary	-	-	48.41
Kalpataru Power Transmission (Mauritius) Limited	Subsidiary	766.68	419.51	395.85
Kalpataru Satpura Transco Pvt. Ltd.	Subsidiary	767.00	967.00	1,167.00
Kohima Mariani Transmission Limited	Subsidiary	1,303.56	-	-
Saicharan Properties Limited	Indirect Subsidiary	23,466.98	24,666.78	-
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	365.25	830.68	765.25
2 Trade Receivable				
JMC Projects (India) Limited	Subsidiary	2,002.71	1,658.58	4,390.15
Kalpataru Satpura Transco Pvt. Ltd.	Subsidiary	-	2.03	847.52
Kalpataru Power Transmission USA Inc.	Subsidiary	-	24.54	44.50
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	-	314.44
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	5.61	-	87.19
Kalpataru IBN Omairah Company Limited	Subsidiary	2,989.84	-	-
Alipurduar Transmission Limited	Subsidiary	5,315.00	-	-
Shree Shubham Logistics Limited	Subsidiary	0.94	-	-
3 Advances given				
JMC Projects (India) Limited	Subsidiary	-	221.32	-
Kalpataru IBN Omairah Company Limited	Subsidiary	212.83	116.71	-
Energylink (India) Limited	Subsidiary	-	1.50	-

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Relationship	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Kalpataru Metfab Pvt. Ltd.	Subsidiary	-	-	0.13
Kalpataru Power Transmission Nigeria Limited	Subsidiary	-	-	0.87
Saicharan Properties Limited	Indirect Subsidiary	-	-	0.45
Gurukrupa Developers	Enterprises having significant influence	140.63	73.97	-
Kalpataru Enterprises	Enterprises having significant influence	-	733.85	616.70
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	210.49	420.97	-
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	-	631.46
4 Security Deposit Given				
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	3,241.28	3,031.12	-
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	-	2,830.70
Kalpataru Enterprises	Enterprises having significant influence	0.75	-	-
5 Security Deposit Received				
JMC Projects (India) Limited	Subsidiary	3.20	3.20	3.20
6 Advances From Customers				
Kalpataru IBN Omairah Company Limited	Subsidiary	1.34	902.99	-
Alipurduar Transmission Limited	Subsidiary	8,856.23	-	-
7 Trade Payable				
JMC Projects (India) Limited	Subsidiary	528.31	57.25	83.19
Kalpataru Power Transmission USA Inc.	Subsidiary	117.02	310.41	139.77
Energylink (India) Limited	Subsidiary	2.04	-	2.05
LLC Kalpataru Power Transmission, Ukraine	Subsidiary	-	960.76	-
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	-	77.89	-
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	-	54.67
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	3.73	1.97	-
Property Solutions (I) Pvt. Ltd.	Enterprises having significant influence	15.09	7.87	13.58
Argos International Marketing Pvt Ltd	Enterprises having significant influence	3.01	16.20	-

Notes on Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

Particulars	Relationship	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Kalpataru Limited	Enterprises having significant influence	14.09	-	0.52
Mr. Manish Mohnot	Key Managerial Personnel	512.58	262.00	241.78
Mr. Ranjit Singh	Key Managerial Personnel	-	-	113.72
Mr. Mofatraj P. Munot	Promoter Director	150.00	120.00	120.00
Mr. Parag Munot	Promoter Director	100.00	40.00	10.00
8 Guarantee Commission				
JMC Projects (India) Limited	Subsidiary	11.26	36.26	73.76
Shree Shubham Logistics Limited	Subsidiary	348.60	420.63	-
9 Guarantee Outstanding				
JMC Projects (India) Limited	Subsidiary	2,500.00	8,750.00	10,000.00
Shree Shubham Logistics Limited	Subsidiary	16,000.00	19,000.00	3,000.00
Kalpataru Satpura Transco Pvt. Ltd.	Subsidiary	996.94	996.94	996.94
Saicharan Properties Limited	Indirect Subsidiary	126.50	126.50	126.50

Note : Transactions with the related parties are at Arm's length prices. The amount outstanding are unsecured and will be settled in cash. No guarantees have been given or received during the year. Guarantee given to subsidiaries are disclosed in note 32. 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.

49. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE COMPANY AGAINST BORROWINGS.

(₹ in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Property, Plant and Equipments	48,538.04	50,419.30	51,823.27
Inventories	43,815.56	40,215.91	59,340.04
Financial Assets			
Receivables	2,75,868.51	2,20,898.65	2,07,637.81
Loans	1,303.56	-	-
Cash & cash equivalents	20,590.04	9,817.47	6,844.22
Other Balances with Banks	451.20	549.80	561.02
Total	3,90,566.91	3,21,901.14	3,26,206.35

Notes on Financial Statement

for the year ended March 31, 2017

50. DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

The required disclosure for specified bank notes or other denomination note held and transacted during the period from November 8, 2016 to December 30, 2016 as required in the MCA notification G.S.R. 308(E) dated March 31, 2017 is as under:

(₹ in Lakhs)

Particulars	SBNs*	Other Denomination Notes **	Total
Closing Cash in hand as on 08.11.2016	45.47	52.11	97.58
(+) Permitted Receipts	-	192.72	192.72
(-) Permitted Payments	4.67	190.17	194.84
(-) Amount deposited in Banks	40.80	-	40.80
Closing Cash in hand as on 30.12.2016	-	54.66	54.66

* For the purpose of this clause the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407(E), dated the November 8, 2016

** excluding balances in foreign currencies

51. In respect of one of the projects of the Company, a customer has raised claims against the Company with regard to tower supplies made from March 2012 to April 2013. Based on legal advise and contractual provisions involved management is of the view that provision made in the books of account is adequate and no further provision is required.

52. 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.

53. The company is primarily engaged in the business of Engineering, Procurement and Construction (EPC) relating to infrastructure comprising of power transmission & distribution, railway track laying & electrification, oil & gas pipelines laying, etc. Information reported to and evaluated regularly by the chief operating decision maker (CODM) for the purposes of resource allocation and assessing performance focuses on the business as a whole and accordingly, in the context of Operating Segment as defined under the Indian Accounting Standard 108 'Segment Information', there is no separate reportable segment.

Further, The company operates in Geographical Segment- India (Country of Domicile) and Outside India.

Segment Information

(a) Revenue from Operations

(₹ in Lakhs)

	2016-17	2015-16
within India	3,01,562.08	2,02,396.13
Outside India	1,99,511.58	2,38,484.06
Total	5,01,073.66	4,40,880.19

Notes on Financial Statement

for the year ended March 31, 2017

(b) Non Current Assets *		(₹ in Lakhs)	
	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
within India	51,904.94	52,746.78	50,690.86
Outside India	5,819.32	7,652.43	9,541.52
Total	57,724.26	60,399.21	60,232.38

* Excludes Financial Assets and Deferred tax Asset.

53.1 Revenue from major customers - Public sector undertakings in India, is ₹ 2,43,542.39 Lakhs (Previous year ₹ 1,70,400.12 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

54. 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.

55. The Board of Directors have recommended a dividend of ₹ 2 per equity share for the financial year 2016-17, subject to approval by shareholders at the Annual General Meeting and if approved, would result in cash outflow of ₹ 3,069.21 Lakhs including Dividend distribution tax of ₹ 555.92 Lakhs, which has not been included as liability in these financial statements.

56. 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.

57. Previous year's figures have been regrouped and/or rearranged wherever considered necessary.

Kamal Jain
Director (Finance) & CFO

Rahul Shah
Company Secretary

For and on behalf of the Board

Mofatraj P Munot
Executive Chairman
DIN : 00046905

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Independent Auditor's Report on Consolidated Financial Statements

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") and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and 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 statement of changes in equity of the Group including its Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. 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 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 judgement, 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 sub-paragraphs (a) of the 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 Statements

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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and joint ventures as at March 31, 2017, 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 Matters

- (a) We did not audit the financial statements of 18 subsidiaries, whose financial statements reflect total assets of ₹ 449,699 Lakhs as at March 31, 2017, total revenues of ₹ 268,963 Lakhs and net cash outflows amounting to ₹ 510 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 ₹ 3,160 Lakhs for the year ended March 31, 2017, 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.
- (b) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of 19 subsidiaries and 2 joint ventures included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

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 matters 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 the 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 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, 2017 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 its joint venture companies incorporated in India is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

Independent Auditor's Report on Consolidated Financial Statements

- (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 company, subsidiary companies and joint Venture companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of Parent, subsidiary companies and its joint venture companies incorporated in India.
- (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:
- The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures.
 - Provision has been made in the consolidated Ind AS financial statements, as required under the applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - 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.
 - The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the Management of the respective Group entities.

For Deloitte Haskins and Sells,

Chartered Accountants
(Firm's Registration No.117365W)

Sunil S Kothari

(Partner)

(Membership No. 208238)

Place: Mumbai
Date: May 19, 2017

Annexure "A" to the Auditor's Report on Consolidated Financial Statements

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report 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, 2017, 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 venture 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 Companies Act, 2013.

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 the 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 company are being made only in accordance with authorisations of management and directors of the company;

Annexure "A" to the Auditor's Report on Consolidated Financial Statements

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 Matters paragraph below, the Parent, its subsidiary companies and its 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, 2017, 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.

Other Matters

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, 13 subsidiary companies, 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 matters.

For Deloitte Haskins & Sells

Chartered Accountants
(Firm's Registration No.117365W)

Sunil S Kothari

(Partner)

(Membership No.208238)

Place: Mumbai
Date: May 19, 2017

Consolidated Balance Sheet

as at March 31, 2017

(₹ in Lakhs)

	Note	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
ASSETS				
Non-current Assets				
(a) Property, Plant and Equipments	5(i)	1,32,584.99	1,33,199.09	1,28,595.42
(b) Capital Work in Progress		10,748.50	2,732.07	3,301.89
(c) Investment Property		82.13	82.13	82.13
(d) Goodwill		2,014.67	2,014.67	2,014.67
(e) Other Intangible Assets	5(ii)	1,70,077.35	1,72,928.91	1,60,425.55
(f) Intangible Assets Under Development		937.74	-	3,524.05
(g) Financial Assets				
(i) Investments	6	4,469.17	6,248.81	9,909.77
(ii) Trade Receivables	7(i)	9,153.01	15,113.69	11,197.61
(iii) Loans	8(i)	365.25	830.68	765.25
(iv) Others	9(i)	31,647.25	32,349.15	32,574.21
(h) Deferred tax assets (net)	10	11,119.79	8,098.07	5,040.29
(i) Non Current Tax Assets (net)	15(i)	2,565.00	6,589.39	732.53
(j) Other Non Current Assets	11(i)	11,718.96	8,800.89	9,053.98
		3,87,483.81	3,88,987.55	3,67,217.35
Current Assets				
(a) Inventories	12	93,266.34	88,093.85	1,10,843.60
(b) Financial Assets				
(i) Trade Receivables	7(ii)	3,42,075.73	2,92,382.48	2,64,821.91
(ii) Cash and cash Equivalents	13	24,625.59	15,343.32	16,234.42
(iii) Other Balances With Banks	14	1,675.88	1,296.44	1,355.80
(iv) Loans	8(ii)	10,793.33	7,769.93	4,544.77
(v) Others	9(ii)	5,176.76	4,992.48	13,146.71
(c) Current Tax Assets (net)	15(ii)	2,667.81	2,281.19	8,205.92
(d) Other Current Assets	11(ii)	1,52,830.64	1,46,272.14	1,36,305.01
		6,33,112.08	5,58,431.83	5,55,458.14
Asset classified as held for sale	16	1,020.76	1,161.94	35.66
TOTAL ASSETS		10,21,616.65	9,48,581.32	9,22,711.15
EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	17	3,069.21	3,069.21	3,069.21
(b) Other Equity	18	2,39,136.05	2,21,659.25	2,15,686.56
Equity Attributable to Owners of the Company		2,42,205.26	2,24,728.46	2,18,755.77
Non-Controlling Interests	18.4	15,069.54	15,391.58	13,979.64
		2,57,274.80	2,40,120.04	2,32,735.41
Liabilities				
Non Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19(i)	1,99,219.40	1,99,765.10	1,96,812.48
(ii) Trade Payable	20(i)	15,391.49	19,361.20	10,793.55
(iii) Other Financial Liabilities	21(i)	34,947.78	29,009.76	29,123.41
(b) Provisions	22(i)	8,356.23	8,557.93	7,577.43
(c) Deferred Tax Liabilities (net)	10	417.00	113.00	1,910.00
(d) Other Non-Current Liabilities	23(i)	28,691.76	20,234.44	23,661.97
		2,87,023.66	2,77,041.43	2,69,878.84
Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	19(ii)	58,056.22	68,990.22	1,03,073.59
(ii) Trade Payables	20(ii)	2,26,551.08	2,16,645.23	1,93,717.31
(iii) Other Financial Liabilities	21(ii)	36,406.18	30,379.63	31,736.03
(b) Provisions	22(ii)	32,431.70	23,848.43	18,970.83
(c) Other Current Liabilities	23(ii)	1,23,626.98	91,556.34	72,599.14
(d) Current Tax Liabilities (net)	15(iii)	246.03	-	-
		4,77,318.19	4,31,419.85	4,20,096.90
TOTAL EQUITY AND LIABILITIES		10,21,616.65	9,48,581.32	9,22,711.15
Significant Accounting Policies				
Notes forming part of the Financial Statements				
	1 to 51			

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants**Sunil S Kothari**
Partner
(M. No. 208238)

Mumbai : May 19, 2017

Kamal Jain
Director (Finance) & CFO**Rahul Shah**
Company Secretary

For and on behalf of the Board

Mofatraj P Munot
Executive Chairman
DIN : 00046905**Manish Mohnot**
Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Consolidated Statement of Profit and Loss

for the year ended March 31, 2017

		(₹ in Lakhs)	
	Note	2016-17	2015-16
Revenue from Operations	24	7,62,914.80	7,29,173.90
Other Income	25	2,400.33	1,813.19
TOTAL INCOME		7,65,315.13	7,30,987.09
EXPENSES			
Cost of Materials Consumed	26	2,92,969.97	2,71,400.97
Changes in Inventories	27	1,442.24	14,384.43
Excise Duty on Sale of Goods		11,667.69	10,685.09
Employee Benefits Expenses	28	54,982.88	55,175.55
Finance Costs	29	38,449.18	41,403.06
Depreciation and Amortization Expenses	5	18,053.23	18,616.48
Other Expenses	30	3,15,110.09	2,98,538.74
TOTAL EXPENSES		7,32,675.28	7,10,204.32
Profit Before Exceptional Items and Tax		32,639.85	20,782.77
Share of Profit / (loss) from Joint Venture		(3,160.38)	(3,658.41)
Exceptional Items		-	-
Profit Before Tax		29,479.47	17,124.36
Tax Expenses			
Current Tax		16,469.30	14,855.21
MAT Credit Reversal / (Entitlement)		-	325.27
Deferred Tax		(2,719.20)	(5,636.88)
Net Profit for the year		15,729.37	7,580.76
Other Comprehensive Income			
Items that will be reclassified subsequently to Profit or Loss			
Exchange difference in translating foreign operations		(2,277.33)	1,564.95
Gain/(Loss) on hedging instruments		1,203.03	(497.46)
Income tax on above items		(149.68)	(382.91)
		(1,223.98)	684.58
Items that will not be reclassified subsequently to Profit or Loss			
Actuarial Loss on Defined Plan Liability		(193.67)	(40.70)
Income tax on Actuarial Loss		66.23	14.09
		(127.44)	(26.61)
Total Other Comprehensive Income/(Loss)		(1,351.42)	657.97
Total Comprehensive Income for the Year		14,377.95	8,238.73
Profit for the year attributable to			
Owners of the Company		18,645.76	11,001.20
Non-controlling interest		(2,916.39)	(3,420.44)
Net Profit for the Year		15,729.37	7,580.76
Total Comprehensive Income for the year attributable to			
Owners of the Company		17,550.32	11,640.24
Non-controlling interest		(3,172.37)	(3,401.51)
Total Comprehensive Income for the Year		14,377.95	8,238.73
Earnings per Share (EPS) of ₹ 2 each			
Basic & Diluted (₹)	38	10.25	4.94
Significant accounting policy			
Notes forming part of the Consolidated Financial Statements	1 to 51		

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants

Sunil S Kothari

Partner
(M. No. 208238)

Mumbai : May 19, 2017

Kamal Jain

Director (Finance) & CFO

Rahul Shah

Company Secretary

For and on behalf of the Board

Mofatraj P Munot

Executive Chairman
DIN : 00046905

Manish Mohnot

Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Consolidated Cash Flow Statement

For the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit for the year	15,729.37	7,580.76
Adjustments for :		
Income Tax Expense	13,750.10	9,544.00
Share of Loss of Joint Venture	3,160.38	3,658.41
Depreciation and Amortization Expense	18,053.23	18,616.48
Finance Cost	38,449.18	41,403.06
Dividend Income	(3.58)	(6.42)
Interest Income	(1,747.89)	(850.72)
Amortisation of employee Compensation (ESOP)	-	(32.03)
Profit on sale of assets (net)	(173.76)	(272.86)
Bad Debt written off	-	129.93
Provision for Expected Credit Loss	2,005.04	151.49
Unrealised Foreign Exchange Loss (net)	1,733.07	647.56
Net (gain)/ loss arising on financial assets measured at FVTPL	(28.11)	2.80
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	90,927.03	80,572.46
Adjustments for:		
Trade and other Receivables	(60,018.81)	(31,786.48)
Inventories	(5,243.65)	22,621.41
Trade and other Payables	63,148.00	53,673.65
CASH GENERATED FROM OPERATIONS	88,812.57	1,25,081.04
Income Tax Paid (net)	(12,809.37)	(14,665.22)
NET CASH GENERATED FROM OPERATING ACTIVITIES	76,003.20	1,10,415.82
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from disposal of Property, Plant and Equipment	1,559.85	741.90
Payment for Property, Plant and Equipment	(23,034.55)	(36,993.80)
Loans to Joint Ventures	(2,557.96)	(3,290.60)
Interest Received	1,514.29	928.29
Dividend Received	3.58	6.42
Deposits with Banks	(378.98)	57.98
Consideration paid on acquisition of subsidiaries	(1.00)	(5.00)
CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	(22,894.77)	(38,554.81)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Proceeds from Equity Shares issued to Non Controlling Shareholders	-	4,951.51
Share Issue Expenses	(77.35)	(130.70)
Proceeds from Long Term Borrowings	27,573.38	19,389.26
Proceeds from Issue / (Redemption) of Non Convertible Debenture	10,000.00	(4,166.67)
Repayment of Long Term Borrowings	(31,052.57)	(11,349.69)
Short Term Borrowings (net)	(10,722.65)	(34,177.61)
Interest Paid	(39,222.84)	(41,443.97)
Dividend Paid, including dividend tax	(68.36)	(5,547.70)
Dividend payment to Non Controlling Shareholders	(110.18)	(95.21)
CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	(43,680.57)	(72,570.78)

Consolidated Cash Flow Statement

For the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	(145.59)	(181.33)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	9,282.27	(891.10)
E. OPENING CASH AND CASH EQUIVALENTS	15,343.32	16,234.42
F. CLOSING CASH AND CASH EQUIVALENTS	24,625.59	15,343.32

NOTES :

- (i) The Cash Flow statement has been prepared under the "Indirect method" as set out in Indian Accounting Standard 7- Cash Flow Statements.

	As at	As at
	31 st March, 2017	31 st March, 2016
(ii) Cash and Cash Equivalents at the end of the year comprises:		
(a) Cash on hand	237.73	416.05
(b) Cheques on hand	8,368.11	2,547.87
(c) Balances with Banks		
(i) In current accounts	15,202.15	11,027.42
(ii) In deposit accounts	817.60	1,351.98
Cash and Cash Equivalents as per Cash flow statement	24,625.59	15,343.32

- (iii) Previous year's figures have been regrouped to conform with those of the current year.

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants

Kamal Jain
Director (Finance) & CFO

Sunil S Kothari
Partner
(M. No. 208238)

Rahul Shah
Company Secretary

Mumbai : May 19, 2017

For and on behalf of the Board

Mofatraj P Munot
Executive Chairman
DIN : 00046905

Manish Mohnot
Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Consolidated Financial Statement of Changes in Equity

for the year ended March 31, 2017

A : Equity Share Capital

(₹ in Lakhs)

	Amount
Balance as at April 1, 2015	3069.21
Changes in equity share capital during the year	-
Balance as at March 31, 2016	3,069.21
Changes in equity share capital during the year	-
Balance as at March 31, 2017	3,069.21

B : Other Equity

(₹ in Lakhs)

	Reserve & Surplus							Other Comprehensive Income			Total	Non-Controlling Interest
	Revaluation Surplus	Debenture Redemption Reserve	Securities Premium Reserve	General Reserve	Employee Share Options Outstanding	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, 2015	29.05	1,856.25	80,638.88	29,767.83	32.03	2.02	1,05,293.43	(269.29)	(1,663.64)	-	2,15,686.56	13,979.64
Profit for the year 2015-16	-	-	-	-	-	-	11,001.20	-	-	-	11,001.20	(3,420.44)
Other Comprehensive income for the year (net of tax)	-	-	-	-	-	-	-	(325.73)	991.38	(26.61)	639.04	18.93
Dividends including distribution tax	-	-	-	-	-	-	(5,547.70)	-	-	-	(5,547.70)	(95.21)
Transfer to General Reserve from Retained Earnings	-	-	-	1,225.00	-	-	(1,225.00)	-	-	-	-	-
Transfer to Debenture Redemption Reserve from retained earnings	-	1,685.42	-	-	-	-	(1,685.42)	-	-	-	-	-
Transfer to General Reserve From Debenture Redemption Reserve	-	(1,041.67)	-	1,041.67	-	-	-	-	-	-	-	-
Deferred Employee share Compensation	-	-	-	-	(32.03)	-	-	-	-	-	(32.03)	-
New Equity including security premium	-	-	-	-	-	-	-	-	-	-	-	4,908.66
Premium on issue of equity shares net of shares issue expenses	-	-	(87.82)	-	-	-	-	-	-	-	(87.82)	-
Balance as at March 31, 2016	29.05	2,500.00	80,551.06	32,034.50	-	2.02	1,07,836.51	(595.02)	(672.26)	(26.61)	2,21,659.25	15,391.58

Consolidated Financial Statement of Changes in Equity

for the year ended March 31, 2017

(₹ in Lakhs)

	Reserve & Surplus							Other Comprehensive Income			Total	Non-Controlling Interest
	Revaluation Surplus	Debt Redemption Reserve	Securities Premium Reserve	General Reserve	Employee Share Options Outstanding	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	29.05	2,500.00	80,551.06	32,034.50	-	2.02	1,07,836.51	(595.02)	(672.26)	(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)	-	-	-	-	-	-	-	786.20	(1,754.20)	(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 Debt 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	29.05	7,500.00	80,545.90	33,259.50	-	18.03	1,20,172.90	191.18	(2,426.46)	(154.05)	2,39,136.05	15,069.54

In terms of our report attached

For **Deloitte Haskins & Sells,**
Chartered Accountants

Sunil S Kothari

Partner
(M. No. 208238)

Mumbai : May 19, 2017

Kamal Jain

Director (Finance) & CFO

Rahul Shah

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For and on behalf of the Board

Mofatraj P Munot

Executive Chairman
DIN : 00046905

Manish Mohnot

Managing Director & CEO
DIN : 01229696

Mumbai : May 19, 2017

Significant Accounting Policies

for the year ended March 31, 2017

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, oil and gas pipeline, railways and biomass based power generation.

The Holding Company is public limited company incorporated and domiciled in India having its registered office at Plot No. 101, Part-III, GIDC Estate, Sector -28, Gandhinagar 382028, Gujarat, India

The Company together with its subsidiaries is herein after referred to as the ‘Group’.

2.(a)Basis of preparation of Financial Statement

The financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

Upto the year ended March 31, 2016, the group prepared its financial statements in accordance with the requirements of previous GAAP, which includes standards notified under the companies (Accounting Standards) Rules, 2006. These are the group’s first Ind AS financial statements. The date of transition to Ind AS is April 1, 2015. In accordance with Ind AS 101 First time Adoption of Indian Accounting Standard, the group has presented a reconciliation from the presentation of financial under previous GAAP to Ind AS shareholder’s equity as at March 31, 2016 and April 1, 2015. Refer Note 28 for the details of such reconciliations and exemptions availed by the Group on first-time adoption.

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

Significant Accounting Policies

for the year ended March 31, 2017

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.

- (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 O.

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 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.

Revenue is adjusted towards liquidated damages, wherever delays are attributable to the Company 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 agreements

Finance Income from Service Concession Arrangements is recognised using effective interest rate method. Revenue from operations and maintenance services are separately recognised in each period as and when services are rendered.

Significant Accounting Policies

for the year ended March 31, 2017

(iv) Warehousing

Revenues from warehousing facilities are recognized when services are rendered, which coincides with agreement entered with customers and other entities.

(v) Real Estate Development

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 ownership of the units in real estate have been passed on to the buyer.

(vi) 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. Business Combinations

Business combinations are accounted using the acquisition method under the provisions of Ind AS 103 'Business Combinations'. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Acquisition related cost are recognised in the statement of profit or loss as incurred.

Business combinations arising from the transfer of interest in entities under common control are accounted at historical cost. The difference between the consideration given and the aggregate historical carrying amount of assets and liabilities of the acquired entity is recorded in shareholder's equity.

C. Operating cycle

- (i) Assets and Liabilities other than those relating to long-term contracts executed by Holding Company are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.
- (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.

Significant Accounting Policies

for the year ended March 31, 2017

E. Foreign Currency

In preparing the financial statements, transaction in foreign currencies i.e. other than the group's functional currency are recognised at rate of exchange prevailing for the month on the date of the transaction.

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 and net change in the deferred tax asset or liability during the year. Current and Deferred Tax are recognised in the statement of Profit or Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Current income taxes

Tax on income for the current period is determined on the basis of estimated taxable income and tax credit computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred income taxes

Deferred tax is recognized on temporary differences between the carrying amounts of Assets and Liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

G. Inventories

Raw materials, Fuel, Semi Finished Goods, Finished Goods, scraps, construction work in progress, construction materials and other stores and spares, tools are stated at lower of cost and net realizable value. The cost of inventories is computed on weighted average basis.

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.

Significant Accounting Policies

for the year ended March 31, 2017

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. Excise Duty

The liability for excise duty in respect of materials lying in factory/ bonded premises is provided for in the accounts.

J. 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.

K. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets are capitalized as part of the cost of such assets. All other borrowing costs are recognized as expense in the period in which they are incurred.

Interest Income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised as expense in the period in which they are incurred.

L. Provisions and Contingent Asset /Liabilities

Provisions are recognised when there is present obligation (legal or constructive) as a result of a past event, it is probable that group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as 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.

M. Government Grant

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

N. Financial instruments

Financial instrument is a contract that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Classification:

The Group classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual

Significant Accounting Policies

for the year ended March 31, 2017

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 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, 2017

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.

O. Property, Plant and equipment & Intangible assets

Property, Plant and Equipment are stated at cost of acquisition/construction net of recoverable taxes and include amounts added on revaluation, less accumulated depreciation / amortization and impairment loss, if any. All costs, including finance costs and adjustment arising from exchange rate variations attributable to fixed assets till assets are put to use, are capitalized.

P. 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, 2017

- 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 Unit (erstwhile Export Oriented Unit), 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 April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as deemed cost as of the transition date.

Q. 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.

R. 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.

S. 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 joint venture entities 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.

T. Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules 2017, notifying amendments to Ind AS 7, Statement of Cash Flows and Ind AS 102, Share Based Payments. The amendments to Ind AS 7 are applicable to the company from April 1, 2017 and Ind AS 102 is not applicable to the company. The Company 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, 2017

5. PROPERTY, PLANT AND EQUIPMENTS AND OTHER INTANGIBLE ASSETS

(₹ in Lakhs)

(₹ in Lakhs)											
Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 1 st April, 2016	Additions	Deductions/ Adjustments	Foreign Currency Translation Reserve	As at 31 st March, 2017	As at 1 st April, 2016	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2017	As at 31 st March, 2017
(i) Property, Plant and Equipments											
Leasehold Land	2,538.41	-	-	-	2,538.41	-	-	-	-	-	2,538.41
Freehold Land	14,410.46	31.24	-	-	14,441.70	-	-	-	-	-	14,441.70
Buildings	44,439.58	2,542.71	1.15	(29.29)	46,951.85	1,030.55	1,271.00	0.01	(4.44)	2,297.10	44,654.75
Plant and Equipment	72,324.84	9,071.32	2,594.74	(1,330.93)	77,470.49	8,730.41	10,846.46	2,152.13	(764.63)	16,660.11	60,810.38
Electric Installation	687.52	18.49	11.09	0.13	695.05	84.14	95.16	10.49	1.64	170.45	524.60
Furniture and Fixtures	2,375.46	306.51	463.85	(13.17)	2,204.95	401.14	310.82	92.53	(5.59)	613.84	1,591.11
Office Equipment	2,184.88	808.84	152.22	(23.18)	2,818.32	481.08	713.34	123.13	(12.40)	1,058.89	1,759.43
Vehicles	5,682.62	3,164.57	1,313.58	(821.45)	6,712.16	717.36	1,522.44	1,126.55	(665.70)	447.55	6,264.61
Total (i)	1,44,643.77	15,943.68	4,536.63	(2,217.89)	1,53,832.93	11,444.68	14,759.22	3,504.84	(1,451.12)	21,247.94	1,32,584.99
(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
Copy right and Trade Mark	10.14	-	-	-	10.14	4.78	4.75	-	-	9.53	0.61
Software (Other than internally generated)	933.97	648.34	-	-	1,582.31	250.46	335.96	-	-	586.42	995.89
Total (ii)	1,76,873.75	655.55	213.12	-	1,77,316.18	3,944.82	3,294.01	-	-	7,238.83	1,70,077.35
Total (i) + (ii)	3,21,517.52	16,599.23	4,749.75	(2,217.89)	3,31,149.11	15,389.50	18,053.23	3,504.84	(1,451.12)	28,486.77	3,02,662.34

(₹ in Lakhs)

Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK	
	As at 1 st April, 2015	Additions	Deductions/ Adjustments	Foreign Currency Translation Reserve	As at 31 st March, 2016	As at 1 st April, 2015	For the Year	Deductions	Foreign Currency Translation Reserve	As at 31 st March, 2016	As at 31 st March, 2016
(i) Property, Plant and Equipments											
Leasehold Land	2,747.66	-	209.25	-	2,538.41	-	-	-	-	-	2,538.41
Freehold Land	14,919.85	12.30	521.69	-	14,410.46	-	-	-	-	-	14,410.46
Buildings	38,900.88	5,605.32	74.18	7.56	44,439.58	-	1,042.06	12.65	1.14	1,030.55	43,409.03
Plant and Equipment	61,571.79	13,234.95	2,003.36	(478.54)	72,324.84	-	10,540.72	1,498.56	(311.76)	8,730.40	63,594.44
Electric Installation	512.01	183.86	9.12	0.77	687.52	-	92.50	9.12	0.77	84.15	603.37
Furniture and Fixtures	2,300.42	111.74	45.77	9.07	2,375.46	-	427.42	33.43	7.15	401.14	1,974.32
Office Equipment	1,592.12	784.67	193.42	1.51	2,184.88	-	653.24	172.09	(0.07)	481.08	1,703.80
Vehicles	6,050.69	1,132.90	1,302.57	(198.40)	5,682.62	-	1,915.17	1,038.22	(159.59)	717.36	4,965.26
Total (i)	1,28,595.42	21,065.74	4,359.36	(658.03)	1,44,643.77	-	14,671.11	2,764.07	(462.36)	11,444.68	1,33,199.09
(ii) Other Intangible Assets											
Toll Collection Rights	1,59,863.86	16,065.78	-	-	1,75,929.64	-	3,689.58	-	-	3,689.58	1,72,240.06
Copy right and Trade Mark	10.14	-	-	-	10.14	-	4.78	-	-	4.78	5.36
Software (Other than internally generated)	551.55	383.00	0.58	-	933.97	-	251.01	0.53	-	250.48	683.49
Total (ii)	1,60,425.55	16,448.78	0.58	-	1,76,873.75	-	3,945.37	0.53	-	3,944.84	1,72,928.91
Total (i) + (ii)	2,89,020.97	37,514.52	4,359.94	(658.03)	3,21,517.52	-	18,616.48	2,764.60	(462.36)	15,389.52	3,06,128.00

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

The Gross Block, Accumulated Depreciation and Net Block of Property, Plant and Equipment as at transition date i.e April 1, 2015 under the previous GAAP given below:

i. Property, Plant and Equipments (₹ in Lakhs)									
Particulars	Leasehold Land	Freehold Land	Buildings	Plant and Equipment	Electric Installation	Furniture and Fixtures	Office Equipment	Vehicles	Total (A)
Gross Block	2,747.66	14,919.85	42,611.32	1,23,205.91	1,012.03	3,781.02	4,857.00	11,978.67	2,05,113.46
Accumulated Depreciation	-	-	3,710.44	61,634.12	500.02	1,480.60	3,264.88	5,927.98	76,518.04
Net Block	2,747.66	14,919.85	38,900.88	61,571.79	512.01	2,300.42	1,592.12	6,050.69	1,28,595.42

ii. Other Intangible Assets (₹ in Lakhs)						
Particulars	Toll Collection Rights	Copy right and Trade Mark	Software	Total (B)	Total (A) + (B)	
Gross Block	1,59,863.86		53.45	2,003.03	1,61,920.34	3,67,033.80
Accumulated Depreciation	-		43.31	1,451.48	1,494.79	78,012.83
Net Block	1,59,863.86		10.14	551.55	1,60,425.55	2,89,020.97

Notes : (a) Please refer note 34 for security created on property plant & equipments and other intangible assets.

(b) Building includes ₹ 0.11 Lakhs (As at March 31, 2016 ₹ 0.11 Lakhs At as April 1, 2015 ₹ 0.11 Lakhs) being value of Investment in share of Co-operation societies).

6. NON CURRENT INVESTMENTS

(₹ in Lakhs)									
Particulars	Face Value		No. of Shares / Units			Amount			
	Currency	Per Share/ Unit	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	
A. Investments - carried at cost									
In Equity Instruments of Joint Venture, Unquoted,									
Jhajjar KT Transco Private Limited	INR	10	1,12,64,286	1,12,64,286	1,12,64,286	4,323.62	3,903.44	3,658.19	
Kurukshetra Expressway Private Limited	INR	10	5,16,82,990	5,16,82,990	5,16,82,990	-	2,227.92	6,131.33	
Total investment carried at cost						4,323.62	6,131.36	9,789.52	
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	48,366	95.55	67.45	70.25	
(b) In Mutual Fund									
HDFC Debt Fund for Cancer Cure -100% Dividend Donation Option			5,00,000	5,00,000	5,00,000	50.00	50.00	50.00	
						145.55	117.45	120.25	
(ii) Unquoted,									
Transpower Engineering Limited	INR	10	100	100	100	-	-	-	
Total investment carried at fair value through profit or loss						145.55	117.45	120.25	
Total						4,469.17	6,248.81	9,909.77	
Aggregate amount of Quoted Investments						145.55	117.45	120.25	
Market Value of Quoted Investments						145.55	117.45	120.25	
Aggregate amount of Unquoted Investments						4,323.62	6,131.36	9,789.52	

6.1 30,04,337 (As at March 31, 2016 - 30,04,337; As at April 1, 2015 - 58,93,123) 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, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
7. TRADE RECEIVABLES			
(Unsecured, Considered good)			
(i) Non Current	12,705.72	16,362.74	12,941.20
Less : Allowance for expected credit loss	(3,552.71)	(1,249.05)	(1,743.59)
TOTAL	9,153.01	15,113.69	11,197.61
(ii) Current	3,46,482.91	2,97,111.67	2,69,596.07
Less : Allowance for expected credit loss	(4,407.18)	(4,729.19)	(4,774.16)
TOTAL	3,42,075.73	2,92,382.48	2,64,821.91
8. LOANS			
(Unsecured Considered good)			
(i) Non Current			
Loan to Joint Venture Entities (refer note 43)	365.25	830.68	765.25
TOTAL	365.25	830.68	765.25
(ii) Current			
Loan to Joint Venture Entities (refer note 43)	10,793.04	7,188.10	4,421.50
Others	0.29	581.83	123.27
TOTAL	10,793.33	7,769.93	4,544.77
9. OTHER FINANCIAL ASSETS			
(i) Non Current			
Security Deposits	5,332.28	5,472.37	4,376.43
Service Concession Receivables	25,498.25	26,492.00	27,233.00
Interest accrued on Fixed Deposit	1.48	-	-
Subsidy Deposit	717.54	384.78	659.78
Others	97.70	-	305.00
TOTAL	31,647.25	32,349.15	32,574.21
(ii) Current			
Security Deposits	1,631.65	1,212.74	2,493.57
Accrued Income	268.87	740.43	1,233.08
Subsidy Deposit	275.00	275.00	-
Service Concession Receivables	993.73	1,094.49	1,612.00
Others	2,007.51	1,669.82	7,808.06
TOTAL	5,176.76	4,992.48	13,146.71

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

10. DEFERRED TAX ASSETS (NET)

(₹ in Lakhs)

Particulars	Opening balance As at 1 st April, 2016	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance As at 31 st March, 2017
Deferred tax (liabilities)/assets 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 difference on Foreign operation	160.44	(451.25)	266.69	(24.12)
d Provision for expected credit loss	2,118.04	563.65	-	2,681.69
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	66.23	(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	-	4,654.42
	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

(₹ in Lakhs)

Particulars	Opening balance As at 1 st April, 2015	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance As at 31 st March, 2016
Deferred tax (liabilities)/assets in relation to:				-
a Property, Plant and Equipments	(6,845.01)	2,326.05	-	(4,518.96)
b Expense deductible / income taxable in different tax accounting period	2,219.30	681.94	-	2,901.24
c Exchange difference on Foreign operation	711.86	9.34	(560.76)	160.44
d Provision for expected credit loss	2,444.18	(326.14)	-	2,118.04
e Accounting forward contracts at fair value	(573.60)	258.70	177.85	(137.05)
f Fair value of Financial Assets and Liabilities through Profit and Loss	(646.35)	34.51	14.09	(597.75)
g Carry Forward Tax Losses	97.66	1,082.35	-	1,180.01
h Change in method of determining revenue	883.92	1,462.92	-	2,346.84
i Other Tax effect	3,606.30	107.21	-	3,713.51
	1,898.26	5,636.88	(368.82)	7,166.32
MAT Credit Entitlement	1,232.03	(325.27)	-	906.76
Others (including exchange differences)	-	-	-	(88.01)
TOTAL	3,130.29	5,311.61	(368.82)	7,985.07

The following is the analysis of deferred tax assets / (liabilities) presented in the consolidated balance sheet

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Deferred tax assets	11,119.79	8,098.07	5,040.29
Deferred tax liabilities	(417.00)	(113.00)	(1,910.00)
Net Deferred tax assets	10,702.79	7,985.07	3,130.29

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
11. OTHER ASSETS			
(i) Non Current			
Capital Advances	1,673.70	1,692.71	1,502.75
Advance Rental	-	397.31	500.80
Prepaid Expenses	515.54	755.25	211.21
VAT Credit and WCT Receivable	7,909.52	4,603.57	5,666.32
Advance to Suppliers	1,620.20	1,352.05	1,172.90
TOTAL	11,718.96	8,800.89	9,053.98
(ii) Current			
Taxes and duties Recoverable	1,979.36	3,297.35	3,054.09
Cenvat Credit Receivable	2,738.63	2,666.03	5,433.24
VAT Credit /WCT Receivable	18,492.98	18,363.85	13,551.98
Export Benefits Receivable	2,494.62	3,629.39	4,440.46
Taxes Paid Under Protest	1,161.06	708.47	457.21
Advance to Suppliers	23,194.32	18,575.81	15,625.89
Prepaid Expenses	4,745.44	4,307.53	5,242.69
Amount Due from Customers under Construction Contracts	97,790.54	94,400.15	88,283.16
Advance Rental	210.48	322.75	210.48
Receivables for Sale of Fixed Assets	23.21	0.81	5.81
TOTAL	1,52,830.64	1,46,272.14	1,36,305.01
11.1 Amount due from/ (to) customers under construction contracts			
Contracts in progress at the end of the reporting period			
Construction cost incurred plus recognised profits less recognised losses to date	29,96,907.76	24,92,318.13	18,64,832.06
Less: Progress billing	29,15,150.90	24,06,764.46	17,78,626.67
	81,756.86	85,553.67	86,205.39
Recognised as amount due:			
- from Customers under Construction contract	97,790.54	94,400.15	88,283.16
- to Customers under Construction contract (refer note 23)	16,033.68	8,846.48	2,077.77
	81,756.86	85,553.67	86,205.39
12. INVENTORIES			
Raw Materials and Components	20,163.17	28,058.43	33,874.48
Work-in-progress	3,188.07	2,410.67	3,028.97
Finished goods	10,422.86	8,432.76	18,130.72
Store, Spares, Construction Materials and Tools	29,072.12	15,898.99	14,830.37
Construction Work-in-Progress	461.77	3,226.31	3,914.20
Scrap	179.70	292.90	357.96
Finished Goods of Real Estate Division	9,350.72	10,507.02	15,337.08
Semi-finished Goods of Real Estate Division	20,422.77	17,916.17	15,781.85
Agro Commodities	5.16	1,337.47	5,340.58
Packing Material & Consumables	-	13.13	247.39
TOTAL	93,266.34	88,093.85	1,10,843.60

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

- 12.1 Amount of ₹ 38.43 Lakhs (as at March 31, 2016 ₹ 348.76 Lakhs; as at April 1, 2015 ₹ 3.88 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 ₹ 1,423.71 Lakhs (as at March 31, 2,016 ₹ 1,050.02 Lakhs; as at April 1, 2015 ₹ 945.35 Lakhs) are expected to be utilised after twelve months.
- 12.3 Refer note 4 (G) for accounting policy related to valuation of inventories

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
13. CASH AND CASH EQUIVALENTS			
Balances With Banks			
In Current Accounts	15,202.15	11,027.42	13,959.05
In Fixed Deposit Accounts	817.60	1,351.98	1,983.98
Cheques, on hand	8,368.11	2,547.87	-
Cash on hand	237.73	416.05	291.39
TOTAL	24,625.59	15,343.32	16,234.42
14. OTHER BALANCES WITH BANKS			
Unpaid Dividend Accounts	40.96	40.50	41.89
Bank deposit under Lien	545.26	232.43	127.70
Bank deposit with more than 12 months maturity	565.00	615.65	629.31
Deposits with original maturity more than 3 months but less than 12 months	524.66	407.86	556.90
TOTAL	1,675.88	1,296.44	1,355.80
15. CURRENT TAX			
(i) Non-current Tax Asset			
Advance Income Tax and TDS (net of provisions)	2,565.00	6,589.39	732.53
TOTAL	2,565.00	6,589.39	732.53
(ii) Current Tax Asset			
Advance Income Tax and TDS (net of provisions)	2,667.81	2,281.19	8,205.92
TOTAL	2,667.81	2,281.19	8,205.92
(iii) Current Tax Liability			
Provisions for tax (net of Advance Income Tax and TDS)	246.03	-	-
TOTAL	246.03	-	-
16. ASSETS CLASSIFIED AS HELD FOR SALE			
Freehold land held for sale*	1,020.76	1,161.94	35.66
TOTAL	1,020.76	1,161.94	35.66

*One of the Subsidiary Company intends to dispose of a parcel of freehold land. A search is underway for a buyer. No impairment loss was recognised on reclassification of the land as held for sale as at March 31, 2017 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 carrying amount.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
17. EQUITY			
AUTHORISED :			
17,50,00,000 (As at March 31, 2016 - 17,50,00,000, As at April 1, 2015 - 17,50,00,000) Equity Shares of ₹ 2 each	3,500.00	3,500.00	3,500.00
TOTAL	3,500.00	3,500.00	3,500.00
ISSUED, SUBSCRIBED and PAID-UP:			
15,34,60,570 (As at March 31, 2016 -15,34,60,570, As at April 1, 2015 - 15,34,60,570) Equity Shares of ₹ 2 each fully paid up	3,069.21	3,069.21	3,069.21
TOTAL	3,069.21	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 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Numbers	₹ in Lakhs	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	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	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 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mofatraj P. Munot	1,14,05,822	7.43	1,37,36,822	8.95	1,37,36,822	8.95
Mr. Parag M. Munot	1,34,63,615	8.77	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	2,33,50,000	15.22
K. C. Holdings Private Limited	2,11,42,600	13.78	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	1,36,46,196	8.89
HDFC Trustee Company Limited	1,32,15,867	8.61	1,33,45,925	8.70	37,80,000	2.46

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
18. OTHER EQUITY (EXCLUDING NON CONTROLLING INTEREST)			
Revaluation Reserve :			
As per last Balance Sheet	29.05	29.05	29.05
Share Premium Account :			
As per last Balance Sheet	80,551.06	80,638.88	80,064.74
Add: Premium on Equity Shares issued during the Year	72.19	-	813.07
Less : Share Issue Expenses	77.35	87.82	238.93
	80,545.90	80,551.06	80,638.88
Debentures Redemption Reserve :			
As per last Balance Sheet	2,500.00	1,856.25	2,865.00
Add : Transferred from Surplus in the Statement of Profit & Loss	5,000.00	1,685.42	1,036.25
Less : Transferred to General Reserve	-	1,041.67	2,045.00
	7,500.00	2,500.00	1,856.25
General Reserve :			
As per last Balance Sheet	32,034.50	29,767.83	26,497.83
Add : Transferred from Debenture Redemption Reserve	-	1,041.67	2,045.00
Add : Transferred from Surplus in the Statement of Profit & Loss	1,225.00	1,225.00	1,225.00
	33,259.50	32,034.50	29,767.83
Employee Share Options Outstanding :			
As per last Balance Sheet	-	32.03	76.81
Less : Deferred Employee Share Compensation for the year	-	(32.03)	(44.78)
	-	-	32.03
Reserve Fund as per Section 45-IC of the Reserve Bank of India Act, 1934			
As per last Balance Sheet	2.02	2.02	2.02
Add: Transfer from Retained Earnings	16.01	-	-
	18.03	2.02	2.02
Surplus in the statement of Profits and Loss			
As per last Balance Sheet	1,07,836.51	1,05,293.43	88,923.43
Less : Depreciation	-	-	1,096.92
Add : Profit for the year	18,645.76	11,001.20	12,035.71
Add : Ind AS Adjustments	-	-	7,705.40
Less : Dividend on Equity Shares	-	4,603.91	-
Less : Corporate Tax on Dividend	68.36	943.79	12.94
Less : Transfer to Debenture Redemption Reserve	5,000.00	1,685.42	1,036.25
Less : Transfer to General Reserve	1,225.00	1,225.00	1,225.00
Less: Transfer to Reserve Fund as per section 45-IC of RBI Act	16.01	-	-
	1,20,172.90	1,07,836.51	1,05,293.43
Other Comprehensive Income/ (Loss)			
As per last Balance Sheet	(1,293.89)	(1,932.93)	-
Add: Other comprehensive income / (loss) for the year	(1,095.44)	639.04	(1,932.93)
	(2,389.33)	(1,293.89)	(1,932.93)
TOTAL	2,39,136.05	2,21,659.25	2,15,686.56

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 item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

18.4 Non Controlling interest

(₹ In Lakhs)

	Name of subsidiaries			TOTAL
	JMC Projects (India) Limited	Shree Shubham Logistics Limited	Kalpataru IBN Omairah Company Limited	
Balance as at March 31, 2015	10,873.41	3,106.23	-	13,979.64
Share of total comprehensive Income/ (loss) for the year	(2,158.70)	(1,182.13)	(60.68)	(3,401.51)
New equity including security premium	4,879.04	-	29.62	4,908.66
Distribution of dividend	(95.21)	-	-	(95.21)
Balance as at March 31, 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	15,476.83	15,069.54

18.5 Summarised consolidated financial information about major subsidiaries-

(a) JMC Projects (India) Limited

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Total Assets	399,231.76	391,778.83	367,138.57
Total Liabilities	351,120.09	338,735.67	321,969.07
Total Equity	48,111.67	53,043.16	45,169.50
Particulars	2016-17	2015-16	
Revenue	247,213.84	254,409.42	
Total comprehensive Income/ (loss) for the year	(4,206.62)	(6,580.35)	
Net cash inflow /(outflow)	(871.45)	(2,733.97)	

(b) Shree Shubham Logistics Limited

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Total Assets	59,341.69	64,348.71	64,899.77
Total Liabilities	47,104.93	54,793.87	51,411.05
Total Equity	12,236.76	9,554.84	13,488.72
Particulars	2016-17	2015-16	
Revenue	5,845.74	24,964.31	
Total comprehensive Income/ (loss) for the year	(7,461.81)	(4,354.52)	
Net cash inflow /(outflow)	(177.07)	(351.99)	

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

19. (i) NON CURRENT BORROWINGS

(₹ in Lakhs)

	As at 31 st March, 2017		As at 31 st March, 2016		As at 1 st April, 2015	
	Non-Current	Current	Non-Current	Current	Non-Current	Current
Secured (at amortised cost)						
Non-Convertible Redeemable Debentures	-	-	-	-	-	4,166.67
Term Loans						
Foreign Currency Loans						
From Banks	-	2,074.84	2,514.81	4,047.57	6,647.12	3,804.77
Rupee Loans						
From Banks	1,32,998.41	9,518.52	1,36,118.58	8,480.72	1,30,383.82	7,672.72
From NBFC	37,259.66	3,796.10	30,648.96	6,178.53	27,591.04	1,823.59
Unsecured (at amortised cost)						
Compulsory Convertible Debentures	-	-	-	3,143.00	-	3,143.00
Non-Convertible Redeemable Debentures	20,000.00	10,000.00	20,000.00	-	20,000.00	-
Term Loans						
From Banks	8,659.30	2,094.20	10,296.27	1,625.57	11,900.55	753.00
Fixed Deposit from Public	-	-	-	-	112.37	996.48
Others	302.03	-	186.48	-	177.58	-
Amount disclosed under the head "Other Current Liabilities" (Refer Note 21)		(27,483.66)		(23,475.39)		(22,360.23)
TOTAL	1,99,219.40	-	1,99,765.10	-	1,96,812.48	-

19.1 Details of Debentures:

Amount (₹ in Lakhs)					
Redemption Profile	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	Interest	Date of Allotment
(a) Secured Non-Convertible Redeemable Debentures of the Company :					
Redeemable at face value in 3 equal annual instalments at the end of 5 th , 6 th & 7 th year starting from 26.12.2013	-	-	2,666.67	12.50% p.a. payable annually	December 26, 2008
Security:					
The debentures are secured by first exclusive charge on movable and immovable fixed assets (including land and building situated at Gandhinagar, Gujarat) of transmission & distribution division and infrastructure division of the Company to the extent of 1.25 times of NCDs outstanding.					
(b) Secured Non-Convertible Redeemable Debentures of one of the Subsidiary Company :					
Redeemable in tranches at the end of 5 th year from the date of allotment	-	-	1,500.00	9.50% p.a. payable annually	July 15, 2010
Security:					
The debentures are secured by first pari passu charge on movable fixed assets of one of the subsidiary company to the extent of 1.25 times of the amount of NCDs and first charge by mortgage of a land at Maharajpura, Kadi, Gujarat.					

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

						Amount (₹ in Lakhs)				
Redemption Profile						As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	Interest	Date of Allotment
(c)	Unsecured Non-Convertible Redeemable Debentures of the Company :									
	Redeemable 15.05.2020	at	face	value	on	10,000.00	-	-	7.90% p.a. payable annually	March 17, 2017
	Redeemable 20.05.2018	at	face	value	on	10,000.00	10,000.00	10,000.00	9.55% p.a. payable on May 20, 2015 and annually thereafter	March 26, 2015
	Redeemable 05.09.2017	at	face	value	on	10,000.00	10,000.00	10,000.00	10.50% p.a. payable quarterly	September 5, 2014
(d)	Unsecured Compulsory Convertible Debentures of one of the Subsidiary Company :									
	70 CCDs convertible into equity shares ranking pari passu with the equity shares at a conversion ratio to be determined as per the investment agreement with the debenture holder.					-	3,143.00	3,143.00	4.0009% p.a. payable annually	May 31, 2013

19.2 Foreign Currency Loans:

- ₹ Nil (As at March 31, 2016 ₹ 1,702.03 Lakhs, As at April 1, 2015 ₹ 3,971.42 Lakhs) carries interest of 3 months Libor + spread secured by charge over specific moveable and Immovable fixed assets of the Company and is repayable in 13 equal quarterly instalment ending on October 21, 2016.
- ₹ 1,296.77 Lakhs (As at March 31, 2016 ₹ 1,326.66 Lakhs, As at April 1, 2015 ₹ 1,251.82 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.
- ₹ 778.07 Lakhs (As at March 31, 2016 ₹ 1,989.99 Lakhs, As at April 1, 2015 ₹ 1,877.72 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 ending on June 28, 2017.
- ₹ Nil (As at March 31, 2016 ₹ 1,543.70 Lakhs, As at April 1, 2015 ₹ 3,350.93 Lakhs) carries interest of 6 months Libor + spread and is secured by first charge on specific movable fixed assets of one of the subsidiary company financed through loan and is repayable in 3 equal quarterly instalments.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

19.3 Rupee Loans from Banks and NBFC :

- (a) ₹ 3,500 Lakhs (As at March 31, 2016 ₹ 4,500.00 Lakhs, As at April 1, 2015 ₹ 5,500 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) ₹ 49,610.56 Lakhs (As at March 31, 2016 ₹ 49,670.03 Lakhs, As at April 1, 2015 ₹ 44,131.14 Lakhs) carries interest of Base Rate + spread charged by bank from time to time, is secured by
 - i) first charge on all movable and immovable assets and receivables except the project assets and all the intangibles of one of the subsidiary company
 - ii) first charge by way of assignment or otherwise creation of security Interest in all the rights, 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) ₹ 13,956.64 Lakhs (As at March 31, 2016 ₹ 14,794.79 Lakhs, As at April 1, 2015 ₹ 15,513.94 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 rights, 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 ₹ 32,428.55 Lakhs (As at March 31, 2016 ₹ 32,462.54 Lakhs, As at April 1, 2015 ₹ 32,638.37 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 instalments ending on June 30, 2026.
- (e) ₹ 2,721.69 Lakhs (As at March 31, 2016 ₹ Nil, As at April 1, 2015 ₹ Nil) 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 sponser upto 51% of the paid up equity of the subsidiary company.
 Term loan is secured by first charge by way of hypothecation of entire moveable 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 month instalments in approximately 16 years ending on March 31, 2036.
- (f) ₹ 2,500 Lakhs (As at March 31, 2016 ₹ 8,750.00 Lakhs, As at April 1, 2015 ₹ 10,000 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.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

- (g) ₹468.85 Lakhs (As at March 31, 2016 ₹ 1,093.75 Lakhs, As at April 1, 2015 ₹ 1,717.56 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) ₹ 2,910.83 Lakhs (As at March 31, 2016 ₹ 3,900 Lakhs, As at April 1, 2015 ₹ 4,000 Lakhs) carries interest of base rate + Spread charged by bank from time to time, is secured by first and exclusive charge over the movable fixed assets financed through loan of one of the subsidiary company. Term Loan is repayable in unequal quarterly instalments with September 30, 2021 as maturity date.
- (i) ₹ Nil (As at March 31, 2016 ₹ 2,843.75 Lakhs, As at April 1, 2015 ₹ 4,468.75 Lakhs) carries interest of 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.
- (j) ₹ 2,055.77 Lakhs (As at March 31, 2016 ₹ 1,506.34 Lakhs, As at April 1, 2015 ₹ 1,946.03 Lakhs) carries interest in range of 8.83% -11.00% p.a. is secured by hypothecation of Vehicles / equipments financed through loans.
- (k) ₹ 32,324.66 Lakhs (As at March 31, 2016 ₹ 31,694.69 Lakhs, As at April 1, 2015 ₹ 26,455.54 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.
- (l) ₹ 19,127 Lakhs (As at March 31, 2016 ₹2 0,176 Lakhs, As at April 1, 2015 ₹ 21,099.84 Lakhs) is secured in by first charge on pari passu basis by way of hypothecation of entire moveable 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 sponserers upto 26% of the paid up capital of the subsidiary company. Interest is payable at base rate + spread p.a. which will be re-set on yearly basis. The loan is repayable by way of quarterly instalments (% loan amount) in approximately 13 years started from September 15, 2012 and ending on June 15, 2025.
- (m) ₹ 10,500 Lakhs (As at March 31, 2016 ₹ 1,434.90 Lakhs, As at April 1, 2015 ₹ Nil) 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.
- (n) ₹ 643.52 Lakhs (As at March 31, 2016 ₹ 850 Lakhs, As at April 1, 2015 ₹ Nil) 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 January 10, 2019 as maturity date.
- (o) ₹ 6,930 Lakhs & ₹ 3,500 Lakhs (As at March 31, 2016 ₹ 7,750 Lakhs, As at April 1, 2015 ₹ Nil) 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.
- (p) Term Loan from a Bank amounting to ₹ 278.70 Lakhs (As at March 31, 2016 ₹ Nil, As at April 1, 2015 ₹ Nil) carries interest of base rate + Spread charged by bank from time to time, is secured exclusively by first charge on movable fixed assets funded out of the said facility. Term Loan is repayable in unequal quarterly instalments ending in May 2021.
- (q) ₹ 115.92 Lakhs (As at March 31, 2016 ₹ Nil, As at April 1, 2015 ₹ Nil) 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.

Notes on Consolidated Financial Statement

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19.4 Unsecured Term Loans:-

- (a) ₹ 10,753.50 Lakhs (As at March 31, 2016 ₹ 11,921.84 Lakhs, As at April 1, 2015 ₹ 12,653.55 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, 2016 as maturity date.
- (b) ₹ Nil (As at March 31, 2016 ₹ Nil, As at April 1, 2015 ₹ 1,108.85 Lakhs) carries interest rate of 9% to 12%, of one of the subsidiary company. Maturing date of deposit is March 31, 2016.

(₹. in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
19 (ii) CURRENT BORROWINGS			
Secured (at amortised cost)			
Working Capital Facilities from Banks	57,529.02	66,857.51	96,029.88
Unsecured (at amortised cost)			
Short Term Loans from			
Banks	527.20	2,132.71	6,110.28
Others	-	-	859.49
Deposits	-	-	73.94
TOTAL	58,056.22	68,990.22	1,03,073.59

- (a) Working Capital Facilities of the Company of ₹ 22,619.24 Lakhs (As at March 31, 2016 ₹ 28,566.86 Lakhs, As at April 1, 2015 ₹ 61,517.58 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.
- (b) Working Capital Facilities of one of the subsidiary of ₹ 33,908.19 Lakhs (As at March 31, 2016 ₹ 33,619.84 Lakhs, As at April 1, 2015 ₹ 28,046.72 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 ₹ 1,001.59 Lakhs (As at March 31, 2016 ₹ 4,670.81 Lakhs, As at April 1, 2015 ₹ 6,465.58 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	15,391.49	19,361.20	10,793.55
	15,391.49	19,361.20	10,793.55
(ii) Current			
Micro and Small Enterprises	1,787.84	1,408.49	1,573.52
Acceptances	2,814.17	23,599.53	35,458.60
Others	2,21,949.07	1,91,637.21	1,56,685.19
TOTAL	2,26,551.08	2,16,645.23	1,93,717.31

The amount outstanding to Micro and Small Enterprises is based on the information received and available with the company. There are no overdue amount. All 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, 2017

(₹. in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
21. OTHER FINANCIAL LIABILITIES			
(i) Non Current			
Security Deposits	2,240.19	783.76	115.41
Premium Payable	32,707.59	28,226.00	29,008.00
TOTAL	34,947.78	29,009.76	29,123.41
(ii) Current			
Current maturities of long term debt (Refer Note 19)	27,483.66	23,475.39	22,360.23
Interest accrued but not due on borrowings	1,200.09	1,973.74	1,950.39
Unpaid Dividend	40.96	40.50	41.89
Unclaimed matured deposits and interest accrued thereon	1.83	1.86	24.70
Unclaimed Share Application Money	-	0.13	0.13
Security Deposits	39.86	40.24	43.30
Creditors for capital expenditure	5,357.64	2,807.35	6,232.73
Premium Payable	2,277.98	1,882.34	952.50
Other Payable	4.16	158.08	130.16
TOTAL	36,406.18	30,379.63	31,736.03
22. PROVISIONS			
(i) Non Current			
Provision for employee benefits	2,158.61	1,711.96	1,392.41
Provision for Performance Warranties (Refer Note 37)	6,197.62	3,945.65	2,690.02
Provision for Expected Loss on Long Term Contracts	-	2,900.32	3,495.00
TOTAL	8,356.23	8,557.93	7,577.43
(ii) Current			
Provision for employee benefits	486.60	295.43	195.12
Provision for Performance Warranties (Refer Note 37)	21,140.16	18,093.58	14,969.68
Provision for Expected Loss on Long Term Contracts	9,483.09	5,457.59	3,792.61
Others	1,321.85	1.83	13.42
TOTAL	32,431.70	23,848.43	18,970.83
23. OTHER LIABILITIES			
(i) Non Current			
Advance from Customers	26,747.78	18,974.28	22,877.23
Deferred Income	1,748.23	1,100.73	643.54
Others	195.75	159.43	141.20
TOTAL	28,691.76	20,234.44	23,661.97
(ii) Current			
Amount Due to Customers under Construction Contracts	16,033.68	8,846.48	2,077.77
Advance from Customers	94,806.69	74,488.89	60,838.71
Advance received for Assets held for sale	-	-	21.00
Statutory Liabilities	10,993.41	8,137.97	9,625.00
Deferred Income	97.68	83.00	36.66
Others	1,695.52	-	-
TOTAL	1,23,626.98	91,556.34	72,599.14

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
24. REVENUE FROM OPERATIONS		
Sale of Products		
Tower Parts & Components	73,883.61	44,081.69
Agro Commodities	1,125.90	16,572.20
Others	7,599.51	13,610.63
Income from EPC Contracts	6,46,931.48	6,21,745.03
Income from Other Services	27,760.35	27,907.95
Other Operating Income		
Sale of Scrap	5,196.94	5,216.48
Certified Emission Reduction Receipts	394.72	-
Others	22.29	39.92
TOTAL	7,62,914.80	7,29,173.90
25. OTHER INCOME		
Interest Income		
On financial assets carried at amortised cost		
On bank deposits	422.83	369.32
On loans	60.30	72.70
Others	1,264.76	652.60
Dividend Income		
Dividend from investment measured at FVTPL	3.58	6.42
Other non operating income		
Rent Income	174.06	254.99
Insurance Claims	71.95	14.53
Liabilities Written Back	64.68	94.46
Miscellaneous Income	136.30	78.11
Other Gains and Losses		
Gain / (Loss) on Investments designated at FVTPL	28.11	(2.80)
Gain on disposal of property, plant and equipments (net)	173.76	272.86
TOTAL	2,400.33	1,813.19
26. COST OF MATERIAL CONSUMED		
Raw Materials		
Steel	55,075.48	54,968.51
Zinc	11,069.65	11,291.16
Components & Accessories, etc.	1,38,339.17	97,247.27
Agricultural Residues	2,892.88	4,260.25
Agro Commodities	1.59	12,756.28
Construction Materials	85,591.20	90,877.50
TOTAL	2,92,969.97	2,71,400.97

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
27. CHANGES IN INVENTORIES		
STOCK AT BEGINNING OF THE YEAR		
Finished Goods		
Towers Parts	8,425.19	18,123.00
Others	7.57	7.72
	8,432.76	18,130.72
Semi-finished Goods	2,410.67	3,028.97
Scrap	292.90	357.96
Agro Commodities	1,337.47	5,340.58
	12,473.80	26,858.23
STOCK AT CLOSE 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	2,410.67
Scrap	179.70	292.90
Agro Commodities	5.16	1,337.47
	11,031.56	12,473.80
TOTAL	1,442.24	14,384.43
28. EMPLOYEE BENEFIT EXPENSES		
Salaries, Wages, Bonus	50,031.16	50,215.70
Contributions to Provident and Other Funds (includes social security and other benefits for overseas employees)	2,904.56	2,732.14
Employees' Welfare Expenses	2,047.16	2,259.74
Employee Share Option Scheme Expenses	-	(32.03)
TOTAL	54,982.88	55,175.55
29. FINANCE COST		
Interest	36,868.44	38,637.86
Other Borrowing Costs	1,699.43	1,435.83
Exchange Rate variation	(118.69)	1,329.37
TOTAL	38,449.18	41,403.06

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)	
	2016-17	2015-16
30. OTHER EXPENSES		
Erection, Sub-Contracting and other Project Expenses	2,29,770.05	2,25,939.56
Job Charges	4,886.65	5,314.28
Power and Fuel	2,471.30	2,351.53
Excise Duty	55.27	956.94
Repairs and Maintenance:		
Plant and Machinery	360.78	370.98
Building	530.07	382.32
Others	132.03	58.89
Freight and Forwarding Expenses	6,920.84	8,343.45
Stores, Spares and Tools Consumed	1,277.37	1,806.58
Vehicle/ Equipment Running and Hire Charges	632.46	653.61
Testing Expenses	394.11	106.59
Pollution Control Expenses	151.25	157.20
Insurance	3,341.29	3,250.66
Rent	4,942.14	6,322.68
Rates, Taxes and Duties	13,022.38	8,897.66
Stationery, Printing and Drawing Expenses	564.15	1,110.14
Telecommunication Expenses	793.45	778.00
Travelling Expenses	5,118.41	4,153.11
Legal and Professional Expenses	6,638.31	6,675.75
Service Charges	3,193.38	660.35
Auditor's Remuneration		
Audit Fees	182.68	135.25
Other Services & Reports	31.12	31.82
Reimbursement of Expenses	3.43	1.73
Service Tax	6,666.24	4,243.46
Bank Commission and Charges	8,483.79	4,786.87
Share of RSWC	100.62	140.25
Allowance for Expected Credit Losses	2,005.04	151.49
Performance Warranties Expenses	4,715.72	3,357.76
Provision for Diminution in value of Investments / Loans	(6.87)	-
Provision for Contractual Deductions	1,384.12	1,431.18
Bad Debt Written Off	-	129.93
Loss on Material Damaged / Lost / Fire	685.99	2,754.96
Loss / (Gain) on Exchange Rate Variation	(1,019.55)	(2,394.63)
Sitting Fees and Commission to Non-Executive Directors	474.28	428.93
Corporate Social Responsibility Expenses	73.07	71.30
Carbon Credit Expenses	27.02	21.15
Miscellaneous Expenses *	6,107.70	4,957.01
TOTAL	3,15,110.09	2,98,538.74

* includes ₹ 400 Lakhs (previous year - Nil) towards contribution to Electoral Trust

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

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 (Formerly Gestamp Kalpataru Solar Steel Structures 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 1, 2015	Kingdom of 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 2, 2011	India	67.19%
Kalpataru Power DMCC, UAE	August 3, 2011	UAE	100.00%
Punarvasu Financial Services Private Limited (Formerly Punarvasu Holding & Trading Company Private Limited)	December 31, 2014	India	71.52%

(B) PARTICULARS OF JOIN VENTURE ENTITIES INCLUDED IN CONSOLIDATION

Name of Joint Venture	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.			

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(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.

(₹ in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Non-current Assets	140,946.24	142,406.96	144,985.02
Current Assets	4,378.94	3,739.13	4284.33
Non-current Liabilities	129,675.47	125,994.38	1,21,678.18
Current Liabilities	9,684.56	7,808.13	7,868.16
Net Assets	5,965.15	12,343.58	19,723.01
The above amounts of assets and liabilities include the following:			
Cash and Cash equivalents	1,386.87	1,746.10	1,509.17
Current Financial Liabilities (excluding trade payables and provisions)	8,838.65	7,432.17	6,951.38
Non-current financial liabilities (excluding trade payables and provisions)	123,685.20	121,052.58	118,058.56

(₹ in Lakhs)

Particulars	2016-17	2015-16
Revenue	13,267.61	11,623.86
Profit / (Loss) for the year	(6,378.44)	(7,379.43)
Other Comprehensive Income	-	-
Total Comprehensive Income / (Loss) for the year	(6,378.44)	(7,379.43)
Dividends received from the Joint Venture during the year	-	-
The above profit / (loss) for the year include the following :		
Depreciation and amortisation	1,641.99	1,622.06
Interest income	109.89	91.23
Interest expense	13,555.47	13,957.12
Income tax expense (net)	280.57	362.29

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 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
carrying amount of the Group's interest in the Joint Venture	4,323.62	6,131.36	9,789.52

* Provision for loss in joint venture in excess of investment has been disclosed under Provisions.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

32. FIRST TIME IND AS ADOPTION RECONCILIATIONS

32.1 Effect of Ind AS adoption on the Balance Sheet as at March 31, 2016 and April 1, 2015

(₹ in Lakhs)

		As at 31 st March, 2016			As at 1 st April, 2015 (Date of transition)		
	Notes	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
ASSETS							
Non-current assets							
Property, Plant and Equipments	a,b,c,d,e,f	184,086.34	(50,887.25)	133,199.09	147,478.61	(18,883.19)	128,595.42
Capital Work in Progress	b,d	2,235.07	497.00	2,732.07	36,556.57	(33,254.68)	3,301.89
Investment Property	s	-	82.13	82.13	-	82.13	82.13
Goodwill		2,014.67		2,014.67	2,014.67		2,014.67
Other Intangible Assets	c,d,f	182,732.67	(9,803.76)	172,928.91	170,923.29	(10,497.74)	160,425.55
Intangible Assets under Development	c,f	141.07	(141.07)	-	3,202.14	321.91	3,524.05
Financial Assets							
(l) Investments	d,g,m	1,136.32	5,112.49	6,248.81	1,129.97	8,779.80	9,909.77
(ii) Trade Receivables	h	15,466.29	(352.60)	15,113.69	13,959.20	(2,761.59)	11,197.61
(iii) Loans	d	417.70	412.98	830.68	384.79	380.46	765.25
(iv) Others	b,d,j,l,q	6,303.63	26,045.52	32,349.15	5,461.02	27,113.19	32,574.21
Deferred Tax Assets (net)	j	5,051.34	3,046.73	8,098.07	2,242.64	2,797.65	5,040.29
Non Current Tax Assets (net)		6,589.39	-	6,589.39	732.53	-	732.53
Other Non Current Assets	a,i,k,m	9,462.71	(661.82)	8,800.89	9,716.08	(662.10)	9,053.98
		415,637.20	(26,649.65)	388,987.55	393,801.51	(26,584.16)	367,217.35
Current Assets							
Inventories	l	93,073.85	(4,980.00)	88,093.85	121,762.60	(10,919.00)	110,843.60
Financial Assets							
(i) Trade Receivables	d,h,m	296,668.48	(4,286.00)	292,382.48	267,689.94	(2,868.03)	264,821.91
(ii) Cash and Cash Equivalents	d,m	16,159.90	(816.58)	15,343.32	16,471.74	(237.32)	16,234.42
(iii) Other Balances with Banks	d	1,296.94	(0.50)	1,296.44	1,762.32	(406.52)	1,355.80
(iv) Loans	d	4,206.66	3,563.27	7,769.93	2,352.96	2,191.81	4,544.77
(v) Others	b,d,i,l,q	3,458.52	1,533.96	4,992.48	9,715.06	3,431.65	13,146.71
Current Tax Assets (net)	d,m	1,842.99	438.20	2,281.19	7,860.94	344.98	8,205.92
Other Current Assets	d,i,l,m,n	140,672.15	5,599.99	146,272.14	125,090.94	11,214.07	136,305.01
		557,379.49	1,052.34	558,431.83	552,706.50	2,751.64	555,458.14
Asset classified as held for sale		1,161.94	-	1,161.94	35.66	-	35.66
TOTAL ASSETS		974,178.63	(25,597.31)	948,581.32	946,543.67	(23,832.52)	922,711.15

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(₹ in Lakhs)

		As at 31 st March, 2016			As at 1 st April, 2015 (Date of transition)		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
EQUITY AND LIABILITIES							
Equity							
Equity Share Capital		3,069.21	-	3,069.21	3,069.21	-	3,069.21
Other Equity	32.4	229,517.93	(7,858.68)	221,659.25	218,586.45	(2,899.89)	215,686.56
Equity attributable to Owners of the Company		232,587.14	(7,858.68)	224,728.46	221,655.66	(2,899.89)	218,755.77
Non-controlling Interests	o	15,610.65	(219.07)	15,391.58	14,217.64	(238.00)	13,979.64
Total Equity		248,197.79	(8,077.75)	240,120.04	235,873.30	(3,137.89)	232,735.41
LIABILITIES							
Non Current Liabilities							
Financial Liabilities							
(i) Borrowings	d,p,q	250,149.44	(50,384.34)	199,765.10	247,321.34	(50,508.86)	196,812.48
(ii) Trade Payable	d	22,608.20	(3,247.00)	19,361.20	12,869.30	(2,075.75)	10,793.55
(iii) Other financial Liabilities	d,i,r,m	1,036.32	27,973.44	29,009.76	172.43	28,950.98	29,123.41
Provisions	l,u	10,033.39	(1,475.46)	8,557.93	6,345.92	1,231.51	7,577.43
Deferred Tax Liabilities (net)	j	-	113.00	113.00	1,910.00	-	1,910.00
Other Non-Current Liabilities	d,m,l,x	16,408.28	3,826.16	20,234.44	19,855.43	3,806.54	23,661.97
		300,235.63	(23,194.20)	277,041.43	288,474.42	(18,595.58)	269,878.84
Current Liabilities							
Financial Liabilities							
(i) Borrowings	d,p	69,035.22	(45.00)	68,990.22	103,091.59	(18.00)	103,073.59
(ii) Trade Payables	m	214,085.52	2,559.71	216,645.23	192,434.10	1,283.21	193,717.31
(iii) Other Financial Liabilities	d,r,m	31,398.79	(1,019.16)	30,379.63	33,915.56	(2,179.53)	31,736.03
Provisions	l,u	29,439.78	(5,591.35)	23,848.43	23,266.16	(4,295.33)	18,970.83
Other Current Liabilities	d,l,m,x	81,785.90	9,770.44	91,556.34	69,488.54	3,110.60	72,599.14
		425,745.21	5,674.64	431,419.85	422,195.95	(2,099.05)	420,096.90
TOTAL EQUITY AND LIABILITIES							
		974,178.63	(25,597.31)	948,581.32	946,543.67	(23,832.52)	922,711.15

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

32.2 EFFECT OF IND AS ADOPTION ON THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016.

(₹ in Lakhs)

	Notes	As at 31 st March, 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS Balance Sheet
Revenue from Operations	b,d,i,k,m,v	738,037.97	(8,864.07)	729,173.90
Other Income	b,d,e,g,i,l,m	1,883.84	(70.65)	1,813.19
TOTAL INCOME		739,921.81	(8,934.72)	730,987.09
EXPENSES				
Cost of Materials Consumed	w	272,057.84	(656.87)	271,400.97
Changes In inventories	l	20,325.00	(5,940.57)	14,384.43
Excise Duty on Sale of Goods	v	-	10,685.09	10,685.09
Employee Benefits Expenses	d,p,t	55,210.31	(34.76)	55,175.55
Finance Costs	d,r	43,936.56	(2,533.50)	41,403.06
Depreciation and Amortization Expenses	a,b,d	20,175.92	(1,559.44)	18,616.48
Other Expenses	d,m,n,h,i,l,u,w	309,749.61	(11,210.87)	298,538.74
TOTAL EXPENSES		721,455.24	(11,250.92)	710,204.32
Profit Before Exceptional Items and Tax		18,466.57	2,316.20	20,782.77
Share of loss from JV		-	(3,658.41)	(3,658.41)
Exceptional Items		-	-	-
Profit Before Tax		18,466.57	(1,342.21)	17,124.36
Tax Expenses				
Current Tax		14,847.21	8.00	14,855.21
MAT Credit Reversal / (Entitlement)		325.27	-	325.27
Deferred Tax	j	(5,039.14)	(597.74)	(5,636.88)
Net Profit for the year		8,333.23	(752.47)	7,580.76
Other Comprehensive Income				
Items that will be reclassified subsequently to Profit or Loss				
Exchange difference in translating foreign operation :		-	1,564.95	1,564.95
Loss on hedging instruments	w	-	(497.46)	(497.46)
Income tax on above items	j	-	(382.91)	(382.91)
Items that will not be reclassified subsequently to Profit or Loss				
Actuarial Loss on Defined Plan Liability	t	-	(40.70)	(40.70)
Income tax on above items	j	-	14.09	14.09
		-	657.97	657.97
Total Comprehensive Income for the year		8,333.23	(94.50)	8,238.73

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

32.3 RECONCILIATION OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lakhs)		
Particulars	Notes	Year ended 31 st March, 2016
Net profit under Previous Indian GAAP as published		8,333.23
Change of method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work, to proportion of contract cost incurred for work performed to date bears to the estimated total contract costs.	I	(532.01)
Net profit under Previous Indian GAAP after change of method		
Provision for expected credit loss towards possible delay in collection of trade receivable beyond contractual terms.	h	539.51
Impact of accounting forward contracts at fair value	w	(747.48)
Accounting provisions at present value	u	(144.71)
Others	i,g,l,t	(781.78)
Impact of deferred tax on above adjustments	j	914.00
Net profit (before OCI) under Ind AS		7,580.76
Other Comprehensive Income comprising of foreign currency translation reserve, hedge reserve and others (net of tax)	t,w,j	657.97
Total Comprehensive Income as per Ind AS		8,238.73

32.4 RECONCILIATION OF TOTAL EQUITY AS AT MARCH 31, 2016 AND APRIL 1, 2015

(₹ in Lakhs)			
Particulars	Notes	As at 31 st March, 2016	As at 1 st April, 2015
Total equity under previous GAAP		232,587.14	221,655.66
Change of method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work, to proportion of contract cost incurred for work performed to date bears to the estimated total contract costs.	I	(8,064.00)	(7,531.99)
Provision for expected credit loss towards possible delay in collection of trade receivable beyond contractual terms.	h	(5,978.24)	(6,517.75)
Impact of accounting forward contracts at fair value	w	1,294.89	2,042.37
Accounting provisions at present value	u	1,373.81	1,518.52
Others	g,n	1,399.86	2,643.63
Non-controlling interest presented as a part of total equity with Ind AS impact	o	15,391.58	13,979.64
Impact of Deferred Tax on above adjustments	j	2,574.00	1,660.00
Proposed Dividend and Dividend Distribution Tax thereon	x	-	2,838.89
Other Comprehensive Income comprising of Foreign Currency Translation Reserve, Hedge Reserve and others (net of tax)	w,j	(459.00)	446.44
Total Adjustments to Equity		7,532.90	11,079.75
Total Equity under Ind AS		240,120.04	232,735.41

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32.5 RECONCILIATION OF INCOME TAX EXPENSES WITH THE ACCOUNTING PROFIT

(₹ in Lakhs)

Particulars	Year ended 31 st March, 2017	Year ended 31 st March, 2016
Profit Before Exceptional Items and Tax	32,639.02	20,777.95
Income tax calculated at 34.61%	11,296.36	7,191.25
Tax incentives / concessions	(1,063.19)	(304.14)
Income exempt from taxation	(69.22)	(416.24)
Unused tax losses not recognised as deferred tax	3,818.84	2,132.56
Expense deductible / income taxable in different tax accounting period	3,249.13	681.94
Temporary timing differences related to depreciation	148.36	2,326.05
Carry forward tax losses	1,522.22	1,082.35
Exchange difference on Foreign operations	(451.25)	9.34
Different tax rates for operations in other tax jurisdictions	(367.87)	14.89
Change in method of determining revenue	(3,772.08)	1,462.92
Provision for expected credit loss	563.65	(326.14)
Accounting forward contracts at fair value	-	258.70
Fair value of Financial Assets and Liabilities through Profit and Loss	518.26	34.51
Others	1,076.09	1,032.49
MAT credit entitlement	-	(325.27)
Income tax expenses recognised in the statement of profit and loss	16,469.30	14,855.21

32.6 EFFECT OF IND AS ADOPTION ON THE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2016

	Year ended 31 st March, 2016		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flows from operating activities	114,208.08	3,792.26	110,415.82
Net cash flows from investing activities	(33,149.33)	5,405.48	(38,554.81)
Net cash flows from financing activities	(81,189.26)	(8,618.48)	(72,570.78)
Net increase (decrease) in cash and cash equivalents	(130.51)	579.26	(709.77)
Opening Cash and Cash Equivalents	16,471.74	(237.32)	16,234.42
Effect of exchange rate changes on the balance of cash and cash Equivalents held in foreign currencies	(181.33)	-	(181.33)
Closing Cash and Cash Equivalents	16,159.90	(816.58)	15,343.32

32.7 ANALYSIS OF CASH AND CASH EQUIVALENTS AS AT MARCH 31, 2016 AND AS AT APRIL 1, 2015 FOR THE PURPOSE OF STATEMENT OF CASH FLOWS UNDER IND AS

Particulars	Notes	As at 31 st March, 2016	As at 1 st April, 2015
Cash and cash equivalents for the purpose of statement of cash flows as per previous GAAP		16,159.90	16,471.74
Cash and cash equivalents of Joint control entity proportionately considered under previous GAAP	d	(816.58)	(237.32)
Cash and cash equivalents for the purpose of statement of cash flows as per Ind AS		15,343.32	16,234.42

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32.8 NOTES TO THE RECONCILIATIONS

- a Under Ind AS, (i) one of the subsidiary has lease hold land, which does not have renewal clause, as prepaid expense and amortised in the statement of profit & loss account over the lease period. (ii) Leasehold improvements decapitalised from Buildings and capitalised under appropriate head by a subsidiary company.
- b Under previous GAAP, Cost incurred by a subsidiary on construction of Transmission Lines as per the transmission agreement was recognised as "tangible assets/ fixed assets". As per Appendix A to Ind AS 11, this arrangement is considered as Service Concession Arrangement (SCA) and accordingly, in accordance with para 16 of the Appendix A to Ind AS 11, tangible / fixed assets have been de-recognised and rights to receive the consideration from the grantor for providing services under transmission agreement has been recognised as "financial assets".
- c Intangible Asset and Intangible Asset Under Development Viz Toll Collection Rights are accounted as per Service Concession Accounting principles under Ind AS 11 by the Subsidiary Companies.
- d Under previous GAAP, Joint Venture entities were being consolidated line by line whereas under Ind AS, Joint Ventures have been consolidated using the Equity Method.
- e Under previous GAAP, Government grant received by a subsidiary was reduced from the cost of tangible assets. Under Ind AS, it is classified as deferred income as per Ind AS 10 and accounted as subsidy income over the useful life of the relevant property, plant and equipments. Under previous GAAP, Government grant received by a subsidiary as per transmission agreement was recognised as capital reserve. Under Ind AS, it has been adjusted in the value of financial assets in determining effective interest rate for accounting finance income from service concession agreements in accordance with Ind AS 11.
- f Borrowing Cost incurred on general borrowings used for construction of qualifying asset has been capitalised by a Subsidiary.
- g Under previous GAAP, Long term investments were measured at cost less diminution in value which is other than temporary. Under Ind AS 109, Investment in equity instruments of companies other than subsidiaries, joint ventures & associates are classified as FVTPL. Impact of fair value changes as on the date of transition is recognised in the retained earnings and subsequent changes are recognised in the statement of profit and loss.
- h As per Ind AS 109 Financial Instruments, the group has made provision for expected credit loss allowance on trade receivables based on its ageing from contractual due date and expected period of its realisation. Contract retention money receivables has been presented at fair value by discounting at NPV based on the expected date of realisation. Further, retention trade payable have also been presented at fair value by discounting at NPV.
- i Under Ind AS, security deposit given against operating lease are presented at fair value by discounting it over lease contract period. The differential amount has been treated as advance rentals to be amortised as rent over lease period and unwinding of discounting amount is accounted as interest income.
- j Consequent to adoption of Ind AS, deferred tax at applicable rates has been recognised on effect of Ind AS adoption and transition on retained earning as at April 1, 2015 and on impact on profit for the year ended March 31, 2016 for the adjustment carried out in the statement of profit and loss. Deferred tax has been recognised on unrealised gain/ loss on inter company transactions.
- k Under the previous GAAP, lease income earned by way of leasing commercial premises by a subsidiary is recognised in the statement of profit and loss on accrual basis over the lease term. Under Ind AS, rental income is recognised as an income on a straight-line basis over the lease term.
- l Parent company and one of subsidiary has changed, with effect from April 1, 2015, the method for determination of stage of completion for revenue recognition from completion of physical proportion of the contract work, to proportion of contract cost incurred for work performed to date bears to the estimated total contract costs.
- m Under previous GAAP, some of the contracts with third parties by a subsidiary were recognised as investments in Joint ventures. Under Ind AS, investments in joint ventures have been de-recognised and consolidated line by line wherever the group is having unilateral control over relevant operations.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

- n Under previous GAAP, Initial direct costs incurred in negotiating and arranging the operating lease by one of the subsidiary was being expensed out as and when incurred. As per Ind AS 17, such costs have been recognised as prepaid expenses and are amortised over the lease period.
- o Under Ind AS, redeemable non-convertible preference shares issued by a subsidiary have been classified as borrowing instead of considering it as Share Capital part of total equity. Accordingly, Non-controlling interest on preference share has been derecognised.
- p Under Ind AS, in case of subsidiary companies, unamortised ancillary cost of borrowings is reduced from the borrowings.
- q Under Ind AS, one of the subsidiary has translated its external commercial borrowings in foreign currency covered by derivative contract at the exchange rate prevailing on reporting date and related cross currency interest rate swap is recognised at fair value through profit and loss.
- r Under previous GAAP, premium payable by subsidiaries under service concession agreements to grantor was recognised on accrual basis. Under Ind AS, it is recognised at net present value and subsequent unwinding is accounted as finance cost.
- s Under Ind AS, land and building held to earn rental income or for capital appreciation or both, rather than for use in production or supply of goods and services or sale in the ordinary course of business are to be classified as Investment property. Accordingly, one of the subsidiary has reclassified such property as on April 1, 2015 as Investment Property. However, there is no impact on the total equity or profit as a result of this adjustment.
- t Under previous GAAP, actuarial gains and losses were recognised in the statement of profit and loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of net defined benefit liability / asset and are recognised in other comprehensive income in the respective periods.
- u Under Ind AS, provision for warranty guarantee expenses has been measured and presented at fair value.
- v Under previous GAAP, revenue from operations was presented net of excise duty whereas under Ind AS, revenue from operations are presented inclusive of excise duty. The corresponding excise duty expense is presented separately on the face of the statement of profit and loss. This change has no impact on total equity as at March 31, 2016 and April 1, 2015 and profit for the year ended March 31, 2016.
- w Under previous GAAP, loss on account of mark to market of forward contracts were expensed out in the statement of profit and loss and gains were ignored. Under Ind AS, forward contracts against firm commitment is designated as hedged item and its subsequent cumulative change in the fair value is recognised as an asset or liability with corresponding gain or loss recognised in OCI as hedge reserve. Changes in fair value of forward contract not designated as hedged item are recognised in the statement of profit or loss.
- x Under previous GAAP, dividend recommended by board of directors on equity shares for the reporting period while approving financial statement, subject to its approval by members in general meeting, was being recognised in the financial statements as a liability. Under Ind AS, such dividends are recognised as liability when declared by the members in a general meeting. The effect of this change is an increase in total equity as at March 31, 2015, but does not affect profit before tax and total profit for the year ended March 31, 2016.

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for the year ended March 31, 2017

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 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Debt *	2,84,759.28	2,92,230.71	3,22,246.29
Cash and bank balances	(26,301.47)	(16,639.76)	(17,590.23)
Net debt	2,58,457.81	2,75,590.95	3,04,656.06
Total Equity	2,57,274.73	2,40,120.03	2,32,735.41
Net debt to equity ratio	1.00	1.15	1.31

* Debt is defined as aggregate of 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.

As at March 31, 2017					
(₹ In Lakhs)					
	Measured At Cost	Measured at Fair Value through Profit and Loss	Measured at Amortised Cost	Total Fair Value	Total Carrying Value
Financial Assets					
(i) Investments	4,323.62	145.55	-	4,469.17	4,469.17
(ii) Trade receivables	-	-	3,51,228.74	3,51,228.74	3,51,228.74
(iii) Loans	-	-	11,158.57	11,158.57	11,158.57
(iv) Cash and cash equivalents	-	-	24,625.59	24,625.59	24,625.59
(v) Other balances with Bank	-	-	1,675.89	1,675.89	1,675.89
(vi) Others	-	-	36,824.01	36,824.01	36,824.01
	4,323.62	145.55	4,25,512.80	4,29,981.97	4,29,981.97
Financial Liabilities					
(i) Borrowings	-	-	2,57,275.62	2,57,275.62	2,57,275.62
(ii) Trade payables	-	-	2,41,942.57	2,41,942.57	2,41,942.57
(iii) Other financial liabilities	-	-	71,353.96	71,353.96	71,353.96
	-	-	5,70,572.15	5,70,572.15	5,70,572.15

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As at March 31, 2016

(₹ in Lakhs)

	Measured At Cost	Measured at Fair Value through Profit and Loss	Measured at Amortised Cost	Total Fair Value	Total Carrying Value
Financial Assets					
(i) Investments	6,131.36	117.45	-	6,248.81	6,248.81
(ii) Trade receivables	-	-	3,07,496.17	3,07,496.17	3,07,496.17
(iii) Loans	-	-	8,600.61	8,600.61	8,600.61
(iv) Cash and cash equivalents	-	-	15,343.32	15,343.32	15,343.32
(v) Other balances with Bank	-	-	1,296.44	1,296.44	1,296.44
(vi) Others	-	-	37,341.63	37,341.63	37,341.63
	6,131.36	117.45	3,70,078.17	3,76,326.98	3,76,326.98
Financial Liabilities					
(i) Borrowings	-	-	2,68,755.32	2,68,755.32	2,68,755.32
(ii) Trade payables	-	-	2,36,006.43	2,36,006.43	2,36,006.43
(iii) Other financial liabilities	-	-	59,389.39	59,389.39	59,389.39
	-	-	5,64,151.14	5,64,151.14	5,64,151.14

As at April 1, 2015

(₹ in Lakhs)

	Measured At Cost	Measured at Fair Value through Profit and Loss	Measured at Amortised Cost	Total Fair Value	Total Carrying Value
Financial Assets					
(i) Investments	9,789.52	120.25	-	9,909.77	9,909.77
(ii) Trade receivables	-	-	2,76,019.52	2,76,019.52	2,76,019.52
(iii) Loans	-	-	5,310.02	5,310.02	5,310.02
(iv) Cash and cash equivalents	-	-	16,234.42	16,234.42	16,234.42
(v) Other balances with Bank	-	-	1,355.81	1,355.81	1,355.81
(vi) Others	-	-	45,720.92	45,720.92	45,720.92
	9,789.52	120.25	3,44,640.69	3,54,550.46	3,54,550.46
Financial Liabilities					
(i) Borrowings	-	-	2,99,886.07	2,99,886.07	2,99,886.07
(ii) Trade payables	-	-	2,04,510.86	2,04,510.86	2,04,510.86
(iii) Other financial liabilities	-	-	60,859.44	60,859.44	60,859.44
	-	-	5,65,256.37	5,65,256.37	5,65,256.37

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Financial Risk Management

Financial Risk factors

The group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the group is foreign exchange risk. The group uses derivative financial instruments to mitigate foreign exchange related risk exposures.

Market Risk

The group operates internationally and a major portion of the business is transacted in several currencies and consequently the group is exposed to foreign exchange risk through its sales and services and purchases from overseas suppliers in various foreign currencies. The group holds derivative financial instruments such as foreign exchange forward and option contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupees and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. consequently, the results of the group's operations are affected as the rupee appreciates/depreciates against these currencies.

The following table analyses foreign currency risk from financial instruments as of March 31, 2017

(₹ in Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	7,355.00	-	4,973.71	12,328.71
Trade Receivable	86,185.98	17,022.67	44,981.84	1,48,190.49
Other Financials Assets	213.30	0.20	902.97	1,116.47
Total Asset	93,754.28	17,022.87	50,858.52	1,61,635.67
Trade Payable	49,132.52	5,848.75	22,585.64	77,566.91
Other Financials Liabilities	2,079.00	15.28	1,503.35	3,597.63
Total Liabilities	51,211.52	5,864.03	24,088.99	81,164.54
Net Assets / (Liabilities)	42,542.76	11,158.84	26,769.53	80,471.13

The following table analyses foreign currency risk from financial instruments as of March 31, 2016

(₹ in Lakhs)

Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	1,934.85	-	8,158.10	10,092.95
Trade Receivable	60,978.29	21,797.68	33,949.44	1,16,725.41
Other Financials Assets	168.11	-	558.37	726.48
Total Asset	63,081.25	21,797.68	42,665.91	1,27,544.84
Trade Payable	51,639.92	4,256.88	14,447.12	70,343.92
Other Financials Liabilities	3,040.75	325.79	18.12	3,384.66
Total Liabilities	54,680.67	4,582.67	14,465.24	73,728.58
Net Assets / (Liabilities)	8,400.58	17,215.01	28,200.67	53,816.26

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The following table analyses foreign currency risk from financial instruments as of April 1, 2015

(₹ In Lakhs)				
Particulars	USD	Euro	Others	Total
Cash & Cash Equivalents	378.89	1,158.33	6,052.57	7,589.79
Trade Receivable	71,244.44	34,292.34	27,650.83	1,33,187.61
Other Financials Assets	3,605.75	32.33	508.58	4,146.66
Total Asset	75,229.08	35,483.00	34,211.98	1,44,924.06
Trade Payable	24,189.80	10,191.76	32,146.77	66,528.33
Other Financials Liabilities	3,820.61	482.17	985.73	5,288.51
Total Liabilities	28,010.41	10,673.93	33,132.50	71,816.84
Net Assets / (Liabilities)	47,218.67	24,809.07	1,079.48	73,107.22

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, 2017 and March 31, 2016, increase / decrease of 5% in the exchange rate between the Indian rupee and USD/Euro would impact group's profit before tax by approximately 9.10% and 7.44% 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 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 market place.

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)

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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)
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)
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)
Maturing in 3months to 6 months	-	-	-	-
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 3months 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)

As at March 31, 2016

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)	-	-	-	-
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	68.52	USD 50.00	3,426.17	72.43
Maturing in 3months to 6 months	64.91	USD 60.00	3,894.68	(186.14)
Maturing in 6 months to 9 months	71.28	USD 40.00	2,851.28	77.06
Maturing in 9 months to 12 months	72.27	USD 90.00	6,504.31	189.38
More than 12 Months	72.72	USD 10.00	727.23	19.51
Total/Average	69.61	USD 250.00	17,403.67	172.24
Sell EUR Buy USD				
Maturing less than 3 months	72.56	EUR 137.94	10,009.68	(411.42)
Total/Average	72.56	EUR 137.94	10,009.68	(411.42)

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for the year ended March 31, 2017

As at March 31, 2016

Outstanding Contracts	Average Exchange Rate (in equivalent ₹)	Amount in Foreign currency (in Lakhs)	Nominal Amount (₹ in Lakhs)	Marked to Market (MTM) Value (₹ in Lakhs)
Buy JPY Sell USD				
Maturing less than 3 months	0.55	JPY 4,300.00	2,370.21	175.71
Total/Average	0.55	JPY 4,300.00	2,370.21	175.71
Sell EUR Buy INR				
Maturing less than 3 months	76.30	EUR 27.12	2,069.31	(11.36)
Maturing in 3months to 6 months	80.01	EUR 60.00	4,800.68	132.74
Total/Average	78.86	EUR 87.12	6,869.99	121.38

As at April 1, 2015

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)	-	-	-	-
Other Hedges (Routed through Profit & Loss)				
Sell USD Buy INR				
Maturing less than 3 months	64.69	USD 164.19	10,621.39	250.34
Maturing in 3 months to 6 months	65.10	USD 160.00	10,415.50	106.50
Maturing in 6 months to 9 months	66.41	USD 100.00	6,641.08	83.44
Maturing in 9 months to 12 months	67.08	USD 100.00	6,707.50	44.89
More than 12 Months	55.21	USD 20.00	1,104.20	(264.56)
Total/Average	65.22	USD 544.19	35,489.67	220.61
Sell EUR Buy USD				
Maturing less than 3 months	76.15	EUR 225.68	17,184.73	1,983.19
Maturing in 3months to 6 months	78.01	EUR 120.00	9,360.94	1,266.60
Total/Average	76.79	EUR 345.68	26,545.67	3,249.79
Buy JPY Sell USD				
Maturing less than 3 months	0.52	JPY 3,300.00	1,721.06	3.68
Total/Average	0.52	JPY 3,300.00	1,721.06	3.68
Sell EUR Buy INR				
Maturing in 9 months to 12 months	78.25	EUR 25.00	1,956.25	145.91
More than 12 Months	79.50	EUR 50.00	3,975.00	240.57
Total/Average	79.08	EUR 75.00	5,931.25	386.48
Buy EUR Sell USD				
Maturing in 3months to 6 months	78.01	EUR 13.96	1,089.34	(147.56)
Maturing in 6months to 9 months	79.85	EUR 11.00	878.39	(135.43)
Total/Average	78.82	EUR 24.96	1,967.73	(282.99)
Sell CAD Buy USD				
Maturing in 3months to 6 months	55.17	CAD 50.00	2,758.40	308.07
Total/Average	55.17	CAD 50.00	2,758.40	308.07

Notes on Consolidated Financial Statement

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Reconciliation of Hedge Reserve

The following table provides the reconciliation of cash flow hedge reserve for the year ended March 31, 2017:

Particulars	(₹ in Lakhs)	
	2016-17	2015-16
Balance at the beginning of the year	(909.52)	(412.06)
Gain/(Loss) recognised in OCI during the year	1,203.03	(497.46)
Amount reclassified to revenue during the year	-	-
Tax impact on above **	101.58	(314.77)
Balance at the end of the year (Gross)	293.51	(909.52)
Balance at the end of the year (Net of Tax)	191.93	(594.75)

** Deferred Tax Asset/Liability @ 34.608%

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 counter party 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.

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 on the reporting date.

Summary of the group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	(₹ in Lakhs)		
	Carrying amount as at		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Not Due	3,04,452.87	2,60,839.57	2,45,881.44
Past due up to 1 years	11,867.36	15,341.90	10,699.18
From 1 year to 2 years	13,986.32	16,255.81	15,177.66
From 2 year to 3 years	11,438.30	6,483.45	6,222.40
Above 3 years	17,443.78	14,553.68	4,556.59
	3,59,188.63	3,13,474.41	2,82,537.27

Expected credit loss assessment for customers as at April 1, 2015, March 31, 2016 and March 31, 2017

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 Group 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 ageing of the days the receivables are due and the rates as given in the provision matrix.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

On the above basis, the Group estimates the following provision matrix at the reporting date:

Particulars	Expected Credit Loss %		
	31 st March, 2017	31 st March, 2016	1 st April, 2015
Upto 180 days	0.10%	0.04%	0.04%
From 181 days to 1 year	5.42%	2.50%	2.57%
From 1 year to 2 years	11.62%	14.17%	12.04%
From 2 year to 3 years	29.57%	27.71%	19.31%
Above 3 years	47.13%	26.45%	25.97%

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

Particulars	(₹ in Lakhs)
	31 st March, 2017
Balance as at April 1, 2015	6,517.75
Impairment loss reversed	539.51
Balance as at March 31, 2016	5,978.24
Impairment loss recognised	1981.65
Balance as at March 31, 2017	7,959.89

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.

Liquidity Risk

The Table below provides details regarding the contractual maturities of significant liabilities

Particulars	31 st March, 2017			31 st March, 2016		
	Less than 1 year	More than 1 year	Total	Less than 1 year	More than 1 year	Total
Financial Liabilities						
(i) Trade Payable	2,22,079.02	19,863.55	2,41,942.57	2,18,444.36	17,562.08	2,36,006.43
(ii) Borrowings	58,056.22	1,99,219.40	2,57,275.62	68,990.22	1,99,765.10	2,68,755.32
(iii) Other financial liabilities	36,406.16	34,947.78	71,353.94	30,539.05	28,850.34	59,389.39
Total			5,70,572.13			5,64,151.14

Particulars	31 st March, 2015		
	Less than 1 year	More than 1 year	Total
Financial Liabilities			
(i) Trade Payable	1,94,364.86	10,146.00	2,04,510.86
(ii) Borrowings	1,03,073.59	1,96,812.48	2,99,886.07
(iii) Other financial liabilities	31,736.02	29,123.42	60,859.44
Total			5,65,256.37

Note- The above table does not include liability on account of future interest obligation.

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for the year ended March 31, 2017

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, 2017 and March 31, 2016, a 100 basis point increase / decrease in interest rate on floating rate liabilities would impact group's profit before tax by approximately 7.66 % and 13.95 % 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 10.77% for FY 2016-17 and 15.46 % for FY 15-16.

Exposure as on 31st March, 2017

(₹ in Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminium	Fixed Price Contracts	10,314.00	516.00	(516.00)
Zinc	Fixed Price Contracts	10,543.00	527.00	(527.00)
Steel	Fixed Price Contracts	42,674.00	2,134.00	(2,134.00)
Total		63,531.00	3,177.00	(3,177.00)

Exposure as on 31st March, 2016

(₹ in Lakhs)

Commodity	Fixed/variable	Open Exposure	Value at Risk on price variation of 5 %	
			increase	Decrease
Aluminium	Fixed Price Contracts	6,329.00	316.00	(316.00)
Zinc	Fixed Price Contracts	2,311.00	116.00	(116.00)
Steel	Fixed Price Contracts	44,318.00	2,216.00	(2,216.00)
Total		52,958.00	2,648.00	(2,648.00)

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

34. DISCLOSURE IN RESPECT OF SECURITY CREATED ON ASSETS OF THE GROUP AGAINST BORROWINGS.

(₹ in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
Property, Plant and Equipments (including CWIP)	134,840.23	128,131.61	120,375.33
Intangible Assets	169,080.85	172,240.06	159,863.86
Inventories	61,778.02	57,438.08	79,175.54
Financial Assets			
Trade Receivables	351,272.19	299,928.74	273,752.45
Loans	3,596.99	581.83	135.21
Cash & Bank Balances	24,964.94	15,119.21	15,674.07
Others	108,561.60	101,479.97	102,276.28
Total	854,094.82	774,919.50	751,252.74

35. CONTINGENT LIABILITIES IN RESPECT OF :

(₹ in Lakhs)

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
(a) Bank guarantees	3,389.24	5,030.05	6,697.40
(b) Bills Discounted with Banks	527.20	5,573.50	11,767.29
(c) Claims against the group not acknowledged as debt	4,430.19	4,227.79	4,256.32
(d) Demands by Service Tax/ Excise/Income Tax and other tax/ revenue authorities, under disputes	14,274.86	14,077.22	17,982.94
(e) Disputed VAT/ Entry Tax demand in appeal	8,479.86	7,477.64	4,508.24
(f) Disputed Royalty demand under Tamilnadu Minor Mineral Concession Rules in appeal before High Court	39.87	39.87	39.87
(g) Dividend payable by one of the subsidiary to its minority shareholders on 4% Redeemable Preference Shares	19.06	9.52	-
(h) Guarantee given in respect of Performance of contracts of Joint Ventures entities & associates in which one of the subsidiaries is having substantial interest.	17,146.92	20,579.95	17,671.21

(₹ in Lakhs)

Particulars	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
36. CAPITAL & OTHER COMMITMENTS			
Estimated amount of contracts remaining to be executed on capital account Tangible Assets and not provided for (net of advances)	73,073.23	4,593.27	17,898.29

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

Particulars	(₹ in Lakhs)	
	As at 31 st March, 2017	As at 31 st March, 2016
37. THE DISCLOSURE AS REGARDS TO PROVISION FOR PERFORMANCE WARRANTIES:		
Carrying amount at the beginning of the year	22,039.23	19,177.73
Add: Provision/Expenses during the year	9,226.37	5,006.77
Less : Reversal of Provision on finality of Warrantee & Guarantee	1,577.85	1,313.43
Less : Utilisation during the year	2,349.97	831.84
Carrying amount at the close of the year	27,337.78	22,039.23

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)	15,729.37	7,580.76
Basic and Diluted Earnings Per Share (₹)	10.25	4.94
Nominal value of Equity Share (₹)	2.00	2.00

39. DISCLOSURE ON SPECIFIED BANK NOTES (SBNS)

The required disclosure for specified bank notes or other denomination note held and transacted during the period from November 8, 2016 to December 30, 2016 as required in the MCA notification G.S.R. 308(E) dated March 31, 2017 is as under:

Particulars	(₹ in Lakhs)		
	SBNS*	Other Denomination Notes **	Total
Closing Cash in hand as on 08.11.2016	137.11	117.95	255.06
(+) Permitted Receipts	194.74	1,102.31	1,297.05
(-) Permitted Payments	8.65	312.72	321.37
(-) Amount deposited in Banks	323.20	740.98	1,064.18
Closing Cash in hand as on 30.12.2016	-	166.43	166.43

* For the purpose of this clause the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economics Affairs number S.O. 3407(E), dated the November 8, 2016

** excluding balances in foreign currencies

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

40. DISCLOSURES PURSUANT TO ADOPTION OF 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 ₹ 1,811.73 Lakhs (Previous Year ₹ 1,714.10 Lakhs) for provident fund contributions in the Statement of Profit & 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)	
	2016-17	2015-16
(i) Expenses recognised during the year		
In Income Statement	525.82	381.26
In Other Comprehensive Income	193.67	40.70
	719.49	421.96
(ii) Expenses recognised in the Income statement		
Current Service Cost	481.26	448.23
Net Interest Cost	44.56	(66.97)
Expenses Recognized in the Income Statement	525.82	381.26
(iii) Expenses recognised in other comprehensive income		
Actuarial (gains) / losses		
change in demographic assumptions	58.13	50.94
change in financial assumptions	218.12	(69.90)
experience variance	(126.12)	59.39
Return on plan assets	43.54	0.27
Expenses Recognized in other comprehensive income	193.67	40.70

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
(iv) Net Liability recognised in Balance Sheet			
Present value of obligation	3,156.79	2,633.05	2,257.09
Fair value of plan assets	2,104.53	1,872.91	1,698.37
Liability Recognized in Balance Sheet	(1,052.26)	(760.14)	(558.72)
(v) Changes in Present Value of Obligations			
Present value of obligation at the beginning of the year	2,633.16	2,257.09	1,955.43
Current service cost	481.26	448.23	379.82
Interest cost	196.56	66.33	173.72
Actuarial (gains) / losses arising from:			
changes in financial assumptions	218.12	(69.90)	(27.88)
change in demographic assumptions	58.13	50.94	-
changes in experience assumptions	(126.12)	59.39	-
Benefits paid	(304.21)	(178.92)	(224.00)
Present value of obligation at the end of the year	3,156.90	2,633.16	2,257.09
(vi) Bifurcation of present value of obligations into current and non-current			
Current Liability	135.78	64.08	29.20
Non-current Liability	916.48	696.06	529.52
(vii) Actuarial assumptions used in determining the obligation are			
Discount rate	6.90% -7.66%	7.80% - 8.07%	7.70% -8.00%
Salary Escalation Rate	3.00% -7.00%	7.80% -7.94%	6.00-7.00%
Mortality Rate	As per Standatd LIC Mortality table (2006-08)		
Withdrawal Rate	1.00%-17.00%	1.00%-15.00%	1.00%-15.00%
Retirement Age	58 - 60 years		
(viii) Maturity Profile of Defined benefit obligation		2016-17	2015-16
1 year		479.78	270.65
2 year		335.21	180.20
3 year		404.76	205.14
4 year		437.70	255.35
5 year		424.14	295.11
after 5 year		2,064.41	1,780.82

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(ix) Quantitative Sensitivity Analysis for Significant Assumptions	2016-17	2015-16
Defined Benefits Obligation (Base) (₹ in Lakhs)	3,156.90	2,633.16
Impact of change in discount rate		
Impact due to increase of 0.50%	2,981.16	2,619.91
Impact due to decrease of 0.50%	3,077.61	2,641.75
Impact of change in salary increase		
Present value obligation at the end of the period		
Impact due to increase of 0.50%	3,066.14	2,631.65
Impact due to decrease of 0.50%	2,987.95	2,625.48

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 Company is exposed to various risks in providing the above benefit plans which are as follows:

- Interest Rate risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (i.e. value of defined benefit obligation).
- Salary Escalation Risk:** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.
- Demographic Risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.
- Investment Risk :** The Company has funded with Life Insurance Corporation of India is well established organization and is a Govt. of India undertaking. Hence there is no material investment risk.

41 In respect of one of the projects of the Company, a customer has raised claims against the Company with regard to tower supplies made from March 2012 to April 2013. Based on legal advice and contractual provisions involved management is of the view that provision made in the books of account is adequate and no further provision is required.

42 Employee Stock option Scheme 2014 ("ESOS 2014")

The one of the Subsidiary Company has introduced ESOS 2014 through the resolution passed by the Board of Directors on October 1, 2014 in pursuance of the powers given by the Shareholders at the Extraordinary General Meeting held on August 25, 2014. Under the scheme, options for 545,590 (Five Lakhs Forty Five Thousand Five Hundred and Ninety) equity shares have been granted to eligible employees of one of the Subsidiary Company and each option (after it is vested) is exercisable for one equity share having face value of ₹ 10 each for an exercise price of ₹ 150. Vesting of the options shall take place over a maximum period of 5 years with a minimum vesting period of 1 year from the date of grant i.e. October 1, 2014. The Board of Directors of the Subsidiary Company have formed Compensation Committee through resolution passed on January 7, 2015 to administer the scheme. The Board of the subsidiary Company has discussed as no employee has exercise their rights and also the said scheme is not feasible in the context of present scenario of the Subsidiary Company, it is decided to cancel present employee stock option scheme 2014.

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

43. 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. Manish Mohnot	Joint Managing Director (Upto May 31, 2015), Managing Director (w.e.f. June 1, 2015) and Managing Director & CEO (w.e.f March 28, 2017)
Mr. Ranjit Singh	Managing Director (upto May 31, 2015)

c) Enterprises, having Significant influence or having transactions with the group

Kalpataru Properties Pvt. Ltd.
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
Shubham Fiscal Services Pvt. Limited
Gurukrupa Developers
Argos International Marketing Pvt. Ltd.
Neo Pharma Private Limited
Kalpataru Retail Ventures Private Limited
Agile Real Estate Pvt. Ltd.
Arvind Silk Mills Private Limited
Illingrowth Marketing Private Limited
Abacus Real Estate real Pvt. Ltd.

d) Individuals having significant influence and their relatives:

Mr. Mofatraj P. Munot	Promoter Director (Executive Chairman w.e.f April 1, 2017)
Mr. Parag Munot	Promoter Director
Ms. Sudha Golechha	Relative of Promoter Director
Ms. Sunita Choraria	Relative of Promoter Director

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

Transactions with Related Parties in ordinary course of business are:

		(₹ in Lakhs)	
Particulars	Relationship	2016-17	2015-16
1 Purchase/Construction of Property, Plant and Equipment			
Kalpataru Enterprises	Enterprises having significant influence	72.35	-
Argos International Marketing Pvt. Ltd.	Enterprises having significant influence	7.73	60.83
2 Advance For Capex			
Kalpataru Enterprises	Enterprises having significant influence	-	117.15
Gurukrupa Developers	Enterprises having significant influence	66.66	73.97
3 Net Loans and advances given/(repaid)			
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	(465.43)	-
4 Other Expenses			
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	74.13	1.94
Neo Pharma Private Limited	Enterprises having significant influence	0.07	6.86
Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	10.06	-
5 Reimbursement of Expenses (Paid / Payable)			
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	75.92	-
Property Solution (India) Pvt. Limited	Enterprises having significant influence	50.65	53.25
Neo Pharma Private Limited	Enterprises having significant influence	-	21.71
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	31.30	7.99
Kalpataru Limited.	Enterprises having significant influence	0.41	-
6 Rent Paid			
Neo Pharma Private Limited	Enterprises having significant influence	-	674.69
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	1,195.18	551.35
Kalpataru Limited	Enterprises having significant influence	13.69	-
Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	35.39	25.44
7 Revenue from Operations			
Jhajjar KT Transco Pvt Ltd.	Joint Venture	151.23	150.00
Kiyana Ventures LLP	Enterprises having significant influence	1,753.73	1,311.36
Abacus Real Estate real Pvt. Ltd.	Enterprises having significant influence	1,248.14	-
8 Other Income			
Jhajjar KT Transco Pvt Ltd.	Joint Venture	60.36	72.76
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	210.16	195.90
9 Sale of Property, Plant and Equipments			
Mr. Manish Mohnot	Key Managerial Personnel	12.60	-

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for the year ended March 31, 2017

			(₹ in Lakhs)	
Particulars	Relationship	2016-17	2015-16	
10 Reimbursement of Expenses (Received / Receivable)				
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	0.15	
11 Salary and Commission *				
Mr. Mofatraj P. Munot	Promoter Director	150.00	120.00	
Mr. Parag Munot	Promoter Director	100.00	40.00	
Mr. Manish Mohnot	Key Managerial Personnel	760.44	510.44	
Mr. Ranjit Singh	Key Managerial Personnel	-	54.63	
*break up of Compensation to key managerial personnel				
Short term employment benefits		760.44	565.07	
12 Dividend Paid				
Kalpataru Properties Private Limited	Enterprises having significant influence	-	409.38	
Kalpataru Construction Pvt. Limited	Enterprises having significant influence	-	700.50	
K C Holdings Pvt. Ltd.	Enterprises having significant influence	-	634.28	
Kalpataru Viniyog LLP	Enterprises having significant influence	-	39.60	
Kalpataru Holdings Pvt. Ltd.	Enterprises having significant influence	-	10.00	
Shubham Fiscal Services Pvt. Limited	Enterprises having significant influence	-	0.52	
Mr. Mofatraj P. Munot	Promoter Director	-	412.10	
Mr. Parag Munot	Promoter Director	-	403.91	
Ms. Sudha Golechha	Relative of Promoter Director	-	26.15	
Ms. Sunita Choraria	Relative of Promoter Director	-	26.15	
13 Security Deposit Paid				
Neo Pharma Private Limited	Enterprises having significant influence	-	140.61	
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	3,466.68	
14 Security Deposit Refunded				
Neo Pharma Private Limited	Enterprises having significant influence	-	140.61	
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	-	3,462.16	

Balances with Related parties as at March 31, 2017

			(₹ in Lakhs)		
Particulars	Relationship	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015	
1. Advances Given					
Kalpataru Enterprises	Enterprises having significant influence	-	733.85	616.70	
Gurukrupa Developers	Enterprises having significant influence	140.63	73.97	-	
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	210.49	420.97	-	
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	-	631.46	
2. Loans Given					
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	365.25	830.68	765.25	
Kurukshetra Expressway Pvt. Ltd.	Joint Venture	10,793.04	7,188.10	4,421.50	

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

		(₹ in Lakhs)		
Particulars	Relationship	As at 31 st March, 2017	As at 31 st March, 2016	As at 1 st April, 2015
3. Security Deposit Given				
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	3,241.28	3,031.12	-
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	-	3,462.16
Kalpataru Enterprises	Enterprises having significant influence	0.75	-	-
4. Trade Payable				
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	-	77.89	-
Kalpataru Limited	Enterprises having significant influence	14.09	7.03	0.52
Kalpataru Properties Pvt. Ltd.	Enterprises having significant influence	-	-	54.67
Neo Pharma Private Limited	Enterprises having significant influence	-	28.06	4.81
Agile Real Estate Pvt. Ltd.	Enterprises having significant influence	-	23.21	-
Argos International Marketing Pvt. Ltd.	Enterprises having significant influence	3.01	16.20	-
Kalpataru Retail Ventures Private Limited	Enterprises having significant influence	4.48	120.74	-
Property Solution (India) Pvt. Limited	Enterprises having significant influence	15.09	7.87	13.58
Mr. Manish Mohnot	Key Managerial Personnel	512.58	262.00	241.78
Mr Ranjit Singh	Key Managerial Personnel	-	-	113.72
Mr. Mofatraj P. Munot	Promoter Director	150.00	120.00	120.00
Mr. Parag Munot	Promoter Director	100.00	40.00	10.00
5. Trade Receivables				
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	5.61	-	87.19
Kiyana Ventures LLP	Enterprises having significant influence	67.93	545.99	-
Kalpataru Limited	Enterprises having significant influence	0.53	-	2.00
Arvind Silk Mills Private Limited	Enterprises having significant influence	40.57	214.15	-
Illingrowth Marketing Pvt. Ltd.	Enterprises having significant influence	100.76	1,575.60	-
Abacus Real Estate Pvt Ltd.	Enterprises having significant influence	453.85	-	-
Kurukshetra Expressway Pvt. Ltd.	Joint Venture	44.91	44.91	-
6. Investment in Joint Venture Entity				
Kurukshetra Expressway Pvt. Ltd.	Joint Venture	-	2,227.92	6,131.33
Jhajjar KT Transco Pvt. Ltd.	Joint Venture	4,323.62	3,903.44	3,658.19
7. Advance Taken				
Kiyana Ventures LLP	Enterprises having significant influence	757.28	910.84	907.18
Abacus Real Estate Pvt Ltd.	Enterprises having significant influence	82.23	-	-

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

	(₹ in Lakhs)	
44. ERECTION, SUBCONTRACTING AND OTHER PROJECT EXPENSES COMPRISES OF :	2016-17	2015-16
Subcontracting expenses	1,53,482.72	1,51,667.52
Construction material, stores and spares consumed	34,462.55	35,503.93
Power and fuel	4,302.21	4543.10
Freight and Forwarding Expenses	3,381.08	5049.64
Vehicle and Equipment Hire Charges	12,199.73	13668.22
Custom Duty, Clearing & Handling Charges	7,127.15	4623.31
Service Charges	1,403.22	4591.45
Others	13,411.39	6292.39
Total	2,29,770.05	2,25,939.56

45. (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.
46. (a) 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 ₹ 9,084.90 Lakhs (Previous year ₹ 11,306.13 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 ₹ 1875.08 Lakhs (previous year ₹ 1,727.70 Lakhs) and for later than 1 year but not later than 5 years is ₹ 716.39 Lakhs (previous year ₹844.62 Lakhs) and for later than 5 years but not later than 9 years is ₹ 14.56 Lakhs (Previous year nil).
- (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 ₹ 1,180.26 Lakhs (previous year ₹ 1,165.16 Lakhs) and for later than 1 year but not later than 5 years is ₹ 3,198.1 Lakhs (previous year ₹ 1,687.58 Lakhs)

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

47. (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 is 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)

Sr. No.	Particulars	Toll Roads		Transmission Lines	
		2016-17	2015-16	2016-17	2015-16
1	Revenue recognised	14,396	24,583	2,707.15	2,781.27
2	Profit / (Loss) for the year	(7,922)	(8,045)	439.72	355.42

48. 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	96.34%	2,47,871.25	144.31%	26,907.43	48.10%	(526.96)	150.31%	26,380.47
Subsidiaries								
Indian								
Adeshwar Infrabuild Ltd.	-	(0.05)	-	(0.24)	-	-	-	(0.24)
Amber Real Estate Ltd.	-1.13%	(2,903.03)	0.62%	115.18	-	-	0.66%	115.18
Energylink (India) Ltd.	2.00%	5,135.53	-0.20%	(37.15)	-	-	-0.21%	(37.15)
JMC Projects (India) Ltd.	26.81%	68,973.30	31.85%	5,937.87	31.27%	(342.52)	31.88%	5,595.35
Shree Shubham Logistics Ltd.	4.78%	12,288.02	-40.39%	(7,531.61)	0.26%	(2.84)	-42.93%	(7,534.45)
Kalpataru Satpura Transco Private Ltd	3.07%	7,888.59	2.36%	439.72	-	-	2.51%	439.72

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

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
Kalpataru Metfab Private Ltd.	0.87%	2,235.15	0.02%	4.13	-	-	0.02%	4.13
Brij Bhoomi Expressway Private Ltd.	-0.49%	(1,252.57)	-6.78%	(1,263.77)	-	-	-7.20%	(1,263.77)
JMC Mining and Quarries Ltd.	0.01%	19.89	-0.01%	(1.95)	-	-	-0.01%	(1.95)
Saicharan Properties Ltd.	1.86%	4,774.89	-0.61%	(114.10)	0.02%	(0.21)	-0.65%	(114.31)
Vindhyachal Expressway Private Ltd.	0.72%	1,851.39	-4.49%	(837.00)	-	-	-4.77%	(837.00)
Wainganga Expressway Private Ltd.	-2.17%	(5,589.67)	-23.23%	(4,331.89)	-	-	-24.68%	(4,331.89)
Punarvasu Financial Services Pvt. Ltd.	0.75%	1,934.90	0.39%	72.62	-	-	0.41%	72.62
Alipurduar Transmission Ltd.	2.90%	7,466.28	-	-	-	-	-	-
Kohima-Mariani Transmission Ltd.	-	0.82	-	-	-	-	-	-
Foreign								
Kalpataru Power Transmission (Mauritius) Ltd.	0.09%	221.44	-0.10%	(18.68)	-	-	-0.11%	(18.68)
Kalpataru Power Transmission - USA, INC	0.07%	179.72	-0.80%	(149.38)	-	-	-0.85%	(149.38)
LLC Kalpataru Power Transmission Ukraine	-0.04%	(111.34)	-0.78%	(145.87)	-	-	-0.83%	(145.87)
Kalpataru Power DMCC, UAE	-0.06%	(152.14)	-0.98%	(182.41)	-	-	-1.04%	(182.41)
Kalpataru IBN Omairah Company Ltd.	0.59%	1,521.05	8.91%	1,661.24	-	-	9.47%	1,661.24
Non Controlling interest in all subsidiaries	5.86%	15,069.54	-15.64%	(2,916.39)	23.37%	(255.98)	-18.08%	(3,172.37)
Joint Venture (as per equity consolidation method)								
Jhajjar KT Transco Private Limited	1.67%	4,290.13	2.09%	389.08	-	-	2.22%	389.08
Kurukshetra Expressway Private Limited	-	-	-19.04%	(3,549.46)	-	-	-20.22%	(3,549.46)
Adjustment arising out of consolidation	-44.48%	(114,438.29)	22.52%	4,198.39	-3.02%	33.07	24.11%	4,231.46
Total	100.00%	257,274.80	100.00%	18,645.76	100.00%	(1,095.44)	100.00%	17,550.32

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

49. SEGMENT REPORTING

The group has identified its business segments as (a) Engineering, Procurement and Construction relating to infrastructure projects comprising power transmission & distribution, civil construction, railway track laying & electrification, oil & gas pipelines laying, etc. (EPC) (b) Construction, Operation and Maintenance of Infrastructure projects (Developmental Projects).

Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker (CODM) for the purpose of resource allocation and assessing performance.

Summarised segment information are as follows:

(A) BUSINESS SEGMENT

(₹ in Lakhs)

Particulars	EPC		Developmental Projects		Others		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
(i) Segment Revenue	7,36,703.73	6,81,969.91	20,365.33	22,239.68	5,845.74	24,964.31	7,62,914.80	7,29,173.90
Less: Inter-Segmental Revenue							-	-
Revenue from Operations							7,62,914.80	7,29,173.90
(ii) Segment Results (before finance cost and interest income)	63,103.69	54,072.33	6,090.94	4,575.43	(3,013.87)	(1,214.96)	66,180.76	57,432.80
Add: Interest income							1,747.89	1,094.62
Less: Finance Cost							38,449.18	41,403.06
Profit Before Tax							29,479.47	17,124.36
Current Tax							16,469.30	14,855.21
MAT Credit Reversal							-	325.27
Deferred Tax							(2,719.20)	(5,636.88)
Net Profit for the year							15,729.37	7,580.76
(iii) Other Information								
Depreciation and amortisation							18,053.23	18,616.48

(iv) Segment Assets and Liabilities	EPC	Developmental Projects	Others	Total
As at March 31, 2017				
Segment Asset	6,94,851.37	2,67,423.59	59,341.69	10,21,616.65
Segment Liability	5,31,349.97	1,85,886.95	47,104.93	7,64,341.85
As at March 31, 2016				
Segment Asset	6,52,168.60	2,32,064.01	64,348.71	9,48,581.32
Segment Liability	4,70,581.57	1,83,085.84	54,793.87	7,08,457.28
As at April 1, 2015				
Segment Asset	7,86,976.22	70,835.16	64,899.77	9,22,711.15
Segment Liability	5,73,175.95	65,388.74	51,411.05	6,89,975.74

Notes on Consolidated Financial Statement

for the year ended March 31, 2017

(B) GEOGRAPHICAL SEGMENT

(₹ in Lakhs)			
	2016-17	2015-16	
Revenue from Operations			
Within India	5,35,329.10	4,62,097.53	
Outside India	2,27,585.70	2,67,076.37	
Total	7,62,914.80	7,29,173.90	
Non Current Assets*			
Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Within India	3,15,952.55	3,08,240.33	2,96,910.87
Outside India	12,211.79	11,517.43	10,086.82

* excludes Financial assets, Non current tax and Deferred tax assets

49.1 Revenue from major customers - Public sector undertakings in India, is ₹ 2,56,237.75 Lakhs (Previous year ₹ 1,75,162.27 Lakhs). Revenue from other individual customer is less than 10% of total revenue.

50. Advance taxes paid, including tax deducted at sources are shown as assets net of provision of tax including foreign tax. Provision for tax (including foreign tax) is made after considering depreciation, deductions and allowances as per applicable tax statutes and regulations there under.

51. Figures pertaining to the group companies have been re-classified wherever necessary to bring them in line with the parent's financial statements.

Kamal Jain

Director (Finance) & CFO

Rahul Shah

Company Secretary

For and on behalf of the Board

Mofatraj P Munot

Executive Chairman

DIN : 00046905

Manish Mohnot

Managing Director & CEO

DIN : 01229696

Mumbai : May 19, 2017

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	Reserves & Surplus	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	65,615.20	2,65,464.51	2,14,379.35	17,888.14	2,32,841.98	8,380.21	2,442.34	5,937.87	503.72	67.19%	
2	Shree Shubham Logistics Limited	INR	7,343.22	4,944.80	57,024.85	46,724.93	1,988.10	5,588.89	(7,531.61)	-	(7,531.61)	-	71.52%	
3	Adeshwar Infrabuild Limited	INR	5.00	(5.05)	0.07	0.12	-	-	(0.24)	-	(0.24)	-	100%	
4	Amber Real Estate Limited	INR	99.00	(3,002.02)	13,142.31	16,045.33	-	3,660.18	155.20	40.02	115.18	-	100%	
5	Energylink (India) Limited	INR	5,200.00	(64.47)	167.22	36.69	5,005.00	24.00	(37.15)	-	(37.15)	-	100%	
6	Kalpataru Metfab Private Limited	INR	3,001.00	(765.85)	2,257.77	22.62	-	-	6.22	2.10	4.12	-	100%	
7	Kalpataru Satpura Transco Private Limited	INR	1,619.00	6,269.59	27,040.60	19,152.01	-	2,707.15	439.72	-	439.72	-	100%	
8	Kalpataru Power DMCC, UAE	AED	139.30	(291.45)	700.47	852.62	-	-	(182.41)	-	(182.41)	-	100%	
9	Kalpataru Power Transmission - USA, Inc.	USD	228.17	(48.45)	183.43	3.71	-	57.91	(146.41)	2.97	(149.38)	-	100%	
10	Kalpataru Power Transmission (Mauritius) Limited	USD	290.33	(68.89)	852.98	770.84	139.30	-	(18.68)	-	(18.68)	-	100%	
11	LLC Kalpataru Power Transmission Ukraine	UAH	27.32	(138.66)	4,044.35	4,155.69	-	381.03	(245.93)	(100.07)	(145.86)	-	100%	
12	Saicharan Properties Limited	INR	5,005.00	(230.11)	29,351.23	24,576.34	-	-	(114.10)	-	(114.10)	-	100%	
13	Brij Bhoomi Expressway Pvt. Limited	INR	2,275.71	(3,528.27)	18,756.82	20,009.38	-	3,115.54	(1,121.01)	142.75	(1,263.76)	-	67.19%	
14	JMC Mining & Quarries Limited	INR	50.00	(30.11)	91.38	71.49	-	-	(1.95)	-	(1.95)	-	67.19%	
15	Vindhyachal Expressway Pvt. Limited	INR	2,705.01	(853.62)	77,826.45	75,975.06	-	5,705.02	(2,390.02)	1,553.02	(837.00)	-	67.19%	
16	Wainganga Expressway Pvt. Limited	INR	3,000.00	8,589.67	70,389.79	58,800.12	-	4,413.31	(4,411.01)	(79.12)	(4,331.89)	-	67.19%	
17	Punarnasu Financial Services Pvt. Limited	INR	1,937.66	(2.76)	2,314.92	380.02	-	260.48	89.37	16.76	72.61	-	71.52%	
18	Alipurduar Transmission Limited	INR	2,145.00	5,321.28	18,464.40	10,998.12	-	-	-	-	-	-	100%	
19	Kalpataru IBN Omairah Company Limited	SAR	84.65	1,436.40	6,061.77	4,540.72	-	13,149.23	1,915.66	254.42	1,661.24	-	65.00%	
20	Kohima-Mariani Transmission Limited	INR	1.00	(0.18)	1,435.04	1,434.22	-	-	-	-	-	-	100%	

Notes:

- Exchange rates at the year end considered for conversion : 1 USD = ₹ 64.8386; 1 AED = ₹ 17.6557; 1 1 UAH = ₹ 2.3979; 1 SAR = ₹ 17.2912
- Average exchange rates for the year considered for conversion : 1 USD = ₹ 67.0896; 1 AED = ₹ 18.2584; 1 1 UAH = ₹ 2.5907; 1 SAR = ₹ 17.8808
- There are no Subsidiaries which are yet to commence operations.
- Subsidiaries liquidated during the year : (i) Kalpataru SA(Proprietary) Limited and (ii) Kalpataru Power Transmission Nigeria Limited.

Sr. No.	Name of Associates / Joint Ventures	Jhajjar KT Transco Private Limited	Kurukshetra Expressway Private Limited
		31 st March, 2017	31 st March, 2017
1	Latest audited Balance Sheet Date		
2	Shares of Associate/Joint Ventures held by the Company on the year end		
(a)	Numbers	1,12,64,286	3,47,25,780
(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)	4,291.04	(887.91)
6	Profit / (Loss) for the year		
(a)	Considered in Consolidation (₹ in Lakhs)	389.08	(3,549.46)
(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.

Kamal Jain

Director (Finance) & CFO

Rahul Shah

Company Secretary

For and on behalf of the Board

Mofatraj P Munot

Executive Chairman

DIN : 00046905

Manish Mohnot

Managing Director & CEO

DIN : 01229696

Mumbai : May 19, 2017



Notes

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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

Plot No. 101, Part III,

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Tel No.: +91-22-3064 5000

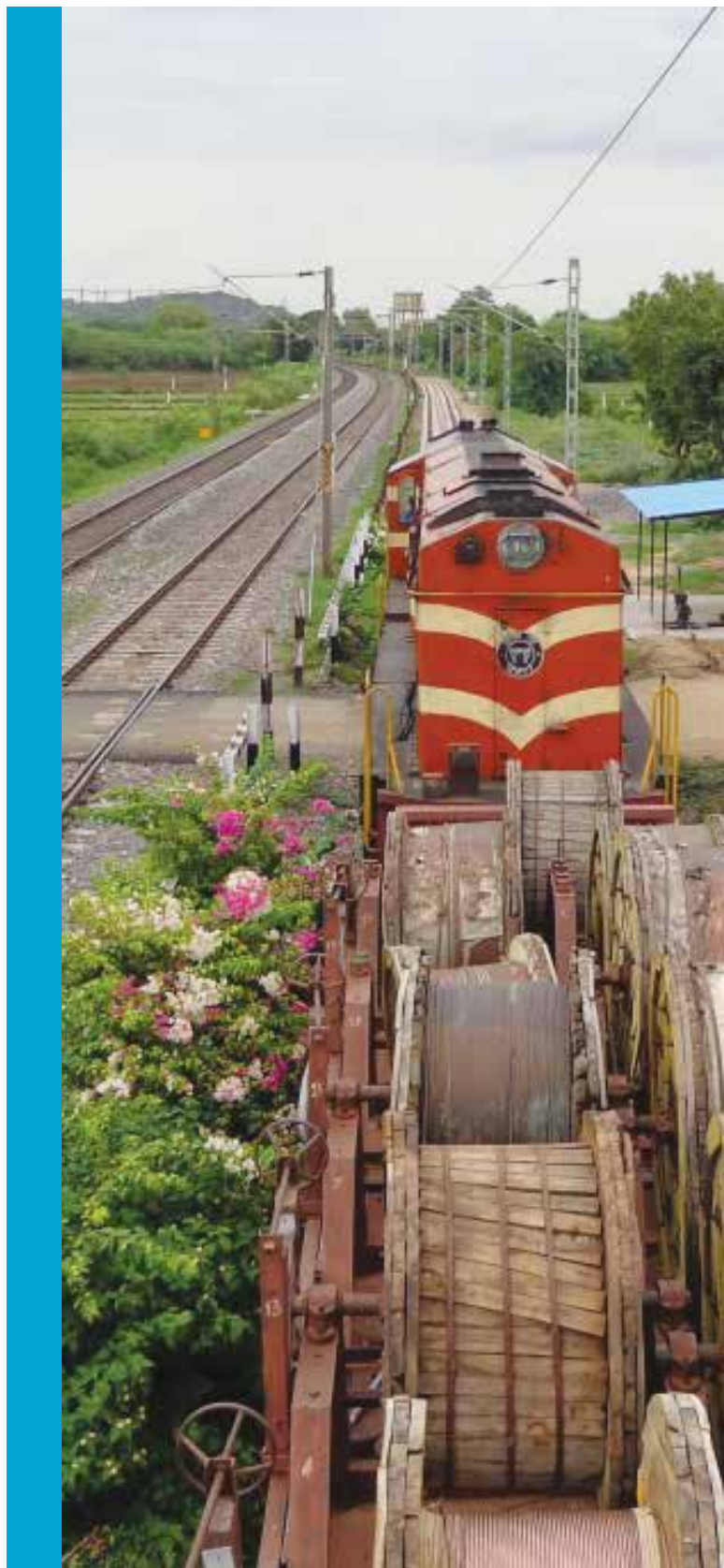
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www.jmcprojects.com

www.ssl.in





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