



KEC International Limited

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August 2, 2016

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai – 400 001	National Stock Exchange of India Limited Exchange Plaza Bandra Kurla Complex Bandra (East), Mumbai 400 051
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Dear Sir,

Sub: Annual Report for the financial year 2015-16

In terms of the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report for the financial year 2015-16 adopted in the Annual General Meeting held on July 29, 2016.

Please take the same on records.

Thanking you,

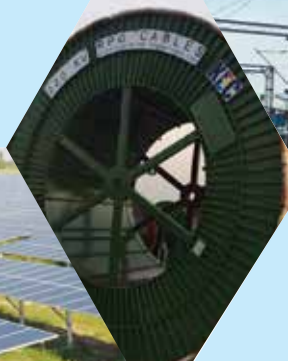
Yours sincerely,

For KEC International Limited

Ch. V. Jagannadha Rao
Vice President – Legal & Company Secretary
Encl: as above



**EMPOWERING CHANGE,
POWERING PERFORMANCE**



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FORWARD-LOOKING STATEMENTS

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

EMPOWERING CHANGE, POWERING PERFORMANCE

Change is a necessary imperative of empowerment and only an empowered organisation can build on its performance quotient to successively deliver enhanced levels of excellence to all its stakeholders. Empowerment manifests change, which in turn manifests transformation. The transformation agenda that we unveiled earlier during the last fiscal, was benchmarked to our ambition of evolving as a more robust, agile and a visionary organisation committed to quality and excellence. Today, we stand before you as a more empowered entity, which believes in powering its performance to new scales of excellence across all facets of its business. The power of change that we successfully unleashed through this transformation exercise has powered us to new levels of distinctiveness in our performance across our entire business value chain.

VISION

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

UNLEASH **TALENT**

Enabling environment for people to unleash their entrepreneurial spirit and realise their full potential.

TOUCH **LIVES**

To understand, care and make a meaningful difference to customers, employees, society and all stakeholders.

OUT **PERFORM**

Sustained and clear outperformance relative to all our competitors and industry on financial and non-financial metrics that matter.

AND 😊

To have fun by creating high-energy environment with a keen sense of belonging and smiling faces everywhere.

CORPORATE INFORMATION

REGISTERED OFFICE

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

PLANTS LOCATION

Transmission

INDIA

Butibori

B-190 Industrial Area
Butibori - 441 108
Maharashtra

Jabalpur

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

Jaipur

Jhotwara Industrial Area
Jaipur - 302 012
Rajasthan

INTERNATIONAL

Brazil

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

Mexico

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

Cables

Mysore

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

Silvassa

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

Vadodara

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

BANKS

INDIA

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

State Bank of Hyderabad
Syndicate Bank
Yes Bank Ltd.

MIDDLE EAST

First Gulf Bank, Abu Dhabi
Abu Dhabi Commercial Bank, Abu Dhabi
Union National Bank, Abu Dhabi
National Bank of Oman, Muscat
Emirates National Bank of Dubai (ENBD), Abu Dhabi
Deutsche Bank, Abu Dhabi
Bank Muscat, Saudi Arabia
State Bank of India, Saudi Arabia
Banque Saudi Fransi, Saudi Arabia
Arab Banking Corporation, Bahrain

US

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

MEXICO

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

BRAZIL

HSBC Bank Brasil S/A
Banco Bradesco S/A
Banco Itau BBA S/A
Banco Santander S/A
Banco Fibra
BDMG
Banco Safra
Banco Intermedium

BOARD OF DIRECTORS

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

MANAGEMENT TEAM

Vimal Kejriwal	Managing Director & CEO
Rakesh Amol	President - Infrastructure & Cables
Randeep Narang	President - International (Transmission & Distribution)
Neeraj Nanda	President - South Asia (Transmission & Distribution)
Rajeev Aggarwal	Chief Financial Officer
Vasudevan Narasimha	Executive Director - Human Resource
Anand Kulkarni	Executive Director - Business Operations

VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Ch. V. Jagannadha Rao

AUDITORS

Deloitte Haskins & Sells
Chartered Accountants

REGISTRAR AND SHARE TRANSFER AGENTS

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

BOARD OF DIRECTORS



H. V. GOENKA

Chairman



VIMAL KEJRIWAL

Managing Director & CEO



A. T. VASWANI

Director



D. G. PIRAMAL

Director



G. L. MIRCHANDANI

Director



NIRUPAMA RAO

Director



R. D. CHANDAK

Director



S. M. KULKARNI

Director



S. M. TREHAN

Director



S. S. THAKUR

Director



VINAYAK CHATTERJEE

Director

AN EMPOWERED CORPORATE

As an entity rooted in credibility and reliability, KEC, the flagship Company of the RPG Group, is a diversified global infrastructure EPC giant, empowered to manufacture and deliver powerful solutions across the entire gamut of Engineering, Procurement and Construction.

Since the last 7 decades, KEC has been powering infrastructure development in more than 61 countries across the globe. Backed by superior levels of quality, technology, capacity and capability, KEC is a world leader in Power Transmission EPC space, and is growing in the Substation, Cables, Cabling Systems, Railways and Solar space. Armed with repute par excellence, the Company is continuously creating value for all its stakeholders through its value driven offerings.

We are present in 5 key verticals



Power Transmission & Distribution



Water (Water & Waste Water Treatment)



Cables



Railways



Renewables (Solar)

Enabled by well-structured, streamlined and revitalised supply chain practices, including a robust network of vendors and logistics providers, we continue to differentiate ourselves across the world with our turnkey solutions and project management expertise. We are consistently and effectively leveraging our strengths in Project Management, Design,

Engineering, Manufacture, Supply and Construction to provide turnkey offerings in the areas of Power Transmission lines up to 1200 kV, Substations up to 1150 kV (Gas Insulated Substations (GIS), Air Insulated Substations (AIS) & Hybrid Substations), Cables & EHV Cabling Solutions, Railways, Water and Renewables (Solar).

WE HAVE POWERED OUR PERFORMANCE TO NEW HEIGHTS OF EXCELLENCE WITH EIGHT MANUFACTURING FACILITIES IN INDIA, BRAZIL & MEXICO, AND 25+ OFFICES ACROSS THE WORLD. OUR MANPOWER STRENGTH IS MORE THAN 5,600 EMPLOYEES FROM 20 DIVERSE NATIONALITIES.

EMPOWERED BY CULTURAL ETHOS

OUR CULTURAL ETHOS

Our deep-rooted cultural ethos have been instrumental in enabling us deliver an empowering performance. Our cultural mandate encompasses:



EMPOWERED TO DELIVER ACROSS BUSINESS SEGMENTS

The transformation that we initiated across our business verticals during the previous fiscal translated into empowered growth during FY 2015-16, enabling us to scale new frontiers of expansion and development. In a year challenged by heterogeneous and volatile external factors, we continued to strengthen the foundations of our business segments in the backdrop of a strong strategic focus on building efficiencies and power the performance.

POWER TRANSMISSION AND DISTRIBUTION

Power Transmission and Distribution being our core business vertical, we continued to strengthen our offerings across our entire value chain. Our range of offerings in this business segment encompasses:

- Providing end-to-end solutions in power transmission and distribution
- Executing projects of up to 1200 kV transmission lines on a turnkey basis
- Turnkey execution of EPC Projects of High Voltage Electrical Switching and Distribution Substations, along with Optical Fibre Cable (OFC) network installation, Optical Ground

Wire (OPGW) stringing, and HV/EHV Cabling project works

- Concept-to-commissioning of High Voltage Air Insulated Substations (AIS) up to 1150 kV, Gas Insulated Substations (GIS) up to 765 kV and Hybrid Substations up to 220 kV as per various national and international standards
- Supported by in-house design and engineering expertise, with capabilities to design extremely complex and large towers
- Strong capabilities in electrical as well as structural and civil works

- Robust and integrated global supply chain practices backed by a highly experienced project management team
- Tower manufacturing and testing facilities spread across India, Brazil and Mexico

WE HAVE STRONG CAPABILITIES IN ON-TIME DELIVERY OF QUALITY PROJECTS CUSTOMISED TO MEET CONSUMER REQUIREMENTS. WE ARE REGULARLY APPRECIATED FOR ACCELERATED PROJECT DELIVERY GLOBALLY.



Transmission Line Project in Oman



Lumban Bay Substation Project in Philippines

CABLES

Cables and Cabling Systems are an integral part of our offerings. This vertical, which spans manufacturing of power, control and telecom cables, including EHV, instrumentation and Solar cables, has pioneered the production of cross-linked polyethylene (XLPE) cables in India. Our Cables service offerings include:

- Customised turnkey EHV cabling solutions provided through state-of-the-art Cable Selection and Cabling System
- Manufacturing of a wide range of Power (HT and EHV Cables of up to 220 kV), Control, Telecom & Instrumentation Cables
- Three fully integrated Cables manufacturing facilities; the state-of-the-art Vadodara facility, equipped with modern technologies, is the first cables factory in the country to receive IGBC, a Green Factory 'Platinum' Certification

- Modernised machines and testing facilities, benchmarked to national and international standards, at all manufacturing facilities
- Innovative focus – Cables division is currently in the process of developing Anti-theft Cables, Covered Over Head Cables and Hybrid Cables

WE HAVE MANUFACTURED THE LARGEST EVER 220 KV XLPE IN INDIA.



220 kV Cable manufactured at Cables Factory, Vadodara, India

RAILWAYS

A complete turnkey solutions provider across the entire EPC infrastructure space in railways, KEC offers services in all the functional segments of Railways Infrastructure:

- Construction of civil infrastructure, including bridges, tunnels, platforms, station buildings, along with workshop modernisation
- Strong capabilities in earthwork, new track-laying and rehabilitation of existing tracks
- Extensive know-how in railway electrification and power systems

- Proficiency in signalling and telecommunication network
- Prequalified to bid for various parts of dedicated freight corridor projects in consortium with partners

5 DECADES OF EXPERTISE, WITH EXPERIENCE OF HAVING ELECTRIFIED MORE THAN 12,000 TRACK KMS OF INDIAN RAILWAYS.



Railway Overhead Electrification Work at Kozhikode, India

WATER

Our expertise in Water Resource Management (WRM) and Waste Water Treatment (WWT) has led to our engagement in several projects under this vertical. We have in place a strong skill-set and expertise, combined with world-class technologies, to steer growth at every stage of Water and Waste Water Management.

Our services under this vertical include:

- **WWT:** Treatment of sewage and industrial effluent
- **WRM:** Building of canals, construction of dams and water system, civil works related to thermal power projects



Water Treatment Plant in Ramnagar, India

RENEWABLES (SOLAR)

Our Renewables business is aligned to the growing government thrust on the Renewable Energy. During the year, we consciously strengthened our presence in Solar space by providing Solar EPC services for Solar PV projects developed by private and public utilities. As part of our service offerings in this business, we provide:

- Design, Project Feasibility Analysis across large-scale Solar Photovoltaic Power Plants
- Design & plant engineering, backed by project management & execution capabilities
- Supply of key, quality performance equipment for Solar PV Plant
- Supply of structures for Fixed Tilt & Tracking Systems
- Complete range of civil works and O&M services
- Prowess in delivering some major rooftop projects

AS AN ORGANISATION EMPANELLED WITH THE MINISTRY OF NEW AND RENEWABLE ENERGY (MNRE) UNDER THEIR SOLAR ON-GRID PROGRAMME, WE ARE CONTRIBUTING EFFECTIVELY TO THE GOVERNMENT'S NATIONAL ROOF-TOP MISSION.



21 MW Solar Power Project in Punjab, India

POWERING DEVELOPMENT BEYOND BOUNDARIES

61+

Countries of presence

33

Nations in current project pipeline

50%+

Business from outside India



Map not to scale - for illustrative purposes only

DISTINCTIVE EDGE POWERED BY EXCELLENT CAPABILITIES

Committed to delivering excellence, the Company continuously engages in enhancing its capabilities and credentials. This has resulted in the Company having successfully created a distinctive edge for itself across the entire spectrum of its offerings, including Manufacturing, Engineering and Design, Project Management Services and Testing services.

Our execution excellence is manifest in our:

ABILITY TO EXECUTE COMPLEX PROJECTS IN DIFFICULT TERRAINS, EXTREME CLIMATE AND HOSTILE ENVIRONMENTS INCLUDING DESERTS, FORESTS, MOUNTAINS, OCEANS, RIVERS AND SNOWFIELDS

PERFORMANCE EXCELLENCE ACCOMPLISHED BY HIGH-QUALITY PROJECT DELIVERY WITHIN STRINGENT TIMEFRAMES, OFTEN MARKED BY ACCELERATED DELIVERY BY COMPLETING PROJECTS AHEAD OF THE SCHEDULED TIME

UNMATCHED ENGINEERING AND DESIGN EDGE

The Company's robust, unique and customised engineering and design capabilities have empowered it to continuously deliver excellent, trendsetting and innovative engineering and design solutions, in which it continues to invest to deliver enhanced excellence year on year.

The Company is equipped with state-of-the-art in-house design centres, both in India and the Americas, to drive innovation and cost-efficiencies in design. Leveraging the latest design technologies, its design team of 100+ engineers and technical staff is consistently building on its expertise through upgradation of technological knowledge and skills. The Company uses the world's most sophisticated systems to design complex engineering solutions.



Designed and Constructed a C-Wet Tower



400 kV Double Circuit Transmission Tower Designed by KEC



Design and Engineering Capabilities

OUR DESIGN EDGE IS BUILT ON THE STRENGTHS OF:

- Understanding of construction-friendly techniques and approach
- >60 years library of transmission lines design database (India and the Americas)

The Company's Design Centre has the best-in-class software like PLS-Tower, PLS-Pole, i-Tower, PLS-CADD, PLS-CAISSON, STADD Pro III, BOCAD, AUTOCAD, STADD Pro, ETAP, ASPEN, Mathcad, Google Earth, MICROSTATION and PVSyst

OUTSTANDING TOWER TESTING PROWESS

The only Company in the world to have four tower testing stations (three in India and one in Brazil), KEC has Tower Testing capability extending to all types of towers. We are well equipped to test Lattice and Guyed Towers, Tubular and Mono Poles, with the flexibility to provide complete testing solutions to all kinds of transmission line requirements.

ALL OUR TESTING FACILITIES ARE:

- Strategically located near manufacturing facilities
- Testing stations in India are ISO 17025:2005 accredited by the National Accreditation Board for Testing and Calibration Laboratories (NABL)



Digitally Advanced Control Room at Butibori Test Station, India



Largest Test Station in Belo Horizonte, Brazil, The Americas



400 kV Double Circuit Transmission Tower Being Tested at Jabalpur Test Station, India

EXCEPTIONAL MANUFACTURING EXCELLENCE

With our futuristic and focussed approach, we are continuously powering our manufacturing strength, underlined by our eight manufacturing facilities spread across India and the Americas to higher levels of technological superiority. We manufacture Transmission Towers, Monopoles, Hardwares, Power Cables, Control Cables and Telecom Cables. All our manufacturing facilities are ISO 9001, ISO 14001 and OHSAS 18001 accredited. We have the largest globally operated Tower manufacturing capacity of 313,200 MTs per annum, including pole manufacturing capacity of 12,000 MTs per annum. Our Cables manufacturing capacity includes Power Cables - 36,000 km/year, Optical Fibre Cables - 0.6 mln Fkm, Copper Telecom Cables - 0.6 mln Ckm.

OUR 100% SUBSIDIARY - SAE TOWERS HOLDINGS LLC (SAE TOWERS):

A key driver of KEC's exceptional growth in the Americas, SAE Towers is our 100% subsidiary, headquartered in Houston, Texas, United States. Armed with scale of execution, the Company is a leading player in the manufacture of Transmission Towers in the Americas. With a track record of successful projects executed to the highest standards of quality, it is the market leader in the business of Lattice Towers, Monopoles and Hardwares.

SAE Towers' strong design capabilities, coupled with a skilled, in-house engineering team, are its core strengths. SAE Towers' is equipped with superior in-house Tower manufacturing & Tower Testing capabilities, giving it a robust foundation for growth.

OUR MANUFACTURING FACILITIES:

INDIA

- **Towers:** Butibori, Nagpur; Panagar, Jabalpur; Jhotwara, Jaipur
- **Cables:** Savli, Vadodara; Hootagalli, Belavadi, Mysore; Dadra, Silvassa



Tower Manufacturing Facility at Butibori, Nagpur, India



Cables Manufacturing Facility at Vadodara, India



INTERNATIONAL

- **Towers:** Escobedo Monterrey, Mexico and Betim, Belo Horizonte, Brazil



SAE Towers Factory, Brazil, The Americas



SAE Towers Factory, Mexico, The Americas



WELL INTEGRATED AND REVITALISED SUPPLY CHAIN MANAGEMENT

Backed by a large network of vendors and logistics service providers, we have strengthened our Supply Chain Management credentials through our change agenda. With an integrated ISO system across the Supply Chain

and fully-equipped testing laboratories certified by National Accreditation Board for Testing & Calibration Laboratories (NABL), we have created a strong foundation for powering higher performance excellence.

Our supply chain is aligned to the highest global standards with a well-structured Project Specific Manufacturing Quality Plan and well-defined Company standards for ensuring Quality of Fabrication, Galvanising and Packing.

PROPONENT OF ADVANCED CONSTRUCTION AND INNOVATIVE TECHNOLOGIES

The performance of an organisation is as much by its policies and mandates as its ability to translate them into actionable goals through execution excellence. Our execution excellence has empowered us to create global icons of excellence driven by our superior innovative design, engineering and manufacturing abilities. Led by a legacy of distinctive performance, we are continuously scaling our execution focus to set new benchmarks.

OUR EXECUTION EXCELLENCE IS FOUNDED ON THE PILLARS OF:

- Increased use of mechanised construction techniques
- Capability to pioneer and innovate technology
- Construction of Hi-tech power transmission techniques; for example, we are constructing a Gas Insulated Line (GIL) in Rabigh, Saudi Arabia

ENDORSEMENTS OF OUR ABILITY

- Introduced drones for stringing OPGW OFC for a Railway Crossing Project near Hyderabad, India
- Pioneered the use of Covered Conductor Technology in India by executing a 66 kV covered conductor project in Bengaluru for Karnataka Power Transmission Corporation Ltd. (KPTCL). This technology is ideal for urban areas where shutdown of power is difficult. Its usage results in reduced phase spacings and enables greater compactness thereby facilitating deployment of short and less bulky towers



Use of Cranes



Use of Gin Poles



Stringing using Sag Bridges



Use of Drones for Stringing



Pioneered the Use of Covered Conductors in India

SUSTAINABLE JOURNEY TOWARDS EXCELLENCE

Racing ahead in its transformation journey via Project Eagle, the Company is gearing to accomplish greater and higher echelons of excellence like the “North Star” under which it aspires to be reckoned as “The EPC Company delivering projects ahead of scheduled completion time”. Towards this, the Company has already accelerated delivery of as many as seven projects.



EPC Project in Brazil, The Americas

With two years gone by, Project Eagle has already gathered significant momentum across the Company's Transmission and Distribution Business with path-breaking and trendsetting outcomes to its credit. To elaborate, accelerating project deliveries, earning acceleration bonus from clients, achieving systematic commercial closure of projects, instilling requisite diligence for bidding processes etc., are remarkable outcomes, instrumental

in providing a distinct edge to KEC. Driven by its success, Project Eagle is now raging ahead with superior velocity to a broader organisational- wide implementation where processes are customised and developed for the Company's Substation, Railways and Solar Businesses. Simultaneously, concepts of Project Eagle including profitability focus are also being deployed at SAE Towers.



Mr. Hemant Kumar Member Mechanical Railway Board Inaugurating KEC's Project on Modernisation of Jamalpur Railway Workshop, India



220 / 33 kV GIS Substation Under Construction at Preet Vihar, New Delhi, India



Outgoing Feeder Lines at General Santos Substation in Philippines



765 / 400 kV GIS Substation Under Construction at Koteswar, Uttarakhand, India



Transmission Line Project in Saudi Arabia

ENABLING ACCELERATED DELIVERY

Empowered by the strategic transformation of our systems, processes and procedures, we powered our performance across our business verticals to enhanced levels of brilliance during the year. Leveraging our core strengths and capabilities, we created stronger platforms of growth to carve distinctive icons matched to the evolving aspirations of our global customer base. During the year, the Company accelerated delivery of as many as seven projects resulting in not only earning appreciation but also accelerated bonus from clients globally.

1 YELAHANKA TRANSMISSION LINE PROJECT FOR KARNATAKA POWER TRANSMISSION CORPORATION LIMITED (KPTCL)

We commissioned the Yelahanka Transmission Line in Bengaluru **one month ahead** of scheduled completion time. With this, we notched another milestone in our performance journey. The line has added 125 MW of power supply to North Bengaluru area paving the way for zero blackouts.



400 kV Yelahanka Transmission Line in Bengaluru, India



Shri D.K.Shivakumar, Energy Minister, Karnataka

2 INDO-BANGLADESH CROSS BORDER INTERCONNECTION FOR POWER GRID CORPORATION OF INDIA LIMITED

In another powerful achievement, we successfully completed the 400 kV Double Circuit Twin Indo-Bangladesh Cross Border Interconnection, **five months ahead** of its scheduled completion time. The accomplishment came amid severe monsoon challenges and despite the difficulties faced in accessing remote geographical areas.



Indo-Bangladesh Cross Border Interconnection



Inaugurated by Shri Narendra Modi, Prime Minister of India

3 ZAMBIA TRANSMISSION LINE PROJECT FOR ZESCO LIMITED

We commissioned the 220 kV Zambia Transmission Line project, **seven months ahead** of its scheduled completion time and received an acceleration bonus for this project. This underlines our empowered approach towards execution excellence.



220 kV Transmission Line, Zambia

4 THIRUVERKADU SUBSTATION PROJECT FOR TAMIL NADU TRANSMISSION CORPORATION LIMITED (TANTRANSCO)

Steered by our performance focus, we successfully commissioned our first 230/110 kV Hybrid GIS Substation project in Thiruverkadu in a record nine months, **one month ahead** of scheduled completion.



110 kV Substation in Thiruverkadu, India

5 RAICHUR TRANSMISSION LINE PROJECT FOR KPTCL

We completed the 400 kV Transmission Line in Raichur, **two months ahead** of its scheduled completion. We received an early completion incentive for this accomplishment, becoming the first such EPC Company to receive this incentive from KPTCL.



400 kV Transmission Line Raichur, India

6 JALANDHAR-SAMBHA TRANSMISSION LINE PROJECT FOR STERLITE POWER GRID VENTURES LIMITED

Undeterred by multiple challenges, such as water-logged locations in Punjab and land acquisition issues in Jammu, we set another benchmark in performance excellence by completing the 400 kV DC Jalandhar-Sambha, Transmission Line **three months ahead** of schedule.



400 kV Transmission Line Jalandhar-Sambha, India

7 KHARAGPUR-EGRA TRANSMISSION LINE FOR WEST BENGAL STATE ELECTRICITY TRANSMISSION COMPANY LIMITED (WBSETCL)

We successfully commissioned the 220 kV Kharagpur-Egra Transmission Line **11 days ahead** of the scheduled completion time. The appreciation we received from WBSETCL for this project was a valuable endorsement of our excellence thrust.



220 kV Transmission Line Kharagpur-Egra, India

EMPOWERED BY OUR GROWING EXECUTION EXCELLENCE AND CAPABILITIES, WE ACCELERATED THE DELIVERY OF AS MANY AS SEVEN PROJECTS AHEAD OF SCHEDULE, LEADING TO ACCELERATED BONUS AND APPRECIATION CERTIFICATES IN SEVERAL CASES.

SCALING NEW FRONTIERS OF GROWTH

A continuous improvement engine in the form of Project Academy, comprising the best organisational talent, is responsible for driving the transformation agenda forward.

The strong focus on augmenting operational and execution excellence has powered the Company's performance to escalated growth levels:

POWER TRANSMISSION AND DISTRIBUTION BUSINESS

Secured orders across all the regions:

Order intake for the year in this business is ₹ 7,329 crore. This includes orders from South Asia (Afghanistan, Bhutan and India), MENA (Abu Dhabi, Oman and Saudi Arabia), the Americas (Brazil, Chile, Canada, Mexico and the US), Africa & CIS (Ghana, Kenya, Uganda and Zambia) and Europe (Georgia).

Secured large size EPC orders: An order worth ₹ 608 crore from Powergrid Southern Interconnector Transmission System Limited (a wholly owned subsidiary of PGCIL) for construction of Transmission Line associated with "Beyond Vemagiri" Transmission System Project. In addition, the Company also secured orders worth ₹ 404 crore for construction of Transmission Line in Ghana, Africa.

The Company has also expanded its strong global EPC expertise in the Americas through its wholly owned subsidiary SAE Towers. So far the Company has secured 6 EPC projects in Brazil.

Expanding Substation business in international markets: Last year, the Company had strengthened its presence in domestic Substation business by securing large and prestigious orders for the establishment of various Gas Insulated Substations (GIS). This year, the Company has expanded this business to international markets by securing orders in Saudi Arabia, Bhutan and Afghanistan.



Tower Erection in Saudi Arabia



765 kV GIS Substation in Thiruvalem, India



Transmission Line Project in Saudi Arabia

CABLES BUSINESS

Total order intake in this business was ₹ 967 crore. Cables business order intake and revenue were impacted due to significant deceleration in prices of Copper and other metals.



380 kV Cabling Project in Saudi Arabia

WATER BUSINESS

The execution of Water projects picked up and we closed most of the legacy projects.



Bird's-Eye View of Sewage Treatment Plant Under Construction at Bengaluru, India

RAILWAYS BUSINESS

In this business, the Company has secured a composite order of ₹ 288 crore for electrification, civil works, track laying, signalling and telecommunication works in Madhya Pradesh from Rail Vikas Nigam Limited.



Railway Overhead Electrification Work, India

SOLAR BUSINESS

We ramped up our Solar Business with orders of ₹ 130 crore and we were close to commissioning 5 PV ground mount projects of approximately 50 MW and 15 roof top projects of approximately 1.3 MW.



Module Mounting Structure for Solar Ground Mount Project, India

POWERING EXCEPTIONAL PERFORMANCE IN COMPLEX PROJECTS

At KEC, we look at challenges not as obstacles but as opportunities to empower ourselves even more diligently, thus powering better performance across our business segments. Spearheaded by a proud legacy, backed by extensive experience of operating in difficult conditions, we have created a high performance-led culture across the organisational fabric. At the root of our exceptional operational and execution strengths is the huge repository of intelligent and analytical data we have built over the years. This has been instrumental in enabling us to tackle and pre-empt diverse and difficult execution-related challenges, and execute complex engineering projects in extreme climatic conditions as well as difficult topographies and hostile terrains.

SCALING NEW HEIGHTS

380 kV OVERHEAD TRANSMISSION LINE (OHTL) IN RABIGH, SAUDI ARABIA INCLUDING A GAS INSULATED LINE

Project scope:

- Construction of 380 kV OHTL of 237.7 kms, comprising 657 tower locations in mountainous terrains in Mecca Province of Saudi Arabia
- First-of-its-kind project covering 2 circuits of Gas Insulated Line (GIL) of 500 Metres each, requiring highly specialised equipment

Core challenges:

- To build and maintain access roads in hilly and rocky terrains to deliver construction material which required hot blasting
- Excavation works required time-consuming cold blasting

Project Status:

Estimated completion by June 2016



380 kV Gas Insulated line in Rabigh, Saudi Arabia

REINFORCING STRENGTHS

220 kV TRANSMISSION LINE IN KENYA (TURKWALE-KITALE)



220 kV Turkwale-Kitale Single Circuit Transmission Line, Kenya

Project scope:

- Construction of 350 locations across 138 kms of corridor

Core challenges:

- Corridor was spread across some highly undulated hilly terrain, with superficial rocks requiring excavation, steep access, farmlands and tribal belt with frequent insurgency experiences
- Hilly semi-arid terrain provided challenge of accessibility to locations through forest lands and uncertain leg differences with some even exceeding 8 metres between two legs of towers

- Issues pertaining to ownership of farmlands, frequent communal clashes between ethnic tribes carrying arms and weapons, leading to a declaration of no access zone by the Government
- Scarcity of water, remoteness from nearest towns and logistics

Project Status:

Stringing works are ongoing with 11 kms of stringing completed in March 2016. Despite numerous challenges, 80% of the work has been completed.

TUNNELLING TO SUCCESS

380 kV UNDERGROUND XLPE CABLE WORKS IN SAUDI ARABIA

Project scope:

- Construction of 380 kV Over Head Transmission Line including 380 kV Underground XLPE Cable works

Core challenges:

- OHTL works faced ROW issues
- Total cable length is 5,600 metres in direct buried, Horizontal Directional Drilling (HDD) and tunnel sections
- Narrow space availability i.e. only 12 metres for HDD and crossing of major existing utilities

- Space constraint in substation basement, requiring rearrangements of cables; laborious manual backfilling was required owing to DTS cable in place

Project Status:

Completed as per schedule; OHTL and underground XLPE Cable circuits energised in November 2015.



380 kV underground XLPE Cable Works in Saudi Arabia

REACHING REMOTE LOCATIONS

115/13.8 kV SUBSTATION IN AL-HASSA, SAUDI ARABIA

Project scope:

- Construction of 115 kV Gas Insulated Substation (GIS) in eastern province of Saudi Arabia
- First GIS substation in Saudi Arabia by KEC

Core challenges:

- Construction in remote area and integration to live substation at remote end

Project Status:

Completed and commissioned in March 2016



115 kV GIS Substation Project in Saudi Arabia

SETTING BENCHMARKS

230 / 110 kV HYBRID GIS SUBSTATION IN THIRUVERKADU, CHENNAI, INDIA

Project scope:

Construction of Gas Insulated Substation (GIS)/Air Insulated Substation (AIS), Hybrid GIS Substation.

Core challenges:

- The overall layout had to be changed due to unforeseen circumstances mid-way, which led to an initial delay of about three months
- Substation located on the banks of Cooum River, having depth of around 9 metres
- Project also involved deployment of multiple contractors for carrying out all the activities in parallel, so as to reduce the time lost

Achievements:

First Hybrid GIS project for KEC and Tamil Nadu Transmission Corporation Limited completed in all respects within the contractual period

Project Status:

Completed



230 / 110 kV Hybrid GIS Substation in Thiruverkadu, Chennai, India

COMMITTED TO QUALITY

400 kV TRANSMISSION LINE FOR INDO-BANGLADESH CROSS BORDER INTERCONNECTION

Project scope:

Construction of 64 towers covering a length of 17.68 kms over a 12-month period.

Core challenges:

- Labour crisis for foundation work, owing to existing labour shortage in Tripura which we eventually overcame by hiring labour from other parts of Assam
- Continuous sand boiling, continuous pit collapsing and swampy soil, causing hindrance at many locations for execution of the foundation laying work

- Final checking of Towers was a critical issue as a result of stringent deadlines – this required the stringing work to be executed immediately after completion of tower erection

Project Status:

Line successfully commissioned 5 months ahead of scheduled completion date



400 kV Transmission Line - Indo-Bangladesh Cross Border Interconnection

FROM FORESIGHT TO FOCUS

800 kV HVDC TRANSMISSION LINE IN INDIA (CHAMPA-KURUKSHETRA)

Project scope:

800 kV HVDC project to construct 1073 towers spanning a length of 406 kms

Core challenges:

- Environmental clearance, ROW Management, Logistics solutions were the key challenges, this being the Company's first 800 kV HVDC Project
- Required micro planning, mechanisation and focussed approach

Project Status:

The project is physically complete.



800 kV HVDC Transmission Line Champa-Kurukshetra, India

EMPOWERED TO DRIVE FINANCIAL PERFORMANCE EXCELLENCE

Successfully battling challenging global headwinds, KEC successively delivered a good performance across financial metrics during FY 2015-16. Significant improvement in margins over the last few successive quarters reflected the Company's robust performance to boost stakeholder value.



400 / 220 kV GIS Substation at Kishanganj, India

KEY INITIATIVES

To further tighten fiscal controls and create a more favourable environment for enhanced financial performance, we undertook several initiatives during the year:

- Tightened the focus on prudent financial management under the ambit of Project Eagle
- Spread awareness about Profit Before Tax (PBT) at the level of Project Managers and Construction Managers, thereby ensuring management of each project as a separate P&L account
- Optimised borrowings by increasing the proportion of lower cost borrowings and reduction of high cost borrowings

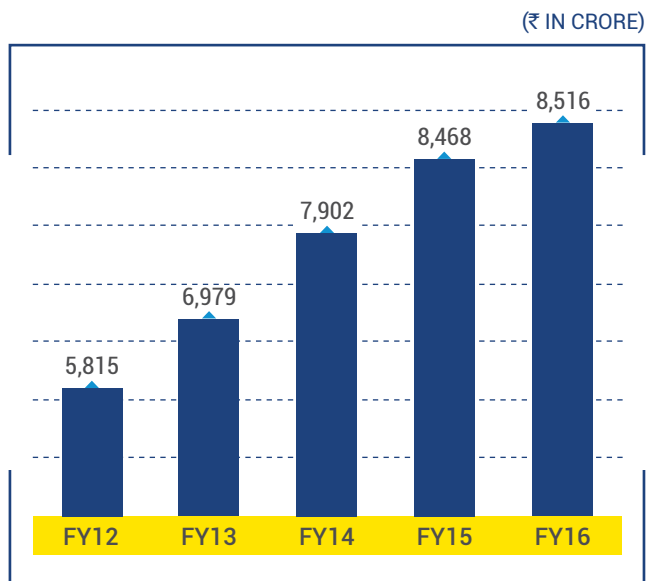
A DEFINING MOMENT, OUR EBITDA MARGIN FOR Q4 FY 2015-16 IS AT 8.7% WHICH IS THE HIGHEST IN LAST 19 QUARTERS.



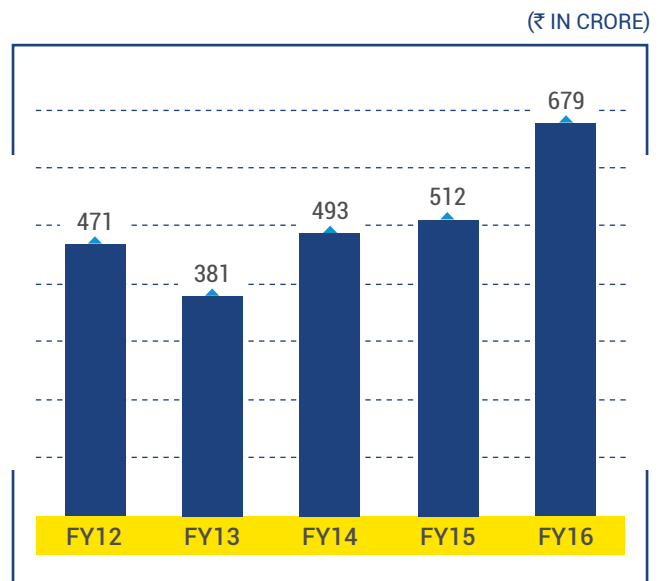
400 / 220 kV GIS Substation at Kishanganj, India

FINANCIAL PERFORMANCE

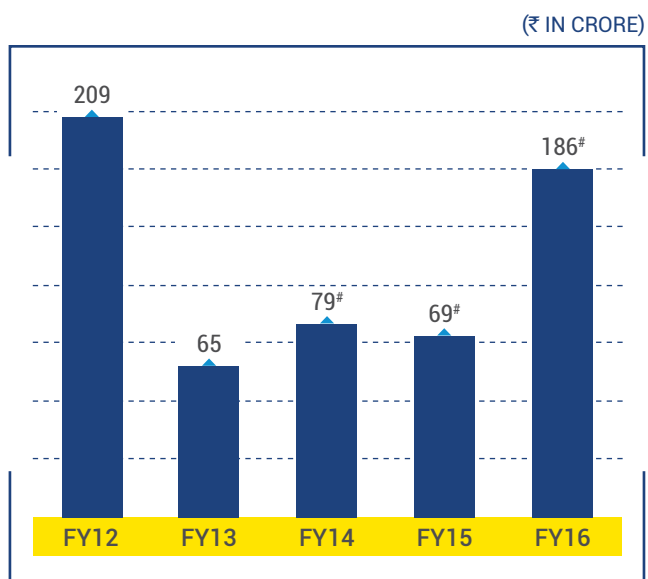
NET SALES



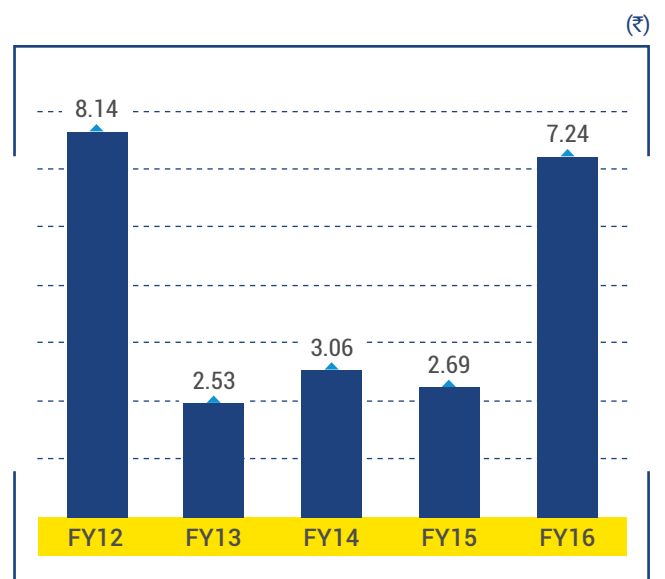
EBITDA



NET PROFIT



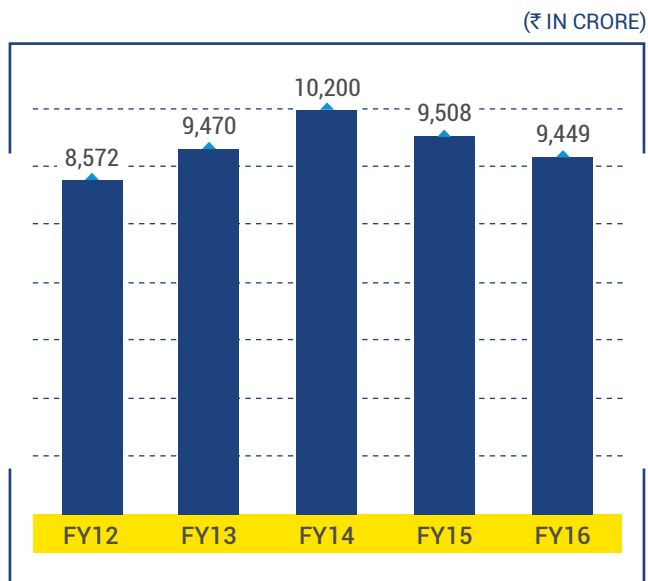
EPS[#]



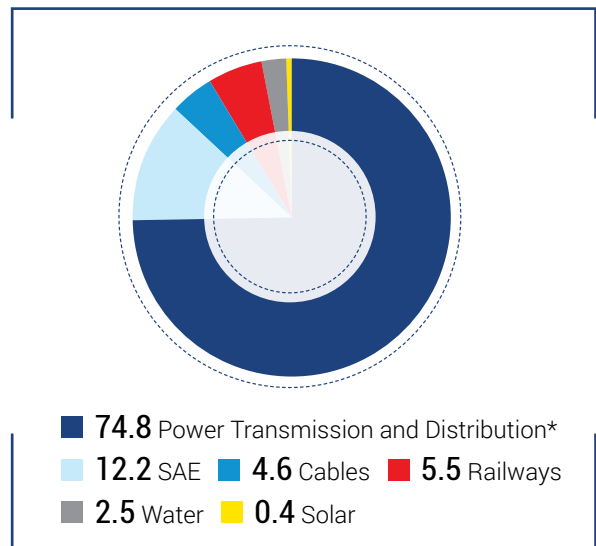
[#]Before impact of Voluntary Retirement Scheme (FY 2013-14) and disposal of Assets (FY 2014-15 & FY 2015-16)

Note: Graphs are not up to the scale

ORDER BOOK

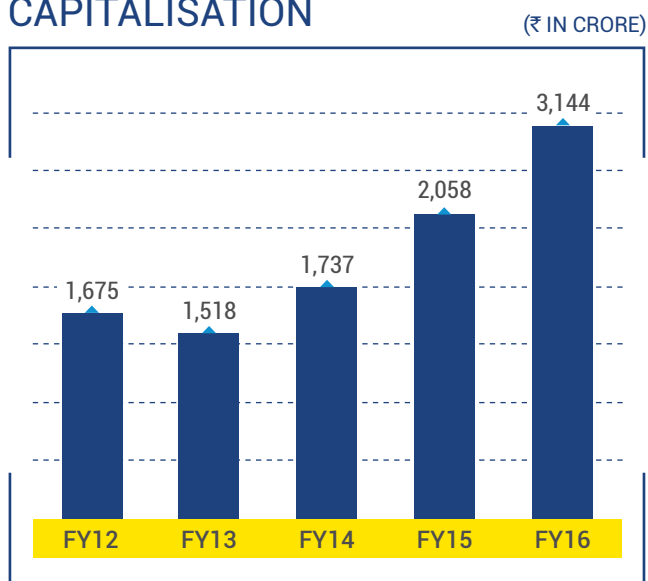


BUSINESS-WISE OUTSTANDING ORDER BOOK (%)

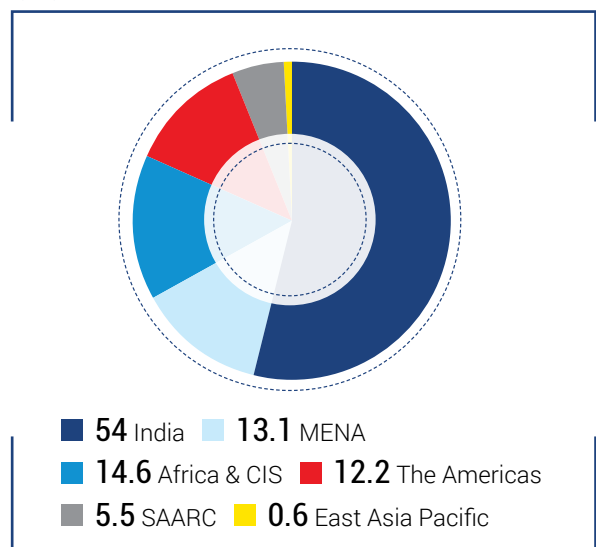


*excluding SAE Towers

YEAR-END MARKET CAPITALISATION



REGION-WISE ORDER BOOK (%)



Note: Graphs are not up to the scale

EMPOWERING THE COMMUNITY

For us, at KEC, empowerment is not confined to our own people, systems and strengths. Our vision of empowerment is aligned to our CSR vision, which is focussed on holistic empowerment of the community at large. Our business transformation philosophy, which is continuously evolving with the changing societal needs and aspirations, is inspired to deliver empowered progress through powering performance that extends beyond our business horizons. That is why we are continuously empowering ourselves to empower thousands of people whose lives we touch in many different ways, every day.

OUR CSR VISION

“To drive ‘holistic empowerment’ of the community, through implementation of sustainable initiatives which will have maximum societal impact by identifying the critical needs and gaps”.



Training on Practical Application of 5S Housekeeping System Imparted to Students



Children Being Trained Under Pehley Akshar Initiative at Nagpur



Training Session for Self-Help Group Women

ITI

KEC adopted ITI Ashti, located in Wardha District of Maharashtra, with an objective of facilitating upgradation of technical infrastructure and building higher capacity under the PPP Model.

The Institute organises on-the-job training, industry visits, soft skills training, English classes, workshops and additional technical training to enhance the proficiency and skills of students. Facilities such as E-classroom, Wireman Lab, Learning Resource Utilisation Centre and Computer Aided Training Lab are available for the students at the Institute. In order to nurture them further, the students are also provided with sports facilities.

A total of 662 students completed training in FY 2015-16.

KEC has also been facilitating the sharing of best practices among ITIs in the Vidarbha region.

DEVELOPING EMPLOYMENT SKILLS

Powering the employability skills of the local communities is a key empowerment initiative of our CSR programme. Through RPG Group's 'Saksham' programme, which has adopted Government-run technical schools in Vidarbha, Maharashtra, we are providing youth with soft skills training, along with hobby classes and finishing schools, as well as 5S housekeeping system, science and energy classes. Our efforts towards enhancing their knowledge, skills and attitude have benefited around 465 students, with plans to expand the ambit of the programme to reach out to more youth.

PEHLEY AKSHAR

The first words a child learns to speak and read defines his/her performance and progress through life. Cognizant of this fact, we have consciously committed ourselves to support RPG Group's 'Pehley Akshar programme', aimed at empowering children with quality education. The programme seeks to enhance the English spoken and reading skills of children, thereby giving them equal opportunities for a better life. In FY 2015-16, the Company carried out programme initiatives in Nagpur and Jaipur, educating around 1,800 children.



Solar Lights - an Initiative Towards Green Energy Emission at Project Sites

NURTURING THE ENVIRONMENT

Empowerment, in order to be holistic, has to be all-encompassing, aimed at creating a positive impact on all facets of life. Environment being a key aspect of development and progress, we are strongly focussed on nurturing it through a series of initiatives. During the year, we undertook a tree plantation drive at the Silvassa unit on the occasion of World Environment Day, while a Green Walkathon was organised at Vadodara to spread awareness among the community on the need for green plantation. We also planned celebrations to mark the Energy Conservation Day at plant units, conducting awareness sessions and providing employees with valuable suggestions and tips on reducing power consumption.



Women Empowerment Through Entrepreneurship Development Programme Under Project Saksham

EMPOWERING WOMEN

Project Saksham is focussed on empowering women through Entrepreneurship Development Training programme, aimed at encouraging entrepreneurship among them. As part of the programme, alternate livelihood opportunities are provided to women. During the year under review, more than 250 women were trained to start their own business and thus supplement their household incomes.



Eye Camp Under Our Flagship Project 'Netranjali'

PROGRESSING WITH HEALTH & WELFARE INITIATIVES

Healthcare awareness and facilities are close to our heart as an impactful CSR initiative designed for the welfare of the communities around our plants. During the year, our flagship project 'Netranjali' benefited 4,219 people across age groups – through eye care interventions. The campaign was powered through a massive campaign of mobilisation, sensitisation and awareness, conducted through public awareness announcements, personal visits and distribution of pamphlets, reaching out to 50,628 beneficiaries.

We also empowered urban students in the cities of Jaipur, Jabalpur and Nagpur during the year through Project Jeevan, which encompasses

healthcare interventions for school children. Safe drinking water was provided through installation of 8 Water Huts at Government Schools in Jaipur and Butibori. In addition, we constructed around 70 Community Toilets and 4 School Toilets which benefited around 12,000 people.

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

OTHER CSR ACTIVITIES

Contributions were made by the Mysore unit for providing nourishing supplements to residents of the nearby old age home. Summer camps were organised for children, which witnessed the participation of more than 130 youngsters. A Safety Run Competition was organised at Balbharati Maidan, Butibori.

ENVIRONMENT, HEALTH & SAFETY

Environment, Health and Safety (EHS) is paramount at KEC. The Company is committed to ensure a safe and healthy workplace for its employees and contractors while protecting the environment. The Company's Environment Health and Safety (EHS) policy ensures responsible and ethical business conduct, focussing on safeguarding of occupational health and safety of people, property and environment in conformance to statutory requirements and government legislation. The Company has successfully institutionalised best safety practices on account of which it has been lauded on numerous platforms and clients including PGCIL.



Safety Standards Adhered to at Project Sites



Life After Accident Training Being Imparted at Project Sites



Safety Day Celebrations at KEC



On-Site Emergency Response Plan at Factory and Sites



Safety Awareness Programme Being Conducted at KEC Project Site



Safety Standards Being Adhered to at Project Sites



Safety Visuals at Project Sites



Safety Camps at Project Sites

APPLAUDS !!

Another year of endorsements and another set of awards helped nurture a more empowering environment to propel our performance and success during FY 2015-16.



1

PGCIL

PGCIL conferred KEC with three of its most coveted awards:

- Honoured with the highest "Best Transmission Line Contractors Award"
- Appreciated for institutionalising "Best Safety Practices" at KEC
- Admired for "Overall Performance Demonstrated"



2

AWARD FOR TURNKEY CABLES PROJECT

Recognised by Tata Power Delhi Distribution Limited for successful completion of 66 kV Turnkey Cabling Project



3

AWARD FROM NATIONAL GRID OF SAUDI ARABIA

Recognised by the National Grid of Saudi Arabia for outstanding Quality with regard to overhead transmission line project in Najran, Jizan & Bisha in Saudi Arabia



7

BEST EMPLOYER 2014 AWARD

Jaipur plant received "Best Employer Award - 2014" from Employer Association of Rajasthan in the Large Scale Industries Category



8

EMPLOYERS FEDERATION OF INDIA AWARD

Received a national award for excellence in employee relations from Employers Federation of India



9

DATAQUEST MAGAZINE - IT AWARD

Awarded by DATAQUEST Magazine with the prestigious "Business Technology Award 2015" in the 'Enterprise Application' category for the KEC Bid Management System using Oracle Cloud software



4 INDIAFRICACHAMPIONINBIZ AWARD 2015 – ASSOCHAM

Bestowed with the 'IndiafricaChampioninBiz Award 2015' by The Associated Chambers of Commerce and Industry of India (ASSOCHAM) for our achievement in the Power & Renewable energy space in Africa



5 IACC EXCELLENCE AWARD IN MANUFACTURING

Received the Indo-American Corporate Excellence Award in Manufacturing for growth, expansion and leadership position in Power Transmission Tower Manufacturing in the Americas



6 FROST AND SULLIVAN – INDIA MANUFACTURING EXCELLENCE AWARD

Won the "India Manufacturing Excellence Award - 2015" by Frost & Sullivan for Butibori & Jaipur plants under 'Gold Certificate of Merit' category and Jabalpur plant in 'Silver Certificate of Merit' category



10 NATIONAL CONVENTION ON QUALITY CONCEPTS (NCQC) 2015 AWARD

KEC Jabalpur unit was awarded for its meritorious performance at National Convention on Quality Concepts held at Chennai



11 DUN & BRADSTREET

Recognised by Dun & Bradstreet as 'The Leading Infrastructure Company in Power Sector'



12 STAR PERFORMER EEPC

Recognised, for the third time, as the Star Performer by EEPC India in the Large Enterprise category

KEC AT ELECRAMA-2016

ONE OF THE WORLD'S LARGEST POWER TRANSMISSION & DISTRIBUTION EXHIBITION



Shri Piyush Goyal, Minister of State with Independent Charge for Power, Coal, New & Renewable Energy, Government of India & Shri D. K. Shivakumar, Energy Minister of Karnataka Inaugurating KEC Booth



Visitors



KEC Booth



Shri Suresh Prabhu, Railway Minister of India



Shri Anant Geete, Minister of Heavy Industries & Public Enterprises at KEC Booth

KEC AT ELECRAMA-2016



Shri I. S. Jha, Chairman & Managing Director, Power Grid Corporation of India Limited (PGCIL) at KEC Booth



Shri R. P. Sasmal, Director (Operations) & Additional Charge (Projects), PGCIL and Shri D. K. Valecha, Executive Director Engineering, PGCIL with KEC Senior Management at KEC Booth



Shri S. K. Das, Managing Director, West Bengal State Electricity Transmission Company Limited at KEC Booth



Dr. Salem Jraib Al Harthi, Director Projects, Abu Dhabi TRANSCO at KEC Booth



Mr. Gem Tshering, Managing Director, Bhutan Power Corporation at KEC Booth



Shri P. Ravikumar IAS, Additional Chief Secretary to Government, Energy Department, Karnataka at KEC Booth



Shri D. K. Shivakumar, Energy Minister of Karnataka and Shri S. Sumanth, Director Technical, Karnataka Power Transmission Corporation Ltd. at KEC Booth

DIRECTORS' REPORT

To the Members of KEC International Limited

The Directors have pleasure in presenting the Eleventh Annual Report along with the Consolidated and Standalone Audited Financial Statements of the Company for the financial year ended on March 31, 2016.

1. FINANCIAL RESULTS

(₹ in Crore)

Particulars	Consolidated		Standalone	
	FY 2015-16	FY 2014-15	FY 2015-16	FY 2014-15
Net Revenue from Operations	8,516.33	8,467.80	6,463.61	6,592.09
EBITDA	679.29	511.80	448.31	327.46
Finance Cost	277.43	308.86	231.26	252.13
Depreciation & Amortisation	87.56	88.11	69.96	70.40
Profit Before Tax	324.56	261.06	259.13	182.34
Tax Expenses	133.06	100.08	101.12	71.61
Profit After Tax	191.52	160.99	158.01	110.74
Dividend on equity shares (including tax on dividend)*	30.89	27.85	30.89	27.85
Transfer to General Reserve	15.80	11.07	15.80	11.07

*Interim Dividend declared on March 14, 2016.

2. PERFORMANCE

Financial Performance

In FY 2015-16, several measures were taken for improving the financial performance of the Company which yielded positive results.

On a consolidated basis, the net revenue from operations for FY 2015-16 was ₹ 8,516 Crore, a marginal growth over FY 2014-15. Revenue growth was flat primarily on account of soft commodity prices, significant depreciation of Brazilian Real and delay in conversion of some large lowest bidder (L1) positions into orders. EBITDA for FY 2015-16 was ₹ 679 Crore, a strong growth of 33 percent over FY 2014-15. EBITDA margin expanded by 200 bps in FY 2015-16. The net profit excluding the impact of asset sale in FY 2015-16 increased to ₹ 186 Crore, a strong growth of 168 percent over FY 2014-15. The net profit including the impact of sale of the asset in FY 2015-16 increased to



1200 kV Transmission Line Project in
Bina, Madhya Pradesh

Company secured
orders of

₹ 8,714
Crore in
FY 2015-16

₹ 192 Crore, a growth of 19 percent over FY 2014-15. On a standalone basis, the net revenue from operations was ₹ 6,464 Crore and the net profit was ₹ 158 Crore, including profit on sale of Telecom Towers' business of ₹ 5 Crore.

The Company secured orders of ₹ 8,714 Crore in FY 2015-16, an increase of 6 percent over the previous year. This is notwithstanding the impact of soft commodity prices and adverse currency movement in the Company's key market Brazil. The closing order book position was at ₹ 9,449 Crore. The Company is expecting to receive significant orders in near term as it already has one of the highest L1 pipeline.

During the year under review, the Company saw a very significant improvement in the profitability. The transmission business continues to perform well both in terms of revenue and profitability. The Company's wholly owned subsidiary, SAE Towers, has turned around this year to make a profit. The Company also took necessary and rigorous steps for closing old projects in its Railway and Water businesses. However, the profitability of the Railways and Water businesses were impacted due to costs associated with project closures. The soft commodity prices resulted in under absorption of fixed costs in the Company's Cables business.

Operational highlights

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

Power Transmission & Distribution – This is the Company's largest business vertical which provides end-to-end solutions for power evacuation from generating stations to consumer distribution points. During the year under review, the Company has expanded its presence into underground cabling and Substation business internationally.

The Company secured orders for ₹ 7,329 Crore in this division during the year across India, MENA, Africa, Asia and the Americas. The orders include largest ever single order in transmission business from Power Grid Corporation of India Limited (PGCIL) and one of the largest orders in Africa from Ghana Grid Company.

Building on to its business transformation exercise which the Company completed last year, it has maintained the pace of implementation in line with changing client requirements.

The successful implementation of the transformation exercise has led to reduction in execution cycles for

projects across the Company's businesses and the Company has also completed some of the projects ahead of schedule. In recognition, the Company had received an appreciation letter from PGCIL for completing the Indo Bangladesh cross border line 5 months ahead of schedule. PGCIL also appreciated the Company's work by conferring upon it three of its most coveted awards for FY 2015-16 – Best Transmission Line Contractors award, award for Institutionalizing Best Safety Practices and an award for Overall Performance Demonstrated. The Company also won the Outstanding Quality award for a National Grid project in Saudi Arabia.

Last year the Company had strengthened its presence in domestic Substation business by securing large and prestigious orders for the establishment of various Gas Insulated Substations (GIS). This year the Company has further expanded this business in international markets by securing orders in Saudi Arabia, Bhutan and Afghanistan.

The Company has also started expanding on cabling projects with orders in Saudi Arabia.

The Company has also expanded its strong global EPC expertise in Americas through its wholly owned subsidiary SAE Towers. In addition to the 5 (Five) EPC projects secured earlier in Brazil, this year the Company secured one more such order.

Cables – The Cables business secured orders of ₹ 967 Crore in FY 2015-16. Cable being a commodity driven business, the impact of significant deceleration in prices of Copper and other metals impacted the revenue and the order values. The Cables business has now received complete approval for 220 kV Cables from KEMA, Netherlands which will help in expansion of the EHV Cables portfolio in international markets.

Railways – The Company secured a composite order of ₹ 288 Crore for electrification, civil works, track laying, signaling and telecommunication works in Madhya Pradesh from Rail Vikas Nigam Limited. The order sizes in traditional rail businesses have started to increase and the Company intends to participate in these projects going forward. The reduction in timelines to award a project and a strong tender pipeline is expected to drive growth in this business.

Renewables – During the year, the Company ramped up its presence in the renewables business by securing orders of ₹ 130 Crore. These orders are mainly for EPC work of Solar PV power plants.

Water – This year the Company's focus has been on completing or closing the balance Water Resource Management (WRM) projects. The Company has managed to complete most of the projects this year and remaining projects are expected to be completed in FY 2016-17. The technology projects like Waste Water Treatment (WWT) are under execution and the Company has selectively bid for these projects.

During the year under review, there was no change in the nature of business of the Company.

3. DIVIDEND

The Board of Directors had during the year, approved payment of interim dividend at the rate of ₹ 1/- (Rupee One only) per equity share, of face value of ₹ 2/- each, to the Members of the Company as at the closing hours on March 24, 2016, being the record date fixed by the Board of Directors for this purpose. Interim Dividend was paid on March 29, 2016. With a view to conserve the resources for future expansion and business growth, the Board does not recommend any further dividend and that the interim dividend be considered as final dividend for the financial year ended on March 31, 2016.

4. GENERAL RESERVE

The Board of Directors proposes to transfer an amount of ₹ 15.80 Crore to the General Reserve.

5. SHARE CAPITAL

The paid up Equity Share Capital of the Company as on March 31, 2016 was ₹ 51.42 Crore and remained unchanged during the financial year under review.

6. FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of sub-section (31) of Section 2 and Section 73 of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Rules framed thereunder.

7. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

8. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE REPORT

In terms of Clause 49 of the erstwhile Listing Agreement and Regulation 34 of the Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "the Listing Regulations"), a separate section on Management Discussion and Analysis and Corporate Governance Report together with a certificate from the Company's Statutory Auditors confirming compliance with Corporate Governance clauses of erstwhile Listing Agreement and Listing Regulations, are set out and forms part of this Annual Report.

9. CONSOLIDATED FINANCIAL STATEMENTS

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

10. SUBSIDIARY COMPANIES

The Company has twenty one subsidiary companies which includes step down subsidiaries as well.

During the year under review, the Company had incorporated a subsidiary Company namely KEC Bikaner Sikar Transmission Private Limited as a Special Purpose Vehicle (SPV), to execute a project awarded to the Company by Rajasthan Rajya Vidyut Prasaran Nigam Limited in the state of Rajasthan.

Jay Railway Projects Private Limited, a wholly owned subsidiary of the Company, merged with the Company on December 30, 2015, with appointed date of April 01, 2014. Further, during the year under review, SAE Towers Panama Holdings LLC and SAE Towers Panama S de RL Panama, step down subsidiaries, were dissolved.

Pursuant to the provision of sub-section (3) of Section 129 of the Act read with Rule 5 of Companies (Accounts) Rules, 2014, the salient features of the Financial Statements of each of the subsidiaries, associate and joint venture companies are set out in the prescribed Form AOC-1, which forms part of the Annual Report. The Financial Statements of these subsidiaries are uploaded on the website of the Company i.e. www.kecprg.com under 'Investors' tab and the same shall also be made available for inspection by any Member at the Registered Office of the Company on all working days (except Saturdays) during business hours

till the date of Annual General Meeting. A copy of these Financial Statements shall be provided to any Member of the Company, upon receipt of a written request for the same.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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

1. in the preparation of the annual accounts for the financial year ended on March 31, 2016, applicable accounting standards have been followed and no material departures have been made from the same;
2. we have selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
3. we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. we have prepared the annual accounts for the financial year ended on March 31, 2016 on a going concern basis;
5. we have laid down internal financial controls and the same have been followed by the Company and that such internal financial controls are adequate and were operating effectively; and
6. we have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. DIRECTORS & KEY MANAGERIAL PERSONNEL

12.1 Directors

Pursuant to the provisions of Section 152 of the Act, Mr. R. D. Chandak, Director is liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointment. Further during the year, the Board of Directors had appointed Mr. Vimal Kejriwal

as an Additional Director. Pursuant to Section 161 of the Act and Article 124 of the Articles of Association of the Company, Mr. Vimal Kejriwal holds office up to the date of the ensuing Annual General Meeting of the Company. The Company has received a notice from a Member of the Company under Section 160 of the Act, proposing the candidature of Mr. Vimal Kejriwal as Director of the Company.

In compliance with Regulation 36(3) of the Listing Regulations, brief resume, expertise and other details of all the Directors proposed to be appointed/reappointed are given in the Notice convening the ensuing Annual General Meeting.

The Board recommends the aforesaid appointment/reappointment of the Directors.

12.2 Key Managerial Personnel (KMP)

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

1. Mr. Vimal Kejriwal, Managing Director & CEO;
2. Mr. R. D. Chandak, Managing Director;
3. Mr. Rajeev Aggarwal, Chief Financial Officer; and
4. Mr. Ch. V. Jagannadha Rao, Vice President-Legal and Company Secretary.

* Retired from the close of business hours on April 01, 2015.

12.3 Declaration by Independent Directors

Pursuant to provision of sub-section (6) of Section 149 of the Act and Regulation 17 of the Listing Regulations, each of the Independent Directors of the Company namely Mr. A. T. Vaswani, Mr. D. G. Piramal, Mr. G. L. Mirchandani, Ms. Nirupama Rao, Mr. S. M. Kulkarni, Mr. S. M. Trehan, Mr. S. S. Thakur and Mr. Vinayak Chatterjee have submitted a declaration that each of them continues to meet the criteria of independence as provided in the Act and Listing Regulations.

12.4 Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, the Board has carried out an annual evaluation of its own performance, the Directors individually and also of all the Committees of the Board. The Directors were provided with an electronic platform to record their views. The reports generated out of the evaluation process were placed before the Board at its Meeting and noted by the Directors.

The performance of the Board and its Committees was evaluated by the Board after seeking inputs from

the Directors on the basis of criteria such as Board composition, strategy, performance management, risk management etc. The performance of the Committees was evaluated using parameters like composition, frequency of meetings, level of participation and effectiveness of the Committees etc.

A meeting of Independent Directors was held in terms of requirement of Schedule IV of the Act and the Listing Regulations. The Directors present reviewed the performance of Non-Independent Directors, Chairman of the Company and the performance of the Board as a whole. The Directors also discussed the quality, quantity and timeliness of flow of information between the Company management and the Board, which 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.

12.5 Policy on Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

In terms of the provision of sub-section (3) of Section 178 of the Act, the Board of Directors has adopted a Nomination and Remuneration Policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel. The policy covers the appointment, including criteria for determining qualifications, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel. The said Policy is annexed to this Report as Annexure 'A'.

12.6 Meetings of the Board of Directors

During the year under review, 5 (Five) meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report.

12.7 Meetings of Audit Committee

During the year under review, 9 (Nine) meetings of the Audit Committee were held. The details of the meetings and the composition of the Committee are given in the Corporate Governance Report. All the recommendations of the Audit Committee were accepted by the Board.

13. AUDITORS

13.1 Statutory Auditors

M/s. Deloitte Haskins & Sells ("DHS"), Chartered Accountants (Firm's Registration No.: 117365W) were appointed as the Statutory Auditors of the Company, to hold office from the conclusion of the Ninth Annual General Meeting until the conclusion of the Twelfth

Annual General Meeting, subject to ratification by the Members at every Annual General Meeting. The Board of Directors recommends to the Members to pass the resolution ratifying the appointment of DHS as the Statutory Auditors of the Company as stated in Item No. 4 of the Notice convening the ensuing Annual General Meeting.

The Statutory Auditors' Report does not contain any qualifications, reservations or adverse remarks.

13.2 Branch Auditors

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

13.3 Cost Auditors

Pursuant to the provisions of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the cost records, in respect of manufacturing of Steel towers and Cables, need to be audited. The Board of Directors, upon the recommendation of the Audit Committee, had appointed M/s. Kirit Mehta and Associates, Cost Accountants (Firm's Registration No.: 000353) to conduct audit of the cost records of the Company for the financial years 2015-16 & 2016-17. In terms of the above provisions, the remuneration payable to the Cost Auditor is required to be ratified by the Members. Accordingly, the Board of Directors recommends the Members to pass the resolution, as stated in Item No. 7 of the Notice convening the ensuing Annual General Meeting.

The Company has filed the Cost Audit Reports for the financial year 2014-15 with the Ministry of Corporate Affairs on September 30, 2015.

13.4 Secretarial Auditors

In terms of the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the

Board had appointed M/s. Parikh Parekh & Associates, Practicing Company Secretaries, as Secretarial Auditors to conduct Secretarial Audit for the financial year 2015-16. The Secretarial Audit Report in the prescribed Form MR-3 is annexed to this report as Annexure 'B'. The said Secretarial Audit Report doesn't contain any qualifications, reservations, adverse remarks by the Secretarial Auditors.

14. CORPORATE SOCIAL RESPONSIBILITY

In accordance with the provisions of Section 135 read with Schedule VII of the Act, the Company, as a part of its Corporate Social Responsibility ("CSR") initiative, has adopted a CSR Policy outlining various CSR activities to be undertaken by the Company in the area of health, water, sanitation, promoting education, skill development etc. The CSR policy of the Company is available on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

During the year under review, even though the Company was not mandatorily required to spend any amount on CSR activities, it has spent ₹ 93 Lacs on CSR activities. The Board has constituted a CSR Committee *inter alia* to recommend on the CSR projects/programs, recommend the amount on each CSR activity and to monitor such CSR activities, being undertaken by the Company. The report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is set out as Annexure 'C'.

15. POLICY ON CODE OF CONDUCT AND ETHICS

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

During the year, no complaints of any nature were received under the provisions of Sexual Harassment of Women at Workplace Act.

16. WHISTLE BLOWER POLICY

Pursuant to the provisions of sub-section (9) of Section 177 of the Act and the Listing Regulations, the Company

has established a vigil mechanism ("Whistle Blower Policy") to facilitate its employees and Directors to voice their concerns or observations without fear, or raise reports of instance of any unethical or unacceptable business practice or event of misconduct/unethical behavior, actual or suspected fraud and violation of Company's Code of Conduct etc. to the Corporate Ethics and Governance Committee. The Policy provides for adequate safeguards to those persons who use such mechanism and also have the provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. The Policy can be accessed on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

17. RISK MANAGEMENT POLICY

The Company has formulated a Risk Management Policy, which reflects the overall risk management philosophy, the Company's overall approach to risk management and the role and responsibilities for risk management. Risk management forms an integral part of the business planning and review cycle of the Company. The Company's Risk Management Policy is designed to provide reasonable assurances that objectives are met by integrating management control into daily operations, by ensuring compliance with legal requirements and by safeguarding the integrity of the Company's financial reporting and its related disclosures. The identification, analysis and putting in place the process for mitigation of these risks is an ongoing process. The risks faced by the Company and the measures taken by the Company to mitigate those risks are detailed in Management Discussion and Analysis section.

18. INTERNAL FINANCIAL CONTROL

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

19. RELATED PARTY TRANSACTIONS

All transactions entered into by the Company with related parties were in the ordinary course of business and at arm's length basis. The Audit Committee has reviewed and approved the related party transactions undertaken by the Company during the financial year. Disclosures as required under AS-18 have been made in Note No. 35 to the Standalone Financial Statements.

There are no materially significant related party transactions entered into by the Company with its Directors/Key Management Personnel or their respective relatives, the Company's Promoter(s), its

subsidiaries/joint ventures/associate or any other related party, that may have a potential conflict with the interest of the Company at large. The policy on related party transactions, as formulated by the Board is available on the Company's website i.e. www.kecrpg.com under 'Investors' tab.

20. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return as on March 31, 2016 in the prescribed Form MGT-9 is enclosed as Annexure 'D'.

21. ENVIRONMENT HEALTH AND SAFETY (EHS)

It has always been the Company's endeavor to achieve the EHS objective of accident free workplace. In order to ensure that our employees become more safety conscious and to improve the organization's approach towards prevention of loss, the Company has undertaken various EHS management processes and deployed methodologies and implemented them under the EHS system.

The Company has imparted EHS industry specific training for employees and workmen. The Company has also made improvements in reporting of unsafe acts/conditions & its closure. These robust EHS management processes helped the Company in preventing loss of life and property damage incidents.

The Company has bagged various EHS awards and appreciation from our prestigious customers and independent agencies. The awards include "Greentech Safety Awards 2015" for its stringent Safety Standards & Credibility.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under clause (m) of sub-section (3) of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, are provided in the prescribed format and is enclosed as Annexure 'E'.

23. PARTICULARS OF EMPLOYEES

Disclosures pertaining to the remuneration and other details as required under sub-section (12) of Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, are given in Annexure 'F'.

Disclosure about the information and other details on employees, as required in terms of Rule 5(2) & (3), who were in receipt of remuneration of not less than ₹ 60 Lacs during the year or ₹ 5 Lacs per month during any part of the year, forms part of this Report. In terms of Section 136 of the Act, this report is being sent to the Members and others entitled thereto, excluding the aforesaid information. The said information is available for inspection by the Members at the Registered Office of the Company during business hours on all working days (except Saturdays) upto the date of the ensuing Annual General Meeting. The said information shall also be provided to any Member of the Company, who sends a written request to the Company Secretary.

24. HUMAN RESOURCE/INDUSTRIAL RELATIONS

The Company understands that employees are vital and valuable assets. The Company recognises people as the primary source of its competitiveness and continues its focus on people development by leveraging technology and developing a continuously learning human resource base to unleash their potential and fulfill their aspirations. The strategic thrust of Human Resource has been on improvement of the performance of employees through training & development and also to identify outperformers who have potential for taking higher responsibilities.

The employee relations remained cordial throughout the year. The Company had 4,104 permanent employees on its rolls as on March 31, 2016. The Board places on record its sincere appreciation for the valuable contribution made by employees across all levels whose enthusiasm, team efforts, devotion and sense of belonging has made this Company proud.

25. OTHER DISCLOSURES

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

- The Company has not issued any equity shares with differential rights as to dividend, voting or otherwise.
- The Company has not issued shares (including sweat equity shares) to employees under any scheme.

- c. The Managing Director & CEO of the Company did not receive any remuneration or commission from any of its subsidiaries.
- d. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

26. ACKNOWLEDGEMENT

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

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

27. ANNEXURES

The following annexures enclosed, form part of this Report:

- a. Nomination and Remuneration Policy - Annexure 'A'
- b. Secretarial Audit Report in Form MR-3 - Annexure 'B'
- c. Annual Report on Corporate Social Responsibility - Annexure 'C'
- d. Extract of Annual Return in Form MGT-9 - Annexure 'D'
- e. Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo - Annexure 'E'
- f. Information under rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 - Annexure 'F'

For and on behalf of the Board of Directors

H. V. Goenka

Chairman
(DIN: 00026726)

Place: Mumbai
Date: May 06, 2016

ANNEXURE 'A' TO DIRECTORS' REPORT

NOMINATION AND REMUNERATION POLICY

1. Introduction:

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

2. Objective:

- I. Formulate the criteria for determining qualifications, positive attributes and independence for appointment of a Director (Executive/Non-Executive) and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- II. To formulate the criteria for performance evaluation of all Directors.
- III. Formulate Board diversity policy.
- IV. Framing of remuneration policy for employees.

3. Constitution of the Nomination and Remuneration Committee:

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

4. Definitions:

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

"Board" means Board of Directors of the Company.

"Company" means KEC International Limited.

"Directors" means Directors of the Company.

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

"Key Managerial Personnel" (KMP) means

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

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

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

5. Matters to be dealt with and recommended by NRC to the Board

The following matters shall be dealt by the Committee:

a) Directors

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

b) Evaluation of performance

Making recommendations to the Board on appropriate performance criteria for the Directors. Formulate criteria and framework for evaluation of every Director's performance. Identifying familiarization and training programs for the Board to ensure that Non-Executive Directors are provided adequate information regarding the operations of the business, the industry and their duties and legal responsibilities.

c) Board diversity

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

d) Remuneration framework and policies

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

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

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

A. Appointment criteria and qualifications

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

B. Term/Tenure

1. Managing Director/CEO

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

2. Independent Director

An Independent Director shall hold office on the Board of the Company for a term as may be determined by the Board but in any case not exceeding five years and shall not hold office for more than two consecutive terms.

C. Retirement

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

D. Removal

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

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

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

NEDs:

- i. NEDs shall be entitled to sitting fees as may be decided by the Board of Directors from time to time for attending the Meeting of the Board and sub Committees of the Board.
- ii. Commission as may be recommended by NRC and subsequently approved by the Board of Directors and shareholders wherever required.
- iii. The NEDs shall be eligible for remuneration of such professional services rendered if in the opinion of the NRC, the NED possesses the requisite qualification for rendering such professional services.

KMPs & SMPs:

The remuneration to be paid to the KMPs and SMPs, shall be recommended by the NRC considering relevant qualification, experience and performance of the individual as well as the prevailing market conditions. The remuneration may be combination of fixed and variable pay.

8. Director and Officer Liability Insurance:

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

9. General:

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

ANNEXURE 'B' TO DIRECTORS' REPORT

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

(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,
KEC International Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made 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, 1992 and 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 and amendments from time to time;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
 - (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; (Not applicable to the Company during the audit period)
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws applicable specifically to the Company, namely:
 - 1. The Electricity Act, 2003
 - 2. The Indian Electricity Rules, 1956

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

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

1. Jay Railway Projects Private Limited, a wholly owned subsidiary, was amalgamated with the Company pursuant to the orders of the Hon'ble High Court of Judicature at Bombay sanctioning amalgamation.

For **Parikh Parekh & Associates**
Company Secretaries

Jigyasa N. Ved
Partner

FCS No: 6488 CP No: 6018

Place: Mumbai
Date : May 06, 2016

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

'ANNEXURE A'

To,
The Members,
KEC International Limited

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

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

For **Parikh Parekh & Associates**
Company Secretaries

Jigyasa N. Ved
Partner

FCS No: 6488 CP No: 6018

Place: Mumbai
Date : May 06, 2016

ANNEXURE 'C' TO DIRECTORS' REPORT

ANNUAL REPORT ON CSR ACTIVITIES FOR FINANCIAL YEAR 2015 - 2016

<p>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</p>	<p>As part of its initiatives under Corporate Social Responsibility ("CSR") and KEC's vision to drive 'holistic empowerment' of the community around the local vicinity of our plants and the society at large, we have undertaken the following projects through RPG Foundation in accordance with CSR policy of the Company, read with Schedule VII of the Companies Act, 2013.</p> <ol style="list-style-type: none"> Vision/Eye Care (Project-Netranjali) – KEC through the RPG Foundation launched this flagship programme in FY 2014-15, to work towards the cause of preventing avoidable blindness in India. This is a key need in India, as India has the world's largest blind population, with 80 percent of cases of blindness being preventable with early stage interventions. Two different target groups were covered via this project – school children and elderly/slum communities. Through the impactful and comprehensive three stage intervention module the project was able to reach out to the most vulnerable communities across Jaipur, Jabalpur & Nagpur via promotive, preventive and curative eye health care. In FY 2015-16, over 50,628 beneficiaries were covered in total through eye check-up camps and awareness sessions. 4,219 beneficiaries were screened with 1,377 received free spectacles. Primary Education (Project-Pehlay Akshar) – This project is a large scale program for Primary Education with special focus on practical English speaking & reading skills to enhance employability, thereby, giving these children, an equal opportunity for making their lives brighter. In FY 2015-16, the Company reached out to about 1,800 children across 12 schools in Nagpur and Jaipur. Community Development (Project-Jeevan) – This is an integrated community development project which focuses on improving all round quality of life in the areas of clean drinking water, sanitation and overall health and nutrition based interventions amongst others. In FY 2015-16, safe drinking water was made available to about 2,700 school children through installation of 8 water purification systems in Nagpur and 3 units in Jaipur. Besides this, the project also made sanitation facilities available to about 12,000 individuals in the micro communities around the 3 plants through construction of community toilets in these locations. Along with construction, awareness was also raised on the usage of toilets and the importance of health and hygiene. Employability/Skill Development (Project-Saksham) – This project is a skill development program, which focuses on alternate livelihoods training for marginalized women to empower them economically. Through the project, technical training for vulnerable youth is also provided through the PPP Model. In FY 2015-16 the project trained 250 less privileged women and youth from slums & rural communities in entrepreneurship skills, tailoring, embroidery, garment making, patient care assistance program, etc. as alternate livelihood options. The CSR Policy is available at the Company's website and can be accessed at http://www.kecrpg.com/KEC%20data/Investor%20relations/policies/CSR%20Policy.pdf
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2. The Composition of the CSR Committee	<ol style="list-style-type: none"> 1. Mr. R. D. Chandak, Chairman 2. Mr. S. M. Kulkarni, Member 3. Mr. A. T. Vaswani, Member
3. Average net profit of the Company for last three financial years	Negative
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Not applicable
5. Details of CSR spent during the financial year	
(a) Total amount to be spent for the financial year	Not applicable
(b) Amount unspent, if any	Not applicable
(c) Manner in which the amount spent during the financial year	Though not mandatory, the Company has spent ₹ 93 Lacs on its CSR activities and the details are enclosed at the end of this report.
6. Reason for shortfall in spent, if any	Not applicable
7. Responsibility statement of CSR Committee	We hereby confirm that the implementation and monitoring of the CSR Policy is in compliance with CSR objectives and policies of the Company

Vimal Kejriwal

Managing Director & CEO
(DIN: 00026981)

R. D. Chandak

Director & Chairman of the CSR Committee
(DIN: 00026581)

Place: Mumbai

Date: May 06, 2016

DETAILS OF CSR ACTIVITIES OF THE COMPANY FOR THE FY 2015-16:

(₹ in Lacs)

(1)	(2)	(3)	(4)		(5)	(6)		(7)	(8)
Sr. No.	CSR Project or Activity Identified	Sector in Which the Project is Covered	Location of Projects or Programs undertaken		Amount Outlay (Budget) Project or Programwise	Amount Spent on Projects or Programs		Cumulative Expenditure up to the reporting period	Amount Spent: Direct or through implementing Agency
			Local Area or Other	District (State)			Direct Expenses		
1.	Project Netranjali	Vision- Eye Care	Butibori Jaipur Jabalpur	Nagpur (Maharashtra) Jaipur (Rajasthan) Jabalpur (Madhya Pradesh)	15.35	10.35	10.35	10.35	RPG Foundation
2.	Project Pehlay Akshar	Education	Butibori Jaipur Jabalpur	Nagpur (Maharashtra) Jaipur (Rajasthan) Jabalpur (Madhya Pradesh)	34.92	7.05	7.05	7.05	RPG Foundation
3.	Project Jeevan	Health, Water & Sanitation	Butibori Jaipur Jabalpur	Nagpur (Maharashtra) Jaipur (Rajasthan) Jabalpur (Madhya Pradesh)	31.00	57.31	57.31	57.31	RPG Foundation
4.	Project Saksham	Entrepreneurship, Skill Development	Butibori Ashti	Nagpur (Maharashtra) Wardha (Maharashtra)	25.05	15.00	15.00	15.00	RPG Foundation
5.	Overheads				4.00	3.29	3.29	3.29	
Total CSR spent					110.32	93.00	93.00	93.00	

ANNEXURE 'D' TO DIRECTORS' REPORT

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN

AS ON THE FINANCIAL YEAR ENDED MARCH 31, 2016

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L45200MH2005PLC152061
ii) Registration Date	18/03/2005
iii) Name of the Company	KEC International Limited
iv) Category/Sub-Category of the Company	Company limited by shares/Indian Non-Government Company
v) Address of the Registered office and contact details	RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030 Tel: (022) 66670200; Fax: (022) 66670287
vi) Whether listed company	Yes - on BSE Limited and National Stock Exchange of India Limited
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup (W), Mumbai – 400 078 Tel: (022) 25946970; Fax: (022) 25946969 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the Company:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	Construction of Utility Projects	422	73

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
1	KEC Bikaner Sikar Transmission Private Limited RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India	U40101MH2015PTC268040	Subsidiary	99.99	2(87)
2	KEC Power India Private Limited RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai – 400 030, India	U40102MH2008PTC179720	Subsidiary	100	2(87)
3	RPG Transmission Nigeria Limited 23 Bamako Street, Wuse Zone 1 Abuja, Nigeria	Foreign Company	Subsidiary	100	2(87)
4	KEC Global FZ LLC Ras Al Khaimah, United Arab Emirates	Foreign Company	Subsidiary	100	2(87)
5	KEC Investment Holdings C/o CIM Corporate Services Limited, Les Cascades, Edith Cavell Street, Port Louis, Mauritius	Foreign Company	Subsidiary	100	2(87)
6	KEC Global Mauritius C/o CIM Corporate Services Limited, Les Cascades, Edith Cavell Street, Port Louis, Mauritius	Foreign Company	Subsidiary	100	2(87)
7	KEC International Holdings LLC National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, Country of Kent, USA	Foreign Company	Subsidiary	100	2(87)
8	KEC Brazil LLC National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, Country of Kent, USA	Foreign Company	Subsidiary	100	2(87)
9	KEC Mexico LLC National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, Country of Kent, USA	Foreign Company	Subsidiary	100	2(87)
10	KEC Transmission LLC National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, Country of Kent, USA	Foreign Company	Subsidiary	100	2(87)
11	KEC US LLC National Registered Agents, Inc., 160 Greentree Drive, Suite 101, Dover, Delaware 19904, Country of Kent, USA	Foreign Company	Subsidiary	100	2(87)
12	SAE Towers Holdings LLC Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Foreign Company	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section of the Companies Act, 2013
13	SAE Towers Brazil Subsidiary Company LLC Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Foreign Company	Subsidiary	100	2(87)
14	SAE Towers Mexico Subsidiary Holding Company LLC Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Foreign Company	Subsidiary	100	2(87)
15	SAE Towers Mexico S de RL de CV Km. 24 Arco Vial Saltillo - Nuevo Laredo, 66050, General Escobedo, Nuevo León, Mexico	Foreign Company	Subsidiary	100	2(87)
16	SAE Towers Brazil Torres de Transmission Ltda Rua Moacyr Gonçalves Costa nº 15, Jardim Piemont, Brazil	Foreign Company	Subsidiary	100	2(87)
17	SAE Prestadora de Servicios Mexico S de RL de CV Km. 24 Arco Vial Saltillo - Nuevo Laredo, 66050, General Escobedo, Nuevo León, Mexico	Foreign Company	Subsidiary	100	2(87)
18	SAE Towers Limited Corporation Trust Center, 1209 Orange Street, Wilmington, DE 19801, USA	Foreign Company	Subsidiary	100	2(87)
19	SAE Engenharia E Construcao Ltda. State of Minas Gerais, at Rua Moacyr Gonsalves Costa, No. 15, Bairro Jardim Piemont, CEP, Brazil	Foreign Company	Subsidiary	100	2(87)
20	SAE Engineering & Construction Services S de RL de CV Km. 24 Arco Vial Saltillo - Nuevo Laredo, 66050, General Escobedo, Nuevo León, Mexico	Foreign Company	Subsidiary	100	2(87)
21	KEC International (Malaysia) SDN. BHD. Unit D-3-5, Level 5, Block D Setiawalk, Persiaran Wawasan, Pusat Bandar Puchong, 47160 Puchong, Selangor Darul Ehsan, Malaysia	Foreign Company	Subsidiary	100	2(87)
22	Al Sharif Group & KEC Ltd. Co. PO Box 51953, 102-104 Al – Wessal Tower, Near Lexus Showroom, Madian Road – Jeddah, Saudi Arabia	Foreign Company	Joint Venture	49	2(6)
23	RP Goenka Group of Companies Employees Welfare Association 8th Floor, Building No. 9A, DLF Cyber City Phase – III, Gurgaon – 122 002, India	U93000HR2012NPL046012	Associate	49	2(6)

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

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
	Demat	Physical	Total	Demat	Physical	Total	
(A) Promoters							
(1) Indian							
a) Individual/HUF	7,863,191	-	7,863,191	7,863,194	-	7,863,194	3.06
b) Central Govt.	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-
d) Bodies Corporate	121,007,169	-	121,007,169	122,898,858	-	122,898,858	47.07
e) Banks/FIs	-	-	-	-	-	-	0.73
f) Any Other	-	-	-	-	-	-	-
Sub-total (A) (1):-	128,870,360	-	128,870,360	130,762,052	-	130,762,052	0.73
(2) Foreign							
a) NRIs - Individuals	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-
d) Banks/FI	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-
Sub -total (A) (2):-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	128,870,360	-	128,870,360	130,762,052	-	130,762,052	0.73
(B) Public Shareholding							
(1) Institutions							
a) Mutual Funds	59,009,145	56,155	59,065,300	60,615,417	56,155	60,671,572	0.63
b) Banks/FIs	111,785	12,820	124,605	663,051	12,820	675,871	0.21
c) Central Govt.	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-
f) Insurance Companies	8,121,001	-	8,121,001	6,377,299	-	6,377,299	(0.68)
g) FIs	11,536,825	115,980	11,652,805	4,266,428	115,980	4,382,408	(2.82)
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-
i) Others:							
Foreign Banks	5,480	-	5,480	5,480	-	5,480	-
Foreign Portfolio Investors (Corporate)	326,209	-	326,209	12,861,025	-	12,861,025	4.87
Unit Trust of India	-	1,500	1,500	-	1,500	1,500	-
Sub-total (B)(1):-	79,110,445	186,455	79,296,900	84,788,700	186,455	84,975,155	2.21

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
2. Non-Institutions									
a) Bodies Corporate									
i) Indian	9,894,082	1,235,420	11,129,502	4.33	8,658,329	1,233,325	9,891,654	3.85	(0.48)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 Lac	24,988,370	4,500,549	29,488,919	11.47	17,902,256	4,268,664	22,170,920	8.63	(2.84)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lac	5,170,800	-	5,170,800	2.01	6,305,423	-	6,305,423	2.45	0.44
c) Others (specify):									
NRIs/OCBs	1,362,980	70,120	1,433,100	0.56	969,821	25,410	995,231	0.39	(0.17)
Clearing Members	971,462	-	971,462	0.38	520,651	-	520,651	0.20	(0.18)
Trusts	328,777	393,050	721,827	0.28	200,549	393,050	593,599	0.23	(0.05)
Directors and Relatives	5	-	5	-	5	-	5	-	-
Foreign Nationals	75	-	75	-	43,575	-	43,575	0.02	0.02
Foreign Companies	-	5,420	5,420	-	-	5,420	5,420	-	-
Hindu Undivided Family	-	-	-	-	824,685	-	824,685	0.32	0.32
Sub-total (B)(2):-	42,716,551	6,204,559	48,921,110	19.03	35,425,294	5,925,869	41,351,163	16.09	(2.95)
Total Public Shareholding (B)= (B)(1)+(B)(2)	121,826,996	6,391,014	128,218,010	49.87	120,213,994	6,112,324	126,326,318	49.14	(0.73)
(C) Shares held by Custodian for GDRs & ADRs	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Grand Total (A+B+C)	250,697,356	6,391,014	257,088,370	100.00	250,976,046	6,112,324	257,088,370	100.00	-

(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in Share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	Swallow Associates LLP*	69,546,616	27.05	-	69,546,616	27.05	-	-
2	Summit Securities Limited*	26,974,152	10.49	-	27,602,945	10.74	-	0.24
3	Instant Holdings Limited*	16,592,755	6.45	-	17,855,651	6.95	-	0.49
4	STEL Holdings Limited	4,685,880	1.82	-	4,685,880	1.82	-	-
5	Carniwal Investments Limited	2,970,981	1.16	-	2,970,981	1.16	-	-
6	Chattarpati Investments Limited	211,785	0.08	-	211,785	0.08	-	-
7	Atlantic Holdings Limited	25,000	0.01	-	25,000	0.01	-	-
8	Mr. Harsh Vardhan Goenka Mrs. Mala Goenka Mr. Anant Vardhan Goenka	3,914,482	1.52	-	3,914,482	1.52	-	-
9	Mr. Harsh Vardhan Goenka® Mrs. Mala Goenka	2,805,216	1.09	-	2,805,216	1.09	-	-
10	Mr. Harsh Vardhan Goenka	933,913	0.36	-	933,913	0.36	-	-
11	Mr. Harsh Vardhan Goenka#	169,500	0.07	-	169,500	0.07	-	-
12	Mr. Anant Vardhan Goenka	40,000	0.02	-	40,000	0.02	-	-
13	Mrs. Mala Goenka Mr. Harshvardhan Ramprasad Goenka Mr. Anant Vardhan Goenka	50	0.00	-	50	0.00	-	-
14	Mr. Harsh Vardhan Goenka	30	0.00	-	30	0.00	-	-
15	Mr. Harsh Vardhan Goenka§	-	0.00	-	1	0.00	-	-
16	Mr. Harsh Vardhan Goenka^	-	0.00	-	1	0.00	-	-
17	Mr. Harsh Vardhan Goenka&	-	0.00	-	1	0.00	-	-
	Total	128,870,360	50.13	-	130,762,049	50.86	-	0.73

*Shares held in multiple folios are combined

®Held as a trustee of Stellar Energy Trust

#Held as Karta of Harsh Anant Goenka HUF

§Held as a trustee of Crystal India Tech Trust

^Held as a trustee of Nucleus Life Trust

&Held as a trustee of Monitor Portfolio Trust

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

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year/ end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Swallow Associates LLP	69,546,616	27.05	01.04.2015	No Change		69,546,616	27.05
		69,546,616	27.05	31.03.2016				
2	Summit Securities Limited*	26,974,152	10.49	01.04.2015	335,000 293,793	Market Purchase Market Purchase	27,309,152 27,602,945 27,602,945	10.62 10.74 10.74
				08.02.2016				
				11.02.2016				
		27,602,945	10.74	31.03.2016				
3	Instant Holdings Limited*	16,592,755	6.45	01.04.2015	425,000 315,096 325,000 197,800	Market Purchase Market Purchase Market Purchase Market Purchase	17,017,755 17,332,851 17,657,851 17,855,651 17,855,651	6.62 6.74 6.87 6.95 6.95
				23.04.2015				
				02.06.2015				
				25.08.2015				
				11.02.2016				
		17,855,651	6.95	31.03.2016				
4	STEL Holdings Limited	4,685,880	1.82	01.04.2015	No Change		4,685,880	1.82
		4,685,880	1.82	31.03.2016				
5	Carniwal Investments Limited	2,970,981	1.16	01.04.2015	No Change		2,970,981	1.16
		2,970,981	1.16	31.03.2016				
6	Chattarpati Investments Limited	211,785	0.08	01.04.2015	No Change		211,785	0.08
		211,785	0.08	31.03.2016				
7	Atlantic Holdings Limited	25,000	0.01	01.04.2015	No Change		25,000	0.01
		25,000	0.01	31.03.2016				
8	Mr. Harsh Vardhan Goenka @ Mrs. Mala Goenka	2,805,216	1.09	01.04.2015	No Change		2,805,216	1.09
		2,805,216	1.09	31.03.2016				
9	Mr. Harsh Vardhan Goenka Mrs. Mala Goenka Mr. Anant Vardhan Goenka	3,914,482	1.52	01.04.2015	No Change		3,914,482	1.52
		3,914,482	1.52	31.03.2016				
10	Mr. Harsh Vardhan Goenka #	169,500	0.07	01.04.2015	No Change		169,500	0.07
		169,500	0.07	31.03.2016				
11	Mr. Anant Vardhan Goenka	40,000	0.02	01.04.2015	No Change		40,000	0.02
		40,000	0.02	31.03.2016				
12	Mrs. Mala Goenka Mr. Harshvardhan Ramprasad Goenka Mr. Anant Vardhan Goenka	50	-	01.04.2015	No Change		50	-
		50	-	31.03.2016				
13	Mr. Harsh Vardhan Goenka	30	-	01.04.2015	No Change		30	-
		30	-	31.03.2016				
14	Mr. Harsh Vardhan Goenka	933,913	0.36	01.04.2015	No Change		933,913	0.36
		933,913	0.36	31.03.2016				
15	Mr. Harsh Vardhan Goenka [§]	-	-	01.04.2015	1	Market Purchase	1	-
				22.03.2016				
		1	-	31.03.2016			1	-
16	Mr. Harsh Vardhan Goenka [^]	-	-	01.04.2015	1	Market Purchase	1	-
				22.03.2016				
		1	-	31.03.2016			1	-
17	Mr. Harsh Vardhan Goenka [§]	-	-	01.04.2015	1	Market Purchase	1	-
				22.03.2016				
		1	-	31.03.2016			1	-

*Shares held in multiple folios are combined

@Held as a trustee of Stellar Energy Trust

#Held as Karta of Harsh Anant Goenka HUF

§Held as a trustee of Crystal India Tech Trust

^Held as a trustee of Nucleus Life Trust

§Held as a trustee of Monitor Portfolio Trust

(iv) Shareholding Pattern of Top 10 Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	For each of the Top 10 Shareholders	Shareholding at the beginning		Shareholding at end of the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	HDFC Trustee Company Ltd.	23,110,249	8.99	23,110,249	8.99
2.	Reliance Capital Trustee Co. Ltd.	12,605,080	4.90	10,962,479	4.26
3.	Life Insurance Corporation of India	8,145,889	3.17	6,377,299	2.48
4.	FIL Investments(Mauritius) Ltd.	6,630,715	2.58	6,630,715	2.58
5.	SBI Mangnum Taxgain Scheme	6,400,280	2.49	6,400,280	2.49
6.	Unit Trust of India	9,618,391	3.74	5,580,099	2.17
7.	Tata AIA Life Insurance Co Ltd.	2,179,590	0.85	1,446,698	0.56
8.	Franklin India Smaller Companies Fund	1,758,507	0.68	-	-
9.	Birla Sun Life Trustee Company Pvt. Ltd.	1,681,646	0.65	3,253,828	1.27
10.	L & T Mutual Fund Trustee Ltd.	1,605,196	0.62	1,401,696	0.55
11.	Canara Robeco Mutual Fund	850	-	2,122,564	0.83
12.	IDFC Sterling Equity Fund	-	-	4,244,264	1.65

Note: The above shareholders are holding the shares in multiple folios which have been combined based on the Permanent Account Number (PAN) of the shareholder(s). The shares of the Company are traded frequently by the top ten shareholders and hence the date wise increase/decrease data is not provided.

(v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	For each of the Directors and KMP	Shareholding at the beginning of the year/ end of the year		Date	Increase/ Decrease in shareholding	Reason	Cumulative shareholding during the year	
		No. of Shares	% of total Shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Harsh Vardhan Goenka*	3,914,482	1.52	01.04.2015	No Change		3,914,482	1.52
		3,914,482	1.52	31.03.2016				
2	Mr. Harsh Vardhan Goenka	933,943	0.36	01.04.2015	No Change		933,943	0.36
		933,943	0.36	31.03.2016				
3	Mr. R. D. Chandak	5	-	01.04.2015	No Change		5	-
		5	-	31.03.2016				

* Held jointly with Mrs. Mala Goenka and Mr. Anant Vardhan Goenka

V. INDEBTEDNESS:

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

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	154,153.02	-	-	154,153.02
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,044.49	-	-	1,044.49
Total (i+ii+iii)	155,197.51	-	-	155,197.51
Change in Indebtedness during the financial year				
• Addition	19,939.02	7,947.16	-	27,886.18
• Reduction	(7,548.04)	-	-	(7,548.04)
Net Change	12,390.98	7,947.16	-	20,338.14
Indebtedness at the end of the financial year				
i) Principal Amount	166,544.00	7,947.16	-	174,491.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,120.57	2.90	-	1,123.47
Total (i+ii+iii)	167,664.57	7,950.06	-	175,614.63

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total Amount (₹)
		Mr. Vimal Kejriwal (MD & CEO)*	Mr. R. D. Chandak (MD)**	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	25,988,820	75,049	26,063,869
	(b) Value of perquisites u/s 17(2) of Income tax Act, 1961	942,821	-	942,821
	(c) Profits in lieu of salary u/s 17(3) of Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			
	- Performance Bonus	7,001,846	8,466,402	15,468,248
	- Provident & Other Funds	902,577	3,501	906,078
	Total (A)	34,836,064	8,544,952[§]	43,381,016
	Ceiling as per the Act (Being 10% of Net Profits of the Company calculated as per Section 198 of the Act)			259,868,030

* MD & CEO w.e.f. 01.04.2015

** MD as on 01.04.2015

[§] Excludes payment of Gratuity of ₹ 17,506,360

B. Remuneration to other Directors:

Particulars of Remuneration	Name of Directors								Total Amount (₹)
1. Independent Directors	Mr. A. T. Vaswani	Mr. D. G. Piramal	Mr. G. L. Mirchandani	Ms. Nirupama Rao	Mr. S. M. Kulkarni	Mr. S. M. Trehan	Mr. S. S. Thakur	Mr. Vinayak Chatterjee	
• Fee for attending Board/Committee Meetings	710,000	375,000	300,000	150,000	688,000	375,000	741,000	225,000	3,564,000
• Commission #	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	4,000,000
• Others, please specify	-	-	-	-	-	-	-	-	-
Total (1)									7,564,000
2. Other Non-Executive Directors	Mr. H. V. Goenka	Mr. R. D. Chandak*							
• Fee for attending Board/Committee meetings	375,000	461,000							836,000
• Commission	21,986,803	-							21,986,803
• Others, please specify:-									-
Total (2)									22,822,803
Total (B)=(1+2)									30,386,803
Total Managerial Remuneration (A+B)									73,767,819
Overall Ceiling as per the Act# (Being 1% of Net Profits of the Company calculated as per Section 198 of the Act)									25,986,803

* Non-Executive Director w.e.f. April 02, 2015.

Sitting fees not included as a component for computation of overall ceiling.

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount (₹)
		Mr. Rajeev Aggarwal Chief Financial Officer	Mr. Ch. V. Jagannadha Rao Vice President - Legal & Company Secretary	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income tax Act, 1961	17,414,964	5,868,902	23,283,866
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	39,600	114,335	153,935
	(c) Profits in lieu of salary under Section 17(3) Income tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5	Others, please specify			
	- Performance Bonus	2,074,921	1,135,790	3,210,711
	- Provident & Other Funds	363,810	271,468	635,278
	Total	19,893,295	7,390,495	27,283,790

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

ANNEXURE 'E' TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO IN TERMS OF SECTION 134(3)(M) OF THE COMPANIES ACT, 2013 READ WITH RULES 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014

(A) Conservation of Energy

The following specific actions were taken at various locations during the year under review which resulted in saving of energy consumption:

Installation of 20 Watts CFL in place of 60 Watts bulbs in machine lamps resulted in saving of energy, renewable energy generation by Solar plant, reduction in fuel cost by introducing alternative fuels for fabrication, reduction in consumption of energy by installing AC Drive, AC Motor, capacitors and by eliminating air leakages, improvement in Al annealing furnace efficiency by elimination of leakages, modification in plant cooling water system, use of inherent pressure of bore well to fill overhead tank, etc.

The Company has made a capital expenditure of about ₹ 90 Lacs on energy conservation equipments.

(B) Technology Absorption

Research & Development

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

The Company has successfully carried out R&D activities in manufacturing of 220 kV XLPE cable and other new products meant for unique application.

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

The Company had successfully passed Pre-qualification (PQ) test on 220 kV cable system at KEMA Netherlands and had established its capability and credential of design, manufacturing and testing of 220 kV Cable system, which will open up new opportunities for the Company in 220 kV cable market segment, which is a premium segment and has so far been inaccessible for want of PQ test.

The R&D efforts will provide the Company a technological edge. The new products will open up new business opportunities for the Company.

III. Information regarding imported technology (imported during the last 3 years reckoned from the beginning of the financial year) is furnished

- Technology imported: One angle line punching with CNC control from Italy, one fully automatic duel fuel fired furnace for galvanizing imported from UK and one plate profile cutting with CNC controls of German made.
- Year of import: FY 2012-13
- Has the technology been fully absorbed?: Yes
- If not fully absorbed, areas where this has not taken place, reasons hereof and future plans of action: Not Applicable

IV. Expenditure on R&D

- Capital: Nil
- Recurring: ₹ 1,662.75 Lacs
- Total: ₹ 1,662.75 Lacs
- Total R&D expenditure as a percentage of total turnover: 0.25 percent

(C) Foreign Exchange Earnings and Outgo:

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

₹ in Lacs		
Particulars	FY 2015-16	FY 2014-15
Foreign exchange earned	242,554.29	255,565.23
Foreign exchange used	178,385.50	177,146.65

ANNEXURE 'F' TO DIRECTORS' REPORT

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

The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Mr. H. V. Goenka	50.82
	Mr. Vimal Kejriwal	79.17
	Mr. R. D. Chandak [@]	20.47
	Mr. A. T. Vaswani	2.75
	Mr. D. G. Piramal	1.99
	Mr. G. L. Mirchandani	1.82
	Ms. Nirupama Rao	1.48
	Mr. S. M. Kulkarni	2.70
	Mr. S. M. Trehan	1.99
	Mr. S. S. Thakur	2.82
	Mr. Vinayak Chatterjee	1.65
	[@] Excluding Gratuity of ₹ 175.06 Lacs	
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	Mr. H. V. Goenka	280.22
	Mr. Vimal Kejriwal	21.33
	Mr. R. D. Chandak [#]	(73.56)
	Mr. A. T. Vaswani	14.69
	Mr. D. G. Piramal	10.06
	Mr. G. L. Mirchandani	0.63
	Ms. Nirupama Rao	52.94
	Mr. S. M. Kulkarni	19.40
	Mr. S. M. Trehan	21.53
	Mr. S. S. Thakur	14.91
	Mr. Vinayak Chatterjee	3.57
	Mr. Rajeev Aggarwal, Chief Financial Officer	10.01
	Mr. Ch. V. Jagannadha Rao, Vice President - Legal & Company Secretary	12.87
	[#] Excluding Gratuity of ₹ 175.06 Lacs	
The percentage increase in the median remuneration of employees in the financial year	3.46	
The number of permanent employees on the rolls of Company	4,104	
The explanation on the relationship between average increase in remuneration and Company performance	Remuneration of employees has a close linkage with the performance of the Company. The Annual Performance Bonus, which is a variable component in the remuneration for all the employees, has a direct correlation with the Company's performance. The Performance Bonus is calculated based on both individual's and Company's performance. Company performance has a higher weightage for senior position employees and lower weightage for junior position employees.	

Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	Total remuneration of KMP in FY 2015-16 (₹ in Lacs)	706.65													
	Consolidated Revenue (₹ in Lacs)	851,633													
	Remuneration of KMPs (as % of revenue)	0.08													
	Consolidated Profit after tax	19,152													
	Remuneration of KMPs (as % of Profit after tax)	3.69													
Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies	Variations in Market Capitalisation and PE Ratio is as below: <table><tr><th>Particulars</th><th>March 31, 2015</th><th>March 31, 2016</th><th>% Change</th></tr><tr><td>Market Capitalisation (₹ in Lacs)</td><td>205,799.24</td><td>314,419.08</td><td>52.78</td></tr><tr><td>PE Ratio</td><td>29.76</td><td>16.99</td><td>(42.92)</td></tr></table> <p>The Company was listed as a result of Scheme of Arrangement and has not come out with an IPO. Hence the details of the same are not applicable.</p>			Particulars	March 31, 2015	March 31, 2016	% Change	Market Capitalisation (₹ in Lacs)	205,799.24	314,419.08	52.78	PE Ratio	29.76	16.99	(42.92)
Particulars	March 31, 2015	March 31, 2016	% Change												
Market Capitalisation (₹ in Lacs)	205,799.24	314,419.08	52.78												
PE Ratio	29.76	16.99	(42.92)												
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>The average increase in salaries of employees during the year 2015-16 was 9.10 percent as against an increase of 21.33 percent in the salary of the Managing Director & CEO (managerial personnel as defined under the Act). The increment given to each individual employee is based on the employee's potential, experience, performance and contribution to the Company's growth over a period of time and also benchmarked against Industry standard.</p> <p>There is no exceptional increase in the remuneration of managerial personnel in comparison to the average increase in the salary of other employees.</p>														
The key parameters for any variable component of remuneration availed by the Directors	<p>The variable component of Non-Executive Directors' remuneration consists of commission. The commission is paid at a rate not exceeding 1 percent per annum of the profits of the Company, computed in accordance with the provisions of the Companies Act, 2013. The distribution of commission among the Non-Executive Directors is recommended by the Nomination and Remuneration Committee and approved by the Board. The commission is generally paid on an uniform basis, to reinforce the principles of collective responsibility of the Board. The Nomination and Remuneration Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility and involvement.</p> <p>Remuneration to the Managing Director & CEO involves balance between fixed and variable pay reflecting short and long-term performance objective of the Company and its goals.</p>														
The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	None														
Affirmation that the remuneration is as per the remuneration policy of the Company	The remuneration to employees of the Company is as per the remuneration policy of the Company.														

MANAGEMENT DISCUSSION AND ANALYSIS

KEC International Limited (the Company or KEC) is an infrastructure EPC major with presence in Power Transmission & Distribution (T&D), Cables, Railways, Water and Renewables (Solar). The Company's footprint extends to 61 countries across the globe.

Economy and Power Sector Overview

A] Global Economy

The global economy decelerated further during 2015 causing global growth to fall short of expectations which declined to 3.1 percent in 2015 as compared to 3.4 percent in 2014 (*Source: World Economic Outlook Update, January 2016*). A host of factors, such as volatility in the financial and the commodity markets, plummeting oil prices, subdued global demand and curtailed investment, as well as slower than anticipated growth of the Chinese economy created ripples across the globe. The spillover of these developments impacted not only the emerging economies but also the developed economies.

The advanced economies appear to be showing signs of improvement from the beginning of 2016 at the back of accommodative financial conditions and strengthening of the housing and labour markets. Growth in advanced economies is projected to increase marginally by 0.2 percent at 2.1 percent in 2016 and is expected to remain steady in 2017 (*Source: World Economic Outlook Update, January 2016*). On the other hand, growth in the emerging economies is projected to increase from 4 percent in 2015 to 4.3 percent in 2016 and 4.7 percent in 2017 (*Source: World Economic Outlook Update, January 2016*).

The global growth is projected to recover modestly at 3.4 percent and 3.6 percent in 2016 and 2017 respectively (*Source: World Economic Outlook Update, January 2016*).



345 kV Monopoles supplied by SAE
Towers in Mexico

**GLOBAL GROWTH IS PROJECTED
TO RECOVER MODESTLY AT 3.4
PERCENT AND 3.6 PERCENT IN
2016 AND 2017 RESPECTIVELY**

GDP Growth (percent)

Countries' Group Name	2014	2015	2016 (Projections)	2017 (Projections)
Advanced Economies	1.8	1.9	2.1	2.1
- United States	2.4	2.5	2.6	2.6
- Euro Area	0.9	1.5	1.7	1.7
- Other Advanced Economies	2.8	2.1	2.4	2.8
Emerging Market and Developing Economies	4.6	4.0	4.3	4.7
- Commonwealth of Independent States (CIS)	1.0	-2.8	0.0	1.7
- Latin America and Caribbean	1.3	-0.3	-0.3	1.6
- Middle East, North Africa, Afghanistan, and Pakistan	2.8	2.5	3.6	3.6
- Sub-Saharan Africa	5.0	3.5	4.0	4.7
- Emerging and Developing Asia	6.8	6.6	6.3	6.2
World Growth	3.4	3.1	3.4	3.6

Source: World Economic Outlook Update, January 2016

B] Indian Economy

India, though entwined with the global economy, has so far been able to fortify itself to a large extent against the current global economic turmoil. India's euphoric performance relative to the rest of the developing nations including Brazil, Russia and China is mainly attributed to factors such as containment of inflation, lower fiscal and current account deficit coupled with some key policy reforms. The fall in oil prices has also acted as a catalyst and benefitted the Indian economy. Growth across sectors, albeit has been at varying levels and pace. The Manufacturing and Industrial sector performed well though erosion in demand on the global front did have an impact on India's overall exports. The Agricultural sector also witnessed a downturn due to poor monsoon.

Buoyed by various positive factors, the macro-economic conditions in India are gradually improving and the economy is once again demonstrating resilience and stability. India's GDP growth at constant (2011-12) market prices witnessed an uptick from 6.6 percent in 2013-14 to 7.2 percent in 2014-15, and is further estimated to increase to 7.6 percent in 2015-16 (Source: Economic Survey Highlights, Press Information Bureau). For India to sustain a higher economic growth amidst global bouts of uncertainty would require more action on policy and reforms front as well as more traction on the ground level. Besides, the Government's thrust and commitment on varied initiatives, such as Make in India, Digital India, Skill India, Start-up India and Swachh Bharat Abhiyan (Clean India Mission), are expected to provide a boost to the Indian Economy.

C] Power Sector Review

The power landscape worldwide is on the cusp of transformation with emphasis on reliability, efficiency, sustainability and affordability. Emerging trends in the segment include increased focus on renewables, integration of renewables into the grid, distributed generation, smart transmission and distribution networks, migration to Extra High Voltages of transmission, use of Gas Insulated Lines where overhead transmission lines are not feasible, etc. These developments portray a very progressive image for the sector, although the fact that scarcity of power is rampant in large parts of the globe remains a matter of concern. Economic growth, fuelled by rapid industrialisation and urbanisation, increased Globalization along with technological and digital interventions, demands incessant supply of power. At present, there is a disparity between the demand and supply dynamics, thus propelling the need for substantial investments, culminating in enormous opportunities and positive outlook for the global power sector.

DISPARITY BETWEEN DEMAND AND SUPPLY DYNAMICS PROPELS THE NEED FOR SUBSTANTIAL INVESTMENTS IN THE POWER SECTOR

The total investment requirement for Transmission & Distribution infrastructure for 2015-2040 period is projected at USD 8.3 trillion, of which India requires approximately USD 845 billion (Source: International Energy Agency (IEA), World Energy Outlook 2015).

Cumulative Investment Needs in Power Transmission and Distribution during 2015 – 2040 (USD billion)

Region / Country	2015-2025	2026-2040	Total 2015-2040
Americas	447	645	1,092
Europe	424	469	893
East Europe/Eurasia	195	274	469
Asia	1,514	2,269	3,783
Middle East	117	167	284
Africa	241	583	824
Latin America	194	300	494
World Total	3,366	4,996	8,362
India	301	544	845

Source: International Energy Agency (IEA) - World Energy Outlook 2015

Globally, Transmission and Distribution networks are expanding steadily, nonetheless around 15 percent of the world population still lacks access to electricity, necessitating the need for development of power infrastructure across the globe. All this translates into significant opportunities for the Company. The Company has a global presence and is recognised for its capability to execute complex and innovative engineering projects necessary to cater to the infrastructure requirements across the globe.

Country/Region	Per capita power consumption (2011) (kwh)	Population without access to electricity (2012) (percent)
United States	13,240	NIL
Europe and Central Asia	2,920	NIL
China	3,298	NIL
South Asia	619	22
MENA	1,684	4.1
Sub-Saharan Africa	525	64.7
Latin America and Caribbean	1,823	4.2
World Average	3,031	15.4
India	1010*	21.3

Source: World Bank Estimates, * Press Articles

Business Scenario and Industry Outlook & Opportunities POWER TRANSMISSION & DISTRIBUTION (T&D) BUSINESS

This is the largest business vertical of the Company. With around seven decades of experience, KEC has a global leadership position in the Power Transmission EPC space and is rapidly growing in power distribution space mainly in the

THE T&D SECTOR IS EXPECTED TO REQUIRE AN INVESTMENT OF ₹ 300,000 CRORE OVER THE NEXT FIVE YEARS

Substation segment. The Company's T&D business is spread across continents. The Company's Business scenario and region-wise outlook & opportunities are highlighted below:

1) South Asia Business

The Company delivered a commendable performance both in terms of revenue and margins aided by a surge in orders in this region which includes India and the SAARC. The Company accelerated delivery of numerous projects ahead of its scheduled completion time thereby reinforcing its commitment to build up and excel its execution capabilities. Furthermore, it significantly expanded its presence in the Gas Insulated Substation (GIS) arena.

Region Wise Outlook & Opportunities

a) India

India's power sector has scaled up impressively over the few years. Currently, India has an installed generation capacity of around 298,060 MW, installed transmission capacity of 341,551 ckm and substation transformation capacity of 658,949 MVA. In the last five years the generation capacity has increased by more than 50 percent whereas the Transmission & Distribution capacity has increased by only 30 percent thereby creating an imbalance (Source: Central Electricity Authority (CEA), India). This has triggered the need for commensurate T&D infrastructure which requires enhanced investments. The T&D sector is expected to require an investment of around ₹ 300,000 Crore over the next five years. The 12th and 13th Five year plans respectively envisages 88,537 MW and 93,400 MW of generation capacity addition, 109,440 ckm and 130,000 ckm of transmission capacity addition and 270,000 MVA and 300,000 MVA of substation capacity addition (Source: Erstwhile Planning Commission of India and Press Articles). This deciphers enormous opportunities for companies like KEC.

Likewise, the Government has planned to increase the renewables capacity to 175 GW by 2022 including 100 GW from solar power. Integrating solar power into the grid is also a priority area which again spells out good prospects for us. The Government is implementing the Green Energy Corridors-I project, encompassing intra-state as well as inter-state transmission strengthening. In addition, the Green Energy Corridors-II project is planned by Power Grid for grid integration of renewable energy by FY 2021-22. In the first phase, transmission schemes for the ultra-mega solar power parks of about 20-22 GW of capacity are expected to be developed during the 13th Plan period.

The Overall outlook for the sector appears to be positive backed by emphasis on T&D capacity augmentation plans, grid integration plans as well as a slew of measures initiated

by the Indian Government to expedite forest clearances and Right of Way (RoW) issues, including the revision in land acquisition compensation, focus on expediting project clearances, push towards renewable energy and ease in coal availability. In addition, UDAY, the revival plan for State Distribution Utilities aimed at enhancing efficiencies and reducing losses is also expected to provide the necessary push to this sector.

b] SAARC

The Company has significantly enhanced its presence in the SAARC region over the last few years and has a good order mix of Transmission and Substation projects in this region. In particular, the Company has secured sizeable orders in Bhutan and Nepal of up to 500 kV in the Substation space. This region plagued by energy scarcity calls for huge investments for development of T&D infrastructure which is expected to benefit the Company in the future. During the year, the Company has significantly contributed in the construction of two cross border transmission line interconnection projects namely, Indo-Bangladesh and Indo-Nepal.

II] International Business

During the year, the Company has secured some large orders in Ghana, Uganda, Kenya, Afghanistan and Saudi Arabia to name a few. The Company expanded its outreach in the International Substation arena, especially in the GIS substation space. The Company's thrust on penetrating in the International Cabling market has yielded good results, it secured its first Cabling order in Saudi Arabia. The International Business continued to deliver satisfactory margins even better than the domestic market. The revenue and order inflow were however impacted due to a series of uncertainties and volatility in the global markets.

The Company's wholly owned subsidiary in the Americas, SAE Towers Holdings LLC also turned profitable this year.

Region Wise Outlook & Opportunities

a] Middle East and North Africa (MENA)

Economic growth being directly correlated to the growth of power sector, the need for robust power infrastructure is clearly visible across MENA including countries like Saudi Arabia, Oman, Iran etc. During the year, the Company witnessed consistent order inflows and tender roll outs from this region. The region, having reworked and set forth infrastructure development as a priority area, the dip in oil prices had a minimal impact on their infrastructure spend. This translates into good opportunities for the Company. The Company is witnessing a regular flow of orders.

b] Gulf Cooperation Council (GCC)

The GCC is expected to invest USD 56 billion in power T&D infrastructure over the 2016-20 period. With around 76.8 GW of generation capacity expected to be augmented between 2016 - 2020 and GCC electricity

INTERNATIONAL BUSINESS CONTINUED TO DELIVER SATISFACTORY MARGINS EVEN BETTER THAN THE DOMESTIC MARKETS

consumption is expected to witness a significant uptick (Source: Arab Petroleum Investment Corporation (APICORP)). The GCC countries have also collaborated in developing a joint Gulf power grid to develop the region's electricity network and also help unify the six countries.

c] North Africa

North African region, enriched with vast natural resources, is a potential market for the Company in the near future once the region attains political stability and geopolitical risks are minimized. The Company is already witnessing infrastructure development tenders being floated in regions like Egypt etc.

d] Rest of Africa

The region has significant growth potential as it is plagued by acute energy shortage; around 65 percent of its population is without access to electricity. The region is endowed with vast untapped energy resources, including renewables like solar energy, which could be tapped to meet the growing demand for power. This highlights the need for substantial investment necessary for development of requisite infrastructure thereby culminating into good opportunities for the Company.

e] Central Asia

This region post the Soviet era has become increasingly cognizant of the need for rapid industrial development. This has resulted in an upscale in the demand for efficient and affordable power, triggering the necessity for capacity augmentation and evacuation infrastructure. As a consequence, huge generation capacity additions are planned in various countries of Central Asia.

f] South East Asia

The South East Asia market is very buoyant and we expect good opportunities from this region. Many countries in this region like Indonesia, Thailand, Malaysia etc. have already formulated generation capacity and grid expansion plans which are expected to translate into opportunities for the Company.

g] North America

The North American transmission system needs investment to build new lines, as also to upgrade and refurbish the existing network, which is ageing due to under-investment in transmission infrastructure. The need for upgradation of the existing transmission network has also arisen to ensure compliance with potential upgrades to regulations related

to United States Environmental Protection Agency's (EPA) Clean Power Plan, currently under judicial review by the U.S. Supreme Court.

As coal-fired power plants go offline under the U.S. EPA's Clean Power Plan, building new power lines to bring renewable energy to customers requires substantial investment over the next five years.

In addition, under the new federally proposed Clean Power Plan, many states in the U.S. have issued the Renewable Portfolio Standards Regulations. This directive mandates electricity suppliers to produce a specified portion of their electricity from renewable energy sources. In Canada, new generation sources in Alberta and new hydroelectric generation expansion culminate into the need for increase in transmission lines.

h) Latin America

In this region, majority of the Company's business comes from Brazil and Mexico. Brazil is the largest market in Latin America and covers nearly half of the continent of South America. Brazil's Government plans to build about 85,782 kilometers of transmission lines between 2015 and 2024 (Source: *Empresa de Pesquisa Energética's Plano Decenal de Expansão de Energia 2024*). In Mexico, the still state-owned Comisión Federal de Electricidad (CFE) owns and operates transmission lines. Besides, the recent Electrical Reform has mandated the overall planning and control of the transmission grid through the entity named CENACE (Centro Nacional de Control de Energía). The CFE, jointly with CENACE, plans to focus on transmission line projects to evacuate power from wind power generation, mostly in the South East and the North East regions. About 14,694 circuit kilometers of 230 kV and 400 kV lines are planned between 2015 and 2029 in the country (Source: *CENACE's Programa de Ampliación y Modernización de la Red Nacional de Transmisión y Redes Generales de Distribución del Mercado Eléctrico Mayorista 2015 – 2016*). In addition, the first DC Line of approximately 1,100 km/C is being planned in the near future. All of these elicits good prospects for the Company.

CABLES BUSINESS

Cables being a purely commodity driven business, the growth was primarily impacted due to decline in commodity prices. Product wise, the growth in LT Cables segment was almost flat in terms of value although there was a moderate growth in quantity supplied. HT Cables showcased moderate growth levels. On the positive side, revenue from the EHV Cables segment almost doubled on account of rise in demand from Power Transmission Utilities. Telecom Cables, revenue declined owing to cancellation of some large orders by Customers due to reduction in market prices.

Product Wise Outlook & Opportunities:

The Company manufactures power cables (EHV, HT & LT including instrumentation and solar cables) and telecom

THERE HAS BEEN A SURGE IN DEMAND FOR TURNKEY CABLING SOLUTIONS

cables. Power Cables constitute a significant part of the Company's business. The Company provides turnkey cabling solutions for EHV cables. In addition to catering to the domestic market, the Company also exports a part of its manufacturing to numerous developed and developing nations.

a) Power Cables

The domestic demand for these cables being inextricably linked to the infrastructure growth is expected to rise on the backdrop of the Government's thrust on strengthening the country's transmission and distribution systems. The demand is also expected to get a boost on account of the proposed smart cities and mass transportation projects, where a higher proportion of EHV and HT cables are used. Besides, there is a huge potential market for solar cables due to rise in share of renewables.

EHV cables are a relatively higher margin product and efforts to increase EHV cables share in the product mix forms a part of the Company's core strategy for the next financial year.

b) Telecom Cables

The demand for Optic Fibre cables is expected to grow on the back of 3G and 4G network installations, along with the Central Government driven National Optic Fibre Network (NOFN) programme.

c) Cabling Business

There has been a surge in demand for turnkey cabling solutions due to increase in requirement for EHV cables. The demand for EHV cables has increased due to they being highly preferred in areas impacted by floods and places where Right of Way is an issue as constructing overhead transmission lines would be difficult.

RAILWAYS BUSINESS

During the year, the Company significantly improved its performance and achieved closure of most of its old projects. The progress on composite projects undertaken by the Company has been fairly satisfactory as has been the progress on other railway projects. The acquisition of Jay Railways in 2010 and subsequent focus by the Company to strengthen its capabilities in this space has resulted in the Company having a strong pre-qualification background. In respect of composite projects, KEC is qualified to bid upto the value of ₹ 350 Crore without any Joint Venture support. Likewise, the commissioning of some current projects would further enhance the Company's pre-qualification status.

Outlook & Opportunities:

The Company is an integrated player and undertakes Railway Electrification as well as Composite Railway projects related to civil works, track laying, building railway stations, tunnels and bridges and electrification & signalling works. Currently, the Company's business mainly comes from conventional railway projects and it is also looking at relevant opportunities in Dedicated Freight Corridors (DFC) and Metro Railway projects. The Company is pre-qualified in certain packages of Dedicated Freight Corridor projects and plans to bid selectively in consortium for the newly announced DFC corridors.

The outlook for this sector is very positive as it is garnering significant thrust by the Indian Government which has set forth plans for network expansion as well as upgradation and modernisation of the existing infrastructure. The FY 2016-17 railway budget unleashed ample opportunities for players like us. Some of the positives decoded in the budget include; an increase in capital outlay to ₹1.21 Lacs Crore, electrification of 2,000 kms, commissioning of 7 kms of broad gauge lines per day, announcement of 44 new projects, proposed additional 3 DFCs, focus on port connectivity, online bidding, standard policy document for EPC contracting, allotment time for projects to be reduced to 6-8 months, decentralization of decision making etc.

WATER BUSINESS

During the year, the Company closed most of its old water resource management projects and is currently focusing on Waste Water/Sewage treatment projects. Due to its conservative bidding, the Company did not secure new orders in this space and is closely observing the execution of its current projects.

Outlook & Opportunities:

Water and Waste Water/ Sewage management continues to be an area of emphasis in India. The sector is expected to unleash opportunities on back of numerous developmental programs initiated by the Government of India including tenders anticipated under the Clean Ganga Mission.

RENEWABLES (SOLAR) BUSINESS

During the year, the Company witnessed significant momentum in its Solar Business with substantial uptick in its order inflows. Considering the fact that the Company marked its entry in the Solar EPC space in FY 2014-15 by securing its first turnkey order valued at ₹ 10 Crore, the Company has showcased exemplary performance during FY 2015-16 wherein the order intake increased approximately 13 folds.

Outlook & Opportunities:

The outlook for the Solar sector in India is extremely positive, driven by Central and State Government initiatives.

The Jawaharlal Nehru National Solar Mission (JNNSM), a major initiative of the Indian Government has revised its

THE INDIAN GOVERNMENT HAS REVISED ITS TARGET OF GRID CONNECTED SOLAR POWER PROJECTS FROM 20 GW TO 100 GW BY 2022

target of Grid Connected Solar Power projects from 20 GW to 100 GW by 2022. The 100 GW target is split between 60 GW of utility scale projects and 40 GW of rooftop and other small grid-connected projects. Both Central and State Governments have announced a number of schemes and policies to accelerate solar project development. A total investment of around ₹ 6,00,000 Crore has been estimated to achieve the target of 100 GW. JNNSM has made noteworthy progress in the past year. There has been a spate of guideline notifications, tender announcements and capacity allocations. Today, India's solar capacity is more than 5,000 MW. During FY 2016-17, more than 10,000 MW is estimated to be installed in the Solar sector alone generating good prospects for the industry.

FINANCIAL PERFORMANCE

Analysis of Profit and Loss statement and Balance Sheet including the key ratios based on consolidated results is mentioned as follows:

Profit and Loss Statement Analysis

Net Sales increased by 0.6 percent Y-o-Y to ₹ 8,516 Crore. The sales growth was impacted by soft commodity prices, significant depreciation of Brazilian Real and delay in conversion of some large L1 positions into orders. Out of the total net sales, 51 percent has come from the markets outside India.

EBITDA increased by 32.7 percent Y-o-Y to ₹ 679 Crore. EBITDA margins improved by 200 basis points to 8 percent of net sales. The margin improvement is on account of successful turnaround of SAE business, improved profitability in our core T&D business and fast track completion of projects helping deliver better margins.

Depreciation and amortization remained at ₹ 88 Crore similar to the levels seen in FY 2014-15.

Finance Costs decreased to ₹ 277 Crore from ₹ 309 Crore in FY 2014-15. Finance Costs to Net Sales ratio decreased to 3.3 percent as against 3.6 percent in FY 2014-15. The finance cost improved as we replaced high cost borrowing with low cost borrowings.

In FY 2015-16, profit on sale of Telecom towers was ₹ 5 Crore. In FY 2014-15, the disposal of Thane land yielded a profit of ₹ 135 Crore.

PBT excluding the impact of profit on disposal of Telecom towers stood at ₹ 319 Crore, as against this, FY 2014-15 profit excluding impact of Thane land sale was ₹ 126 Crore. This is an improvement of 153 percent over the previous year.

Net profit stood at ₹ 192 Crore as against ₹ 161 Crores in FY 2014-15.

Earnings per Share (EPS) before impact of sale of assets increased to ₹ 7.2 from ₹ 2.7 in FY 2014-15.

Earnings per Share (EPS) after impact of sale of assets increased to ₹ 7.4 from ₹ 6.3 in FY 2014-15.

Dividend for the year is 50 percent of face value of equity share, reflecting a distribution of ₹ 30.9 Crore (including dividend distribution tax).

Balance Sheet Analysis

Net Worth increased to ₹ 1,512 Crore from ₹ 1,330 Crore in FY 2014-15. Equity Share Capital remained unchanged at ₹ 51 Crore. However, Reserves and Surplus increased to ₹ 1,460 Crore from ₹ 1,278 Crore recorded in FY 2014-15.

Book Value per share increased to ₹ 58.8 from ₹ 51.7 in FY 2014-15.

Gross Borrowings increased to ₹ 2,514 Crore from ₹ 2,189 Crore in FY 2014-15 while Net Borrowings increase to ₹ 2,403 Crore from ₹ 1,983 Crore in FY 2014-15 as we shifted some high cost acceptances to cheaper borrowings.

Gross Debt-Equity ratio stood at 1.7 times while Net Debt-Equity ratio stood at 1.6 times.

Fixed Assets (without considering goodwill) decreased to ₹ 860 Crore from ₹ 881 Crore in FY 2014-15.

Gross working capital (including long term loans and advances and other non-current assets) cycle has increased to 275 days from 268 days in FY 2014-15. Inventory cycle decreased to 18 days from 21 days in FY 2014-15. Total receivable cycle increased to 197 days from 179 days in FY 2014-15. However, payable cycle has reduced to 126 days from 143 days in FY 2014-15 as we shifted some high cost acceptances to cheaper borrowings.

Return on Capital Employed (before tax) increased to 16.4 percent in FY 2015-16 as compared to 13 percent in FY 2014-15.

OPERATIONAL PERFORMANCE – KEY HIGHLIGHTS

- The Company significantly improved the profitability with EBITDA growth of 33 percent and PBT growth of 153 percent.
- Successful Turnaround at SAE with positive PBT & strong order book
- Successful expansion of Substation business - Afghanistan (AIS); Bhutan and Saudi Arabia (GIS)
- Expansion in the Saudi underground cabling market
- Solar business ramped up with a turnover of ₹ 93 Crore and order intake of ₹ 130 Crore
- Significant progress on Railways & Water legacy projects execution
- Interest cost reduction by ₹ 32 Crore. The year's total order intake is at ₹ 8,714 Crore and year end order book is at ₹ 9,449 Crore. The orders were spread across

THE PROGRESS ON COMPOSITE RAILWAY PROJECTS HAS BEEN FAIRLY SATISFACTORY

business verticals and geographies. During the year the company:

- o Secured largest ever single order from PGCIL, valued at ~ ₹ 608 Crore
- o Secured high value order of ₹ 404 Crore in Ghana
- o Continued to consolidate presence in SAARC (India, Afghanistan, Bhutan), Americas (United States, Mexico, Brazil, Chile), MENA & CIS (Saudi Arabia, Georgia, Oman), Africa (Uganda, Ghana, Kenya, Zambia).
- Power T&D business expanded its substations business in international markets by securing orders in Saudi Arabia, Bhutan and Afghanistan. The T&D business also expanded the cabling business with additional orders in Saudi Arabia.
- Cables business secured orders worth ₹ 967 Crore.
- Railway business secured an order of ₹ 288 Crore for electrification, civil works, track laying, signaling and telecommunication works in Madhya Pradesh from Rail Vikas Nigam Limited.

ADEQUACY OF INTERNAL CONTROL

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

ENTERPRISE RISK MANAGEMENT AND INTERNAL AUDITS BY EXTERNAL SPECIALISTS

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

RISKS AND CHALLENGES

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

1) **Commodity price variations and currency fluctuations:**

The Company deals with various commodities, such as steel, zinc, copper and aluminium. Fixed price contracts can have a negative impact on the Company's profit if input costs rise without proper hedging mechanisms. With significant contribution to the business coming from international markets, the Company is exposed to the risk of currency fluctuations, if any exposure remains open.

Mitigation: The Company believes in keeping its commodity and currency exposures hedged to optimum levels. It measures and manages these risks centrally, and carries out periodic reviews of these risks at appropriate levels.

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

Mitigation: The Company's global presence helps it minimise the impact on business during investment slowdown in one country or region. Further, the Company is significantly present in underdeveloped and emerging economies, where infrastructure investment remains a key priority for sustainable growth. The Company has also diversified its business portfolio to include Substations, Cables, Railways, Water and Solar.

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

Mitigation: The Company carries out detailed studies of the potential risks involved in a market before bidding for a project in a particular country. This careful selection of the country, along with the Company's prior experience, aids in combatting the challenges. The Company has also started taking local funding to cover its exposure in the local markets.

4) **Delays in execution of projects:** EPC projects could face delays due to issues relating to Right of Way, forest clearances, manpower shortage and so on. This could

**NET WORTH INCREASED TO ₹ 1,512 CRORE
FROM ₹ 1,330 CRORE**

lead to payment postponements, thereby prolonging the working capital cycle and increasing the overall project costs.

Mitigation: The Company reviews these risks periodically and employs suitable strategies and actions to minimise their impact. The Company factors such delays at the time of estimation of the tenders.

HUMAN RESOURCES

We have continued to lead on employee engagement with industry sustaining indicators on engagement and remain an employer of choice in the EPC infrastructure space.

Our investment in digitization to automate people processes and improve productivity is complete and we went live across all our locations in India and overseas with a Human Capital Management (HCM) platform christened 'RPG Talent One'. We also launched an interactive digital portal for employees to view potential learning and growth paths covering a majority of our job families.

Our Engineering Leadership Program to bring in quality engineering trainees has been significantly enhanced. While doing so, we have continued to provide every opportunity to our internal talent through our in-house 'RPG Talent First' initiative.

Our focus to provide a differentiated reward for our employees saw significant changes implemented across the board in reshaping the performance evaluation and variable pay practices. While enhancing our employee proposition, this provides an additional edge in attracting and retaining talent.

Employee Count – As on March 31, 2016, the KEC Group (including subsidiaries and joint ventures) has 5,661 permanent employees.

CAUTIONARY STATEMENT

Statements in this report describing the Company's objectives, expectations, predictions and assumptions may be 'forward looking' within the meaning of applicable Securities Laws and Regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include global and domestic economic conditions affecting demand, supply, price conditions, natural calamities, change in Government's regulations, tax regimes, other statutes and other factors such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

I. Company's Philosophy on Corporate Governance

The Company's Corporate Governance philosophy encompasses not only regulatory and legal requirements in terms of the erstwhile Listing Agreement with Stock Exchanges and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), but also several inherent core values at a superior level of business ethics, effective supervision and enhancement of shareholders' value. These core values are central to the business philosophy of the Company and act as the guiding inspiration for the day-to-day business operations. The Company strives to be a customer-first, quality-obsessed, socially-sensitive corporate entity.

The Company believes that timely disclosures, transparent accounting policies and a strong and independent Board go a long way in protecting the shareholders' interest while maximizing long term corporate values.

The Company is in compliance with the requirements on the Corporate Governance provisions stipulated under clause 49 of the erstwhile Listing Agreement and Chapter IV of the Listing Regulations, which prescribes the obligations of the listed entities that has listed its specified securities on any of the recognised Stock Exchanges.

II. Board of Directors

Composition of the Board of Directors

The Company had a broad-based Board and fair representation of Executive, Non- Executive and Independent Directors during the financial year 2015-16. The Board of Directors comprises of personalities with adequate experience, qualifications, knowledge and diversified expertise relevant to the diversified business operations of the Company.

As on March 31, 2016, the Board of the Company comprised of 11 (Eleven) Directors, with 8 (Eight) Independent Directors, 2 (Two) Non-Executive Directors and 1 (One) Managing Director & CEO. The Chairman is a Non-Executive Director.

Category of Directors as on March 31, 2016, was as follows:

Category	Name of the Director	DIN
Promoter Director	Mr. H. V. Goenka, Chairman	00026726
Executive Director	Mr. Vimal Kejriwal, Managing Director & CEO	00026981
Non-Executive Director	Mr. R. D. Chandak*	00026581
Non-Executive & Independent Directors	Mr. A. T. Vaswani	00057953
	Mr. D. G. Piramal	00032012
	Mr. G. L. Mirchandani	00026664
	Ms. Nirupama Rao	06954879
	Mr. S. M. Kulkarni	00003640
	Mr. S. M. Trehan	00060106
	Mr. S. S. Thakur	00001466
	Mr. Vinayak Chatterjee	00008933

* Retired as the Managing Director of the Company from end of business hours on April 01, 2015 and continued to act as a Non-Executive Director effective April 02, 2015.



Transmission Line Project in Zambia

All the Independent Directors of the Company have confirmed that they meet with the criteria of independence laid down under the Companies Act, 2013 ("the Act") and the Listing Regulations. All such declarations are placed before the Board. Further, pursuant to Section 164(2) of the Act, all the Directors have also provided annual declarations that he/she has not been disqualified to act as a Director.

No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Act.

Board Meetings

The Board meets at least four times in a year, with a maximum time gap of one hundred and twenty days between any two consecutive meetings. Additional meetings are held as and when necessary. Agenda and detailed notes on agenda are circulated to the Directors in advance. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meetings. Where it is not feasible to attach any document to the agenda, being an Unpublished Price Sensitive Information, the same is

placed before the meeting with the general consent of the Directors obtained at the beginning of the year. In special and exceptional circumstances, additional item(s) on the agenda is/are taken up with permission.

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

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

The Board of Directors met 5 (Five) times during the financial year 2015-16 on May 06, 2015, July 27, 2015, October 28, 2015, February 03, 2016 and March 14, 2016. As stipulated, the gap between two consecutive Board Meetings did not exceed one hundred and twenty days.

The attendance of each Director at the Board Meetings/ Annual General Meeting ("AGM"), their Directorship, Committee Membership/Chairmanship in other companies as on March 31, 2016 are given below:

Name of Director	Attendance at		Directorships in other companies and other Membership/Chairmanship in Committees		
	Board Meeting	Last AGM	Other Directorships*	Committee Memberships#	Committee Chairmanship#
Mr. H. V. Goenka	5	Yes	6	-	-
Mr. Vimal Kejriwal	5	Yes	2	1	-
Mr. R. D. Chandak	5	Yes	5	1	-
Mr. A. T. Vaswani	5	Yes	2	1	2
Mr. D. G. Piramal	5	Yes	5	2	-
Mr. G. L. Mirchandani	4	Yes	3	2	-
Ms. Nirupama Rao	2	No	2	-	-
Mr. S. M. Kulkarni	4	Yes	5	2	4
Mr. S. M. Trehan	5	Yes	-	-	-
Mr. S. S. Thakur	5	Yes	4	3	3
Mr. Vinayak Chatterjee	3	Yes	4	1	1

* Excluding Directorships in private companies, foreign companies and companies which are formed under Section 25 of the Companies Act, 1956/ Section 8 of the Act.

Membership/Chairmanship in Audit Committee and Stakeholders' Relationship Committee only has been considered. Number of Membership does not include Chairmanship, which has been given separately.

Board's Responsibilities

Being an apex management body of the Company, the Board discharges all its responsibilities, functions, duties and obligations in timely and effective manner in accordance with applicable laws, keeping close watch on the business operations of the Company. The Board's mandate is to oversee the Company's strategic direction, review and monitor performance, ensure regulatory compliance and safeguard the interest of the stakeholders. The day-to-day affairs are managed by the Managing Director & CEO of the Company under overall supervision of the Board.

Role of Independent Directors

The Independent Directors play an important role in upholding and nurturing the principles of good governance which translates into ethical business practices, functional operational matters, address various business challenges and monitor implementation of decisions taken. They ensure transparency in deliberations at the Board and Committee meetings and bring to the Company their expertise in the fields of business, commerce, finance, management, law and public policy which enriches the decision making process at the Board.

A formal Letter of Appointment, which *inter alia* covers role, responsibilities, duties and remunerations, was issued to each Independent Director in the manner provided under the Act and Listing Regulations.

Criteria for performance evaluation of Independent Directors

The Nomination and Remuneration Committee has laid down the evaluation criteria for performance evaluation of Independent Directors of the Company, which *inter alia* includes active and consistent participation in the Board Meetings, sharing of knowledge and experience which has bearing on the performance of the Company, positive and constructive discussion, ethical practices etc.

Separate Meeting of Independent Directors

In compliance with Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors of the Company was held on March 03, 2016, *inter alia* to discuss the following:

- a. Evaluation of the performance of Non-Independent Director and the Board as a whole;
- b. Evaluation of the performance of Chairperson of the Company, taking into account the views of Executive and Non-Executive Directors; and
- c. Assessment of the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present at this meeting except Mr. Vinayak Chatterjee.

Familiarization Programme for Independent Directors

Upon appointment of a new Independent Director, the Company undertakes an orientation exercise to familiarise the Director about the Company's business operations, products, corporate objectives, financial performance, management structure, compliance etc., apart from explaining him/her about his/her role, responsibility, rights and duties. In order to familiarise the Independent Directors with the business of the Company, presentations are being made by the Strategic Business Unit ("SBU") heads at every Board Meeting in respect of the business under their SBUs.

The presentations *inter alia* covers details about the nature and scope of the business, its profitability, future scope, risks involved and mitigation thereto. The Board has adopted a Policy on Familiarization Programme for the Independent Directors and the same is available at the Company's website and can be accessed at <http://www.kecrg.com/KEC%20data/Investor%20relations/policies/Details%20of%20Familiarization%20Programs%20during%20FY%202015-16.pdf>

Information placed before the Board

All the information that is required to be made available to the Directors in terms of provisions of the erstwhile Listing Agreement, the Listing Regulations and the Act, so far as applicable to the Company, is made available to the Board.

Details of Director(s)

In compliance with Regulation 36(3) of the Listing Regulations, the brief resume, expertise in specific functional areas, disclosure of relationships between directors inter-se, details of other Directorships, Membership in Committees of Directors of other listed companies and shareholding in the Company, of the Non-Executive Director(s) proposed to be appointed/reappointed are given in the Notice convening the Annual General Meeting.

Code of Conduct

The Board has laid down a Code of Conduct for all Board members and Senior Management Personnel of the Company, which provides guidance for ethical conduct of the business and compliance of the applicable laws. The said Code is available at the Company's website www.kecrg.com under 'Investors' tab. Further, Senior Management Personnel are also required to disclose to the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the Company at large.

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

Prevention of Insider Trading

On January 15, 2015, the Securities Exchange Board of India ("SEBI") had notified the SEBI (Prohibition of Insider Trading) Regulations, 2015, ("New PIT Regulations") which replaces the SEBI (Prohibition of Insider Trading) Regulations, 1992 with effect from May 15, 2015.

The Board has accordingly formulated and adopted the Code of Fair Disclosure, Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders ("the Code"). The Code provides for the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, functional employees and connected persons, while in possession of Unpublished Price Sensitive Information in relation to the Company and during the period when the trading window is closed. The Code was communicated to

all concerned. Trading window closures, i.e. when the connected persons are not permitted to trade in the securities of the Company, are intimated to the connected persons in advance, whenever required. Directors and functional employees of the Company provide disclosure on an annual basis about the number of shares or voting rights held by them along with their immediate relatives in the Company. Further, they also declare that they have not traded in the shares of the Company based on the Unpublished Price Sensitive Information and on buying/selling any number of shares, they have not entered into an opposite transaction i.e. sell/buy during the six months from the date of erstwhile transaction as per the provisions of the Code.

Board Committees

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

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

(A) Audit Committee

Composition

The Audit Committee of the Board comprises of three Independent Directors viz. Mr. A. T. Vaswani, Chairman, Mr. S. S. Thakur, Member and Mr. S. M. Kulkarni, Member. All members of Audit Committee are financially literate and the Chairman of the Audit Committee has accounting or related financial management expertise and the composition of the Committee is in compliance with the requirements of Section 177 of the Act, the erstwhile Listing Agreement and Regulation 18(1) of the Listing Regulations. The Chairman of the Audit Committee was present at the Tenth Annual General Meeting to answer shareholders' queries.

Representatives of the Statutory Auditors are invited to attend meetings of the Committee. The Committee also invites such of the executives viz. Managing Director & CEO, Chief Financial Officer, Head (Internal Audit), and Cost Auditors and Risk Management consulting firm, as it considers appropriate to be present at the meetings of the Committee. On some occasions it also meets without the presence of any executives of the Company.

Mr. Ch. V. Jagannadha Rao, Vice President – Legal & Company Secretary, acts as the Secretary to the Committee.

Meetings

During the year under review, 9 (Nine) meetings of the Audit Committee were held on May 06, 2015, June 17, 2015, July 27, 2015, August 14, 2015, October 16, 2015, October 28, 2015, November 30, 2015, January 04, 2016 and February 03, 2016 and the same were attended by all the members of the Committee except Mr. S. S. Thakur to whom leave of absence was granted for the meeting held on October 16, 2015.

Terms of reference

The role and terms of reference of the Audit Committee, specified by the Board, are in conformity with the requirements of the erstwhile Listing Agreement, Schedule II Part C of the Listing Regulations and Section 177 of the Act. The Committee acts as a link between the Statutory and Internal Auditors and the Board.

The Audit Committee assists the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes to ensure fairness, adequate disclosures and credibility of financial statements, recommendation of appointment and removal of Statutory Auditors, Branch Auditors, Cost Auditors, reviewing systems of internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Audit Committee is authorized to:

1. investigate any activity within its terms of reference.
2. seek information from any employee.
3. obtain outside legal or other professional advice.
4. secure attendance of outsiders with relevant expertise, if it considers necessary.

Role of Audit Committee

The role of Audit Committee includes the following:

1. Oversight of Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, reappointment, remuneration and terms of appointment of auditors of the Company and, if required, their replacement or removal.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and Auditors' Report thereon before submission to the Board for approval, with particular reference to:
 - a. matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of

- sub-section 5 of Section 134 of the Companies Act, 2013;
- b. changes, if any, in accounting policies and practices, and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinions in the draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 6. Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilised for purpose other than those stated in the offer document/prospectus/notice and the Report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. Monitoring the end use of funds raised through public offers and related matters.
 7. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of dividends) and creditors.
 8. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background etc. of the candidate.
 9. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
 10. Reviewing with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 11. 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.
 12. Discussion with internal auditors regarding any significant findings and follow up thereon.
 13. 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 and management letters/ letters of internal control weaknesses issued by the statutory auditors.
 14. 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.
 15. Review of management discussion and analysis of financial condition and results of operations.
 16. Approval or any subsequent modification of transactions of the Company with related parties including review of statement of significant related party transactions submitted by the management.
 17. Scrutiny of inter-corporate loans and investments.
 18. Valuation of undertakings or assets of the Company, wherever it is necessary.
 19. Evaluation of internal financial controls and risk management systems.
 20. Establish a vigil mechanism/whistle blower mechanism for the Directors and employees to report their genuine concerns or grievances and provide mechanism for adequate safeguards against victimisation.
 21. To oversee risk management functions.
 22. The appointment, removal and terms of remuneration of the chief internal auditor.
 23. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to Stock Exchange(s) in terms of Regulation 32(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
 24. Carrying out functions as delegated by the Board of Directors from time to time.

(B) Nomination and Remuneration Committee

Composition

The composition of the Nomination and Remuneration Committee is in compliance with the requirements of Section 178 of the Act, the erstwhile Listing Agreement and Regulation 19(1) of the Listing Regulations. The Committee comprises of three Independent Directors viz. Mr. S. S. Thakur, Chairman, Mr. S. M. Kulkarni, Member and Mr. A. T. Vaswani, Member.

Meetings

During the year under review, 4 (Four) meetings of the Nomination and Remuneration Committee were held on

May 06, 2015, June 30, 2015, November 30, 2015 and March 03, 2016 and the same were attended by all the members of the Committee except Mr. S. M. Kulkarni to whom leave of absence was granted for the meeting held on June 30, 2015.

Terms of Reference

1. Identification of persons who are qualified to become Directors and who may be appointed in senior management.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
3. Formulate the criteria for evaluation of performance of every Director and carrying out actual evaluation.
4. To opine as per Section 197(4)(b) whether the Director possesses the requisite qualification for practice of profession.
5. Determine the quantum of commission payable to Non- Executive Directors.
6. Determining the remuneration packages for Executive Director, the direct reportees to the Managing Director/Chief Executive Officer.

7. Devising a policy on diversity of Board of Directors.
8. Whether to extend or continue the term of appointment of Independent Directors on the basis of report of performance evaluation of Independent Directors.
9. Carrying out functions as delegated by the Board of Directors from time to time.

Remuneration Policy and other terms of appointment of Directors

Executive Director:

The remuneration payable to the Managing Director & CEO is recommended by the Nomination and Remuneration Committee and approved by the Board of Directors and Members of the Company. The remuneration structure of Managing Director & CEO comprises of salary, perquisites, allowances, performance bonus, and contribution to provident, superannuation and gratuity funds. Payment of remuneration to the Managing Director & CEO is governed by the Agreement executed between him and the Company. The Agreement may be terminated by either party, by giving a notice in writing of not less than four months or by paying the basic salary in lieu thereof.

Details of remuneration paid to the Managing Director & CEO during financial year 2015-16

(Amount in ₹)

Name	Salary and Allowance	Performance Bonus [^]	Perquisites	Contribution to Provident and other Funds	Total
Mr. Vimal Kejriwal	25,988,820	7,001,846	942,821	902,577	34,836,064 [#]
Mr. R. D. Chandak [*]	75,049	8,466,402	-	3,501	8,544,952 [§]

[#] Excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company.

^{*} For one day i.e. April 01, 2015.

[^] Based on performance of FY 2014-15.

[§] Excludes payment of gratuity of ₹ 17,506,360.

Non-Executive Directors

The Non-Executive Directors (NEDs) including Independent Directors are paid remuneration by way of commission. They are also paid sitting fees at a uniform basis for attending various meetings of the Board and the Committees.

Commission paid to the NEDs

In view of valuable contributions being made by the NEDs (including Independent Directors) in running the business affairs of the Company, the Members in their meeting held on July 29, 2015, had approved the

payment of commission to NEDs upto a maximum overall limit of 5% of net profit in any financial year, computed in accordance with the Section 198 of the Act. The commission is generally paid on a uniform basis, to reinforce the principles of collective responsibility of the Board. However, it may also vary on the basis of Director's qualifications, experience and directorship in other companies having diverse business, time spent, inputs, guidance and contribution received from such Director. The Nomination and Remuneration Committee may recommend a higher commission for the Chairman of the Board of Directors, taking into consideration his overall responsibility and involvement.

In determining the commission payable, the Committee also takes into consideration overall performance of the Company and onerous responsibilities required to be shouldered by the Directors. The policy framed by the

Nomination and Remuneration Committee of the Board of Directors including the criteria for making payments to the NEDs is set out as an Annexure to the Directors' Report.

Details of sitting fees and commission paid to Non-Executive Directors are given below:

(Amount in ₹)

Name of the Director	FY 2014-15 Commission [#]	FY 2015-16	
		Sitting Fees	Commission
Mr. H. V. Goenka	5,486,204	375,000	21,986,803
Mr. R. D. Chandak	-	461,000	-
Mr. A. T. Vaswani	400,000	710,000	500,000
Mr. D. G. Piramal	400,000	375,000	500,000
Mr. G. L. Mirchandani	400,000	300,000	500,000
Ms. Nirupama Rao	200,000	150,000	500,000
Mr. S. M. Kulkarni	400,000	688,000	500,000
Mr. S. M. Trehan	400,000	375,000	500,000
Mr. S. S. Thakur	400,000	741,000	500,000
Mr. Vinayak Chatterjee	400,000	225,000	500,000

[#] Commission for financial year 2014-15 was paid in financial year 2015-16.

Except Mr. R. D. Chandak, none of the Directors of the Company had any pecuniary relationship with the Company during the financial year 2015-16. Mr. Chandak was appointed as an Advisor with the approval of the Members through Postal Ballot on March 30, 2015 at a Monthly Fees of ₹ 1,950,000/- p.m. for the period of one year from April 02, 2015, with such extensions as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors on such terms and conditions as may be mutually agreed between the Company and Mr. Chandak from time to time.

Equity Shares held by the Directors

Except as stated hereunder, none of the Directors hold any shares in the Company as on March 31, 2016:

Name of the Director	No. of shares held (₹ 2/- each)
Mr. H. V. Goenka [#]	4,848,425
Mr. H. V. Goenka [@]	2,805,216
Mr. H. V. Goenka ⁺	169,500
Mr. H. V. Goenka [§]	1
Mr. H. V. Goenka [^]	1
Mr. H. V. Goenka ^{&}	1
Mr. R. D. Chandak	5
Mr. H. V. Goenka [*]	3,750

[#] 3,914,482 shares held jointly with Mrs. Mala Goenka and Mr. Anant Vardhan Goenka.

[@] Held as a trustee of Stellar Energy Trust.

⁺ Held as Karta of Harsh Anant Goenka HUF.

[§] Held as a trustee of Crystal India Tech Trust.

[^] Held as a trustee of Nucleus Life Trust.

[&] Held as a trustee of Monitor Portfolio Trust.

^{*} Held in trust on behalf of certain shareholders against their rights of Equity Shares of the erstwhile RPG Transmission Limited, since merged with the Company in the year 2007-08, kept in abeyance under Section 206A(b) of the Companies Act, 1956, due to pending court cases/issues. These shares were initially held by Mr. J. M. Kothary and transferred to Mr. H. V. Goenka, upon cessation of Directorship of Mr. J. M. Kothary.

The Company does not have any Stock Option Scheme.

(C) Stakeholders' Relationship Committee

Composition

The composition of Stakeholders' Relationship Committee and the terms of reference comply with the requirement of the erstwhile Listing Agreement, the Listing Regulations and with the provisions of Section 178 of the Act. The Committee comprises of three Directors viz. Mr. S. S. Thakur, Chairman, Mr. R. D. Chandak, Member and Mr. S. M. Kulkarni, Member.

Meetings

During the year under review, 12 (Twelve) meetings of the Stakeholders' Relationship Committee were held on the following dates:

April 22, 2015, May 20, 2015, June 29, 2015, July 27, 2015, August 14, 2015, September 10, 2015, October 07, 2015, November 30, 2015, December 22, 2015, January 20, 2016, February 19, 2016 and March 14, 2016.

These meetings were attended by all three members of the Committee except Mr. S. M. Kulkarni to whom leave of absence was granted for the meetings held on January 20, 2016, February 19, 2016 and March 14, 2016.

Terms of Reference

The Board had authorized any one of the members of Investors' Grievance Committee (now Stakeholders' Relationship Committee) or the Company Secretary or an authorized signatory to attend to the matters relating to share transfers/transmissions and other related matters under the overall supervision of the Committee.

The function and powers of the Committee *inter alia* includes:

1. Approval and rejection of transfer or transmission of shares.
2. Issue of duplicate certificates.
3. Review and redressal of shareholders' and investors' complaints relating to transfer of shares and non-receipt of Annual Report etc.

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

Name and Designation of the Compliance Officer

Mr. Ch. V. Jagannadha Rao, Vice President-Legal & Company Secretary is acting as the Compliance Officer of the Company in terms of the erstwhile Listing Agreement and Regulation 6 of the Listing Regulations.

Investors' Grievance

No. of complaints pending at the beginning of financial year 2015-16	2
No. of complaints received during financial year 2015-16	7
No. of complaints resolved to the satisfaction of shareholders during financial year 2015-16	9
No. of complaints pending to be resolved at the end of financial year 2015-16	Nil

(D) Corporate Social Responsibility Committee

Composition

In terms of Section 135 of the Act, the Board had constituted the Corporate Social Responsibility ("CSR")

Committee. The Committee comprises of three Directors viz. Mr. R. D. Chandak, Chairman, Mr. S. M. Kulkarni, Member and Mr. A. T. Vaswani, Member.

Meetings

During the year under review, 2 (Two) meetings of the CSR Committee were held on August 14, 2015 and February 03, 2016. These meetings were attended by all the members of the Committee.

Terms of Reference

1. The CSR Committee shall formulate and recommend to the Board of Directors, a CSR Policy which shall, *inter alia*, include the list of CSR projects or programs, falling within the purview of Schedule VII to the Companies Act, 2013, which a Company proposes to undertake.
2. To recommend the amount of expenditure to be incurred on the CSR activities undertaken by the Company.
3. To monitor the CSR policy of the Company from time to time.

(E) Finance Committee

Composition

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

Meetings

During the year under review, 13 (Thirteen) meetings of the Finance Committee were held. The dates of the meetings are as follows:

April 22, 2015, May 20, 2015, June 29, 2015, July 27, 2015, August 14, 2015, September 10, 2015, October 07, 2015, October 28, 2015, November 30, 2015, December 22, 2015, January 20, 2016, February 19, 2016 and March 14, 2016.

These meetings were attended by all the members of the Committee, except Mr. S. M. Kulkarni to whom leave of absence was granted for the meetings held on January 20, 2016, February 19, 2016 and March 14, 2016.

Terms of Reference

1. Issue power of attorney(ies) to authorize the representatives/employees of the Company in relation to tenders, branch offices(s) or project site office(s) operational requirements, execution and/or operations of contracts/ projects, excise, customs and shipping matters, financial and taxation matters, matters related to income tax, service tax, sales tax and excise matters and other Central and State laws and such other purposes relating to day to day operations of the Company.

2. Approve and issue corporate guarantees as required during ordinary course of business of the Company.
3. Approve the opening/closure of Branch Office(s) of the Company in India or outside India in connection with the business of the Company and to do all such other acts in relation to the Branch Office(s) of the Company.
4. Approve and pass necessary resolutions relating to the following matters:
 - a) To open, authorize to operate, modify the operating authorities, issue necessary instructions to banks and close various Bank Account(s) in the name of the Company as per the business requirements;
 - b) To transact foreign exchange swaps, options, futures, forwards and any other derivatives, as permissible under risk management policy adopted by the Board of Directors, that may from time to time be used as tools to hedge the Company's interest and foreign exchange exposures arising in the ordinary course of the business of the Company;
 - c) Enter into one or more transactions/agreements with Banks and/or Exchange Houses in domestic and international market(s) relating to futures, forward, options, swaps etc., and combination(s) thereof in Steel, Aluminum, Zinc, Copper or any other commodities, as per the requirements in the ordinary course of the business of the Company and in accordance with provisions of the Reserve Bank of India Act, 1945 and any other laws as may be applicable and guidelines, notifications, circulars, regulations or approval(s) etc. issued from time to time by any regulatory authority;
 - d) To approve borrowing by way of long term or short term loans, inter corporate deposits or any kind of financial assistance and fund and/or non fund based working capital credit facility(ies) repayable on demand/temporary or otherwise, in any currency, from bank(s) and/or institution(s) and/or other lenders from time to time and to create charge/security/mortgage on the immovable/movable properties of the Company to secure such loans/ inter corporate deposits/financial assistance/credit facility(ies) as may be required in terms of each of the sanctions by the said bank(s) and/or financial institution(s) and/or other lenders, subject to an overall limit of ₹ 16,000 Crore (Rupees Sixteen Thousand Crore only);
 - e) To authorise the employee(s)/representative(s) for the purpose of bidding and execution of the project(s) undertaken in consortium, joint venture and also to authorise the employee(s)/representative(s) to sign Memorandum of Understanding, Consortium Agreement, Joint Venture agreement, such other documents required to be signed on behalf of the Company and enter into liability against the Company and/or do any other act on behalf of the Company, required for the above said purpose;
 - f) To invest in the equity shares of the wholly owned subsidiary companies of the Company, grant loans to them, issue guarantees or provide any security in respect of financial assistance availed by the wholly owned subsidiary companies upto an overall limit of ₹ 25 Crore, subject to such compliances and approvals as may be necessary; and
 - g) To invest in the equity shares or equity convertible instruments of the Bodies Corporate, for the purpose of undertaking the projects on BOOM, BOLT, BOT, BOOST and BOOT or any such other basis, upto an aggregate amount not exceeding ₹ 300 Crore and to sell/transfer the shares/equity convertible instruments purchased/acquired by the Company for the above purpose.
5. Approve all other matters & issues of urgent nature arising in the ordinary course of the business of the Company.

Subsidiary Companies

The Company does not have any material non-listed Indian Subsidiary Company. The Company has framed the policy on material subsidiaries and the same is available at the Company's website and can be accessed at <http://www.kecpg.com/KEC%20data/Investor%20relations/Policy%20on%20Material%20Subsidiaries.pdf>

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

General Body Meetings

Location and time of Annual General Meetings

Year	Date	Time	Location
2014-15	July 29, 2015	03:30 p.m.	Ravindra Natya Mandir,
2013-14	July 28, 2014	03:30 p.m.	P. L. Deshpande Maharashtra Kala Academy, Sayani
2012-13	August 21, 2013	03:30 p.m.	Road, Prabhadevi, Mumbai - 400 025

Special Resolutions passed in the last three Annual General Meetings

July 29, 2015

Approval to enter into various material transactions with Al Sharif Group & KEC Ltd. Company, Joint Venture and related party to the Company.

July 28, 2014

1. Authority to obtain loans/ borrowings under Section 180(1)(c) of the Companies Act, 2013.
2. Creation of mortgage and/ or charge on all or any of the movable and/ or immovable properties of the Company.
3. Issuance of Non-Convertible Debentures on private placement basis.

August 21, 2013

Waiver of excess remuneration paid to Mr. R. D. Chandak, Managing Director for financial year 2012 - 13.

Postal Ballot

During the financial year 2015-16, the Company has obtained the approval of its Members by passing special resolution as mentioned hereunder through Postal Ballot in accordance with the procedure prescribed in Section 110 of the Act, read with the Companies (Management and Administration) Rules, 2014. Mr. P. N. Parikh of Parikh Parekh and Associates, Practicing Company Secretaries was appointed as Scrutinizer for the postal ballot exercise.

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

Details of the Special Resolution passed through Postal Ballot and voting pattern:

Date of passing the Resolution	Resolution	Result	
		In favour (%)	Against (%)
December 10, 2015	Issue of Non-Convertible Debentures/Bonds on private placement	99.99	0.01

None of the businesses proposed to be transacted at the ensuing AGM require passing a Special Resolution through postal ballot.

III. Disclosures

Related Party Transactions

The Company has formulated a Policy on Related Party Transaction and the same is available at the Company's website and can be accessed at <http://www.kecprg.com/KEC%20data/Investor%20relations/Policy%20on%20Related%20Party%20Transactions.pdf>

Transactions with related parties entered in the ordinary course of business have been disclosed in Note 35 of the Standalone Financial Statements of the Company.

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

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

Whistle Blower Policy

Pursuant to the provisions of the erstwhile Listing Agreement, the Listing Regulations and Section 177(9) of the Companies Act, 2013, the Company has established a vigil mechanism (Whistle Blower Policy) to facilitate its employees and Directors to voice their concerns or observations without fear, or raise reports to the Management, of instance of any unethical or unacceptable business practice or event of misconduct/ unethical behaviors, actual or suspected fraud and violation of Company's Code of Conduct etc. The Policy provides for adequate safeguards against victimization of persons who use such mechanism and also have the provision for direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. During the year under review, none of the personnel has been denied access to the Audit Committee.

The policy is placed on the website of the Company at www.kecprg.com under 'Investors' tab.

Risk Management

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

Details of non-compliance by the Company, penalties and strictures imposed, if any

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by SEBI or by any other Statutory Authorities on any matters related to capital markets during the last three years.

Apart from complying with the mandatory requirements prescribed by the erstwhile Listing Agreement and the Listing Regulations, the Company has complied with the following non-mandatory requirements:

- o The Company has appointed separate persons to the post of Chairperson and Managing Director & CEO.
- o The Chairman, being a Non-Executive Director, entitled to maintain a Chairperson's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties.
- o The Company's Financial Statement for the year ended March 31, 2016 are unqualified.
- o The Internal Auditor reports directly to the Audit Committee in all matters relating to Internal Audit.

CEO/CFO certification

Certificate from Mr. Vimal Kejriwal, Managing Director & CEO and Mr. Rajeev Aggarwal, Chief Financial Officer, in terms of Regulation 17(8) of the Listing Regulations, for the financial year 2015-16 was placed before the Board at its meeting held on May 06, 2016 and also forms part of this Annual Report.

IV. Means of Communication

Quarterly Results

As on March 31, 2016, the Company's shares are listed on BSE Limited and National Stock Exchange of India Limited.

The Company has furnished quarterly financial results along with the notes on a quarterly basis to the Stock Exchanges as per the format prescribed and within the time period stipulated under the erstwhile Listing Agreement and Regulation 33(3) of the Listing Regulations.

The Company has published the financial results within 48 hours of the conclusion of the Board Meeting in at least one English daily newspaper circulating in the whole or substantially the whole of India and in one newspaper published in the language of the region, where the registered office of the Company is situated. The Company informs the Stock Exchanges about the date of the Board Meeting well in advance as required under the erstwhile Listing Agreement and the Listing Regulations and also issues immediately an advertisement in at least one national newspaper and one regional language newspaper about the aforesaid Board Meeting.

Newspapers wherein financial results are being published

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

The financial results are also displayed on the Company's website www.kecprg.com under 'Investors' tab.

Company's Website

The Company maintains a functional website www.kecprg.com which depicts the detailed information about the business activities of the Company. The "Investors" tab provides information regarding financial results, Annual Reports, shareholding patterns, quarterly compliance reports on Corporate Governance, credit ratings, terms and conditions of appointment of Independent Directors, the policies framed by the Company under various laws and regulations, contact information of the designated officials responsible for assisting and handling investor grievances, email address for grievance and redressal and other relevant details, details of familiarization programs imparted to Independent Directors, schedule of analyst or institutional investor meet and presentations made by the Company on the quarterly financial results and such other information as may be required to be uploaded on the website of the Company. Further, the Memorandum and Articles of Association of the Company, Code of Conduct adopted by the Board, NECS form and Nomination form are also uploaded on the website of the Company.

The achievements and important events such as receipt of major orders by the Company etc. are announced through press & electronic media and also posted on the Company's website.

The Company's other press coverage and corporate presentations, if made to institutional investors and analysts, are also made available on the website. The means of communication between the Company and the shareholders are transparent and investor friendly and the Company takes all possible endeavors

to inform its stakeholders about every material information having bearing on the performance and operations of the Company and other price sensitive information.

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

V. General Shareholders Information

Date, time and venue of Annual General Meeting	July 29, 2016 at 04:00 p.m. at Ravindra Natya Mandir, P. L. Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai - 400 025
Financial Year	April 01 - March 31
Financial Calendar :	
First quarter results	By second week of August 2016*
Second quarter results	By second week of November 2016*
Third quarter results	By second week of February 2017*
Results for the year ending March 2016	By the end of May 2017*

* Tentative

Status of Listing on Stock Exchanges

The Equity Shares of the Company are listed on the following Stock Exchanges and the necessary annual listing fees have been duly paid to both the Stock

Exchanges. The Company's shares have never been suspended from trading.

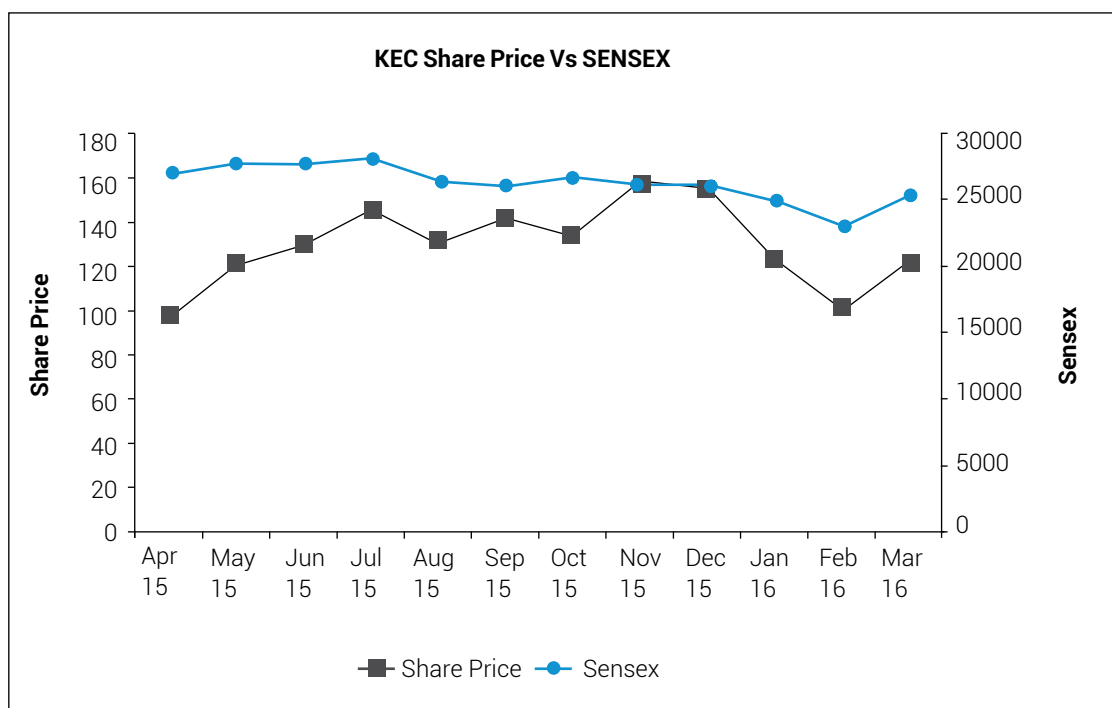
Name and address of the Stock Exchanges	Stock Code
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	532714
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051	KEC

Market price Data -BSE & NSE

Month	BSE		NSE		BSE Sensex Closing
	High (₹)	Low (₹)	High (₹)	Low (₹)	
April 2015	113.90	80.00	114.00	79.90	27,011.31
May 2015	122.90	92.20	122.80	93.75	27,828.44
June 2015	138.50	105.05	138.85	105.00	27,780.83
July 2015	160.95	128.55	160.90	125.50	28,114.56
August 2015	155.00	110.75	155.00	110.40	26,283.09
September 2015	153.40	121.00	153.50	121.55	26,154.83

Month	BSE		NSE		BSE Sensex Closing
	High (₹)	Low (₹)	High (₹)	Low (₹)	
October 2015	151.00	133.65	151.30	133.40	26,656.83
November 2015	164.75	130.00	164.40	130.15	26,145.67
December 2015	163.45	143.40	163.40	142.95	26,117.54
January 2016	164.15	111.25	164.80	111.15	24,870.69
February 2016	127.00	97.45	126.95	97.50	23,002.00
March 2016	123.40	101.90	123.40	100.15	25,341.86

Performance of the Share price of the Company in comparison to BSE Sensex



Registrar and Share Transfer Agents

Link Intime India Private Limited is the Company's Registrar and Share Transfer Agents. Their contact details are as follows:

Link Intime India Private Limited

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

Contact Address for Investors

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

Share Transfer System

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

Distribution of Shareholding

Distribution of shares according to size of holding as on March 31, 2016

No. of equity shares held	No. of Shareholders	% of Shareholders	No. of Shares	% of Shareholding
1-500	62,056	84.96	8,683,148	3.38
501-1,000	6,083	8.33	4,730,591	1.84
1,001-2,000	2,471	3.38	3,657,176	1.42
2,001-3,000	853	1.17	2,150,864	0.84
3,001-4,000	422	0.58	1,492,200	0.58
4,001-5,000	274	0.38	1,280,492	0.50
5,001-10,000	446	0.61	3,285,342	1.28
10,001 & above	435	0.59	231,808,557	90.16
Total	73,040	100.00	257,088,370	100.00

Categories of Shareholders as on March 31, 2016

Category	No. of Shares held	% of Shareholding
Promoters	130,762,052	50.86
Mutual Funds/UTI	60,673,072	23.60
Financial Institutions, Insurance Companies and Banks (including Foreign Banks)	7,058,650	2.75
Foreign Institutional Investors	4,382,408	1.70
Foreign Portfolio Investors	12,861,025	5.00
General Public	28,476,343	11.08
NRIs/OCBs	995,231	0.39
Other Companies	10,721,759	4.17
Clearing Members	520,651	0.20
Trusts	593,599	0.23
Foreign Nationals	43,575	0.02
Directors and Relatives	5	0.00
Total	257,088,370	100.00

Unclaimed Shares

In terms of erstwhile Listing Agreement/ Schedule VI of Listing Regulations, a listed company is required to transfer the unclaimed shares, if any, of its shareholders to an Unclaimed Suspense Account with a depository participant upon serving three reminders to the shareholders. Accordingly the Company, in compliance of the requirement and after giving three reminders,

transferred unclaimed shares to an Unclaimed Suspense Account in dematerialized mode. During the financial year 2015-16, few requests to claim these share were received, which were released after a thorough due diligence. Following are the details of the unclaimed shares at the beginning and at the end of the year and the requests processed during the year:

Beginning of the Year		No. of Shareholders who approached for transfer	No. of Shareholders to whom Shares were transferred	End of the Year	
No. of Shareholders	No. of Shares			No. of Shareholders	No. of Shares
5,973	1,275,780	36	36	5,937	1,260,815

Dematerialization of Shares and Liquidity

The Company has executed agreement with both the depositories of the Country i.e. National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for admission of its securities under dematerialized mode. The International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE389H01022. As on March 31, 2016, 250,976,046 equity shares representing 97.62% are held in dematerialized form.

Outstanding GDRs/ADRs/Warrants or any convertible instruments or options, conversion date and likely impact on Equity

There are no outstanding GDRs/ADRs/Warrants or any convertible instruments or options.

Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 205 of the Companies Act, 1956, dividends which remain unclaimed/ unencashed over a period of seven years are required to be transferred by the Company to the IEPF constituted by the Central Government.

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

Dividend for the year	Date of declaration of Dividend	% of Dividend declared	Last date up to which Members are entitled to claim the Dividend
2008-09	June 26, 2009	50	July 26, 2016
2009-10	June 22, 2010	60	July 23, 2017
2010-11	July 05, 2011	60	August 04, 2018
2011-12	July 05, 2012	60	August 08, 2019
2012-13	August 21, 2013	25	September 22, 2020
2013-14	July 28, 2014	30	September 04, 2021
2014-15	July 29, 2015	45	August 30, 2022
2015-16 (Interim Dividend)	March 30, 2016	50	April 15, 2023

During the financial year 2015-16, the Company has transferred ₹ 2,300,545 (Rupees Twenty Three Lacs Five Hundred and Forty Five only) i.e. the balance in the unpaid dividend account for the financial year 2007-08 to IEPF.

Debenture Trustee

IDBI Trusteeship Services Limited
J-1, Virjanand Marg, Vikaspuri
New Delhi – 110 018
Tel No.: 011-45138885

Registered Office/Correspondence Address of the Company

KEC International Limited
RPG House, 463, Dr. Annie Besant Road
Worli, Mumbai – 400 030
Tel No.: 022-66670200, Fax No.: 022-66670287
Corporate Identification Number (CIN): L45200MH2005PLC152061

Plants' Location			
Transmission Towers	Jaipur Jhotwara Industrial Area Jaipur - 302 012, Rajasthan	Butibori B-190 Industrial Area Butibori - 441 108, Maharashtra	Jabalpur Deori, P. O. Panagarh Jabalpur - 483 220, Madhya Pradesh
Cables	Mysore Hebbal Industrial Area Hootagalli, Belavadi Post Mysore - 571 186 Karnataka	Silvassa Plot No. 273/4, Demni Road Silvassa - 396 191 Dadra and Nagar Haveli	Vadodara Village: Godampura (Samlaya) Taluka: Savli - 391 520 Gujarat
SAE Towers	SAE Towers Mexico S de RL de CV[#] Arco Vial Saltillo-Nuevo Laredo Km. 24.1 C.P. 66050-79, Escobedo, N. L. Mexico		SAE Towers Brazil Torres de Transmissao Ltda[#] R. Moacyr G. Costa, 15 - Jd. Piemont Sul 32669-722, Betim/MG, Brazil
Tower Testing Stations	Jaipur Jhotwara Industrial Area Jaipur - 302 012, Rajasthan	Butibori B-215 Industrial Area Butibori - 441 108, Maharashtra	Jabalpur Deori, P. O. Panagarh Jabalpur - 483 220, Madhya Pradesh
	SAE Towers Brazil Torres de Transmissao Ltda[#] R. Moacyr G. Costa, 15 - Jd. Piemont Sul 32669-722, Betim/MG, Brazil		

[#] Wholly owned step down subsidiaries of KEC International Limited

Declaration - Code of Conduct

All Board Members and Senior Management Personnel have, for the year ended March 31, 2016, affirmed compliance with the Code of Conduct laid down by the Board of Directors in terms of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For **KEC International Limited**

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Date: May 06, 2016
Place: Mumbai

INDEPENDENT AUDITORS' CERTIFICATE

TO THE MEMBERS OF KEC INTERNATIONAL LIMITED

1. We have examined the compliance of conditions of Corporate Governance by KEC International Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:
 - Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchanges for the period from April 01, 2015 to November 30, 2015.
 - Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchanges for the period from April 01, 2015 to September 01, 2015.
 - Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from September 02, 2015 to March 31, 2016 and
 - Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to 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.
3. We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.
4. In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified under paragraph 1 above, during the year ended March 31, 2016.
5. 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)

Saira Nainar

Partner
(Membership No. 040081)

Place: Mumbai

Date: May 06, 2016

CEO/CFO CERTIFICATE

The Board of Directors
KEC International Limited

We certify to the Board that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2016 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) To the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee;
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Vimal Kejriwal
Managing Director & CEO
(DIN: 00026981)

Rajeev Aggarwal
Chief Financial Officer

Place: Mumbai
Date: May 06, 2016

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEC INTERNATIONAL LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **KEC INTERNATIONAL LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associate and jointly controlled entities, comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the 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 and consolidated cash flows of the Group including its Associate and Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies/Management of the entities included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account 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 financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial 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, its associate and jointly controlled entities as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

We did not audit the financial statements / consolidated financial statements of 23 subsidiaries and 21 jointly controlled entities, whose financial statements / consolidated financial statements reflect total assets (net) of ₹ 213,694.62 lacs as at March 31, 2016, total revenues of ₹ 247,981.69 lacs and net cash flows amounting to ₹ 2,364.47 lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, and an associate company incorporated in India, none of the directors of the Group companies and its associate company incorporated in India is disqualified as on March 31, 2016 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 and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary companies, and an associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's, subsidiary companies' and an associate company incorporated in India internal financial controls over financial reporting of the Holding company.
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate and jointly controlled entities -Refer Note 28 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary company and associate company incorporated in India.

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

Saira Nainar
Partner
(Membership No. 040081)

Place: Mumbai
Date: May 06, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the consolidated financial statements for the year ended March 31, 2016 of KEC INTERNATIONAL LIMITED)

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 financial statements of the Company as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of KEC International Limited (hereinafter referred to as “the Holding Company”) and its subsidiary companies and its associate company, which are companies incorporated in India, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, its subsidiary companies and an associate company, 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 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 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 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 and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system 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.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, its subsidiary companies and its associate company, 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, 2016, 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 2 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Saira Nainar
Partner
(Membership No. 040081)

Place: Mumbai
Date: May 06, 2016

CONSOLIDATED BALANCE SHEET

as at March 31, 2016

Particulars	Note No.	Current Year		Previous Year	
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	5,141.77		5,141.77	
(b) Reserves and surplus	3	146,047.34	151,189.11	127,837.95	132,979.72
(2) Non-current liabilities					
(a) Long-term borrowings	4	60,204.14		73,704.09	
(b) Deferred tax liabilities (Net)	36(i)	6,616.71		7,036.15	
(c) Other Long-term liabilities	5	1,000.00		1,000.00	
(d) Long-term provisions	6	1,582.39	69,403.24	1,113.00	82,853.24
(3) Current liabilities					
(a) Short-term borrowings	7	172,259.73		130,808.63	
(b) Trade payables	8	-		-	
(A) Total outstanding dues of micro enterprises and small enterprises		293,912.10		332,483.25	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		117,210.81		84,285.07	
(c) Other current liabilities	9	9,778.40		11,072.24	
(d) Short-term provisions	10		593,161.04		558,649.19
TOTAL			813,753.39		774,482.14
II. ASSETS					
(1) Non current assets					
(a) Fixed assets					
(i) Tangible assets	11	72,809.21		73,095.95	
(ii) Intangible assets	11	11,996.72		13,367.14	
(iii) Capital work-in-progress	11	1,170.53		1,644.41	
		85,976.46		88,107.50	
(b) Goodwill on consolidation		41,795.73		39,426.78	
(c) Non-current investments	12	3.45		1.08	
(d) Deferred tax assets (Net)	36(ii)	2,410.22		1,763.34	
(e) Long-term loans and advances	13	31,359.53		31,206.76	
(f) Other non-current assets	14	16,236.83		19,286.64	
			177,782.22		179,792.10
(2) Current assets					
(a) Inventories	15	42,980.76		47,639.25	
(b) Trade receivables	16	449,478.57		385,293.45	
(c) Cash and cash equivalents	17	11,126.11		20,631.73	
(d) Short-term loans and advances	18	56,013.14		63,863.81	
(e) Other current assets	19	76,372.59		77,261.80	
			635,971.17		594,690.04
TOTAL			813,753.39		774,482.14

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

SAIRA NAINAR
Partner

RAJEEV AGGARWAL
Chief Financial Officer

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

CH.V.JAGANNADHA RAO
Company Secretary

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2016

Place : Mumbai
Date : May 06, 2016

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

Particulars	Note No.	Current Year		Previous Year	
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I. Revenue from operations (Gross)		870,814.80		865,730.76	
Less: Excise duty		19,182.01		18,950.57	
Revenue from operations (Net)	20		851,632.79		846,780.19
II. Other income	21		1,025.89		14,622.51
III. Total Revenue (I+II)			852,658.68		861,402.70
IV. Expenses					
Cost of materials consumed	22		412,868.47		452,735.17
Changes in inventories of finished goods, work-in-progress and scrap	23		1,935.34		3,905.92
Erection & sub-contracting expenses	24		207,176.90		188,626.79
Employee benefits expense	25		64,236.42		58,648.09
Finance costs	26		27,743.03		30,885.88
Depreciation and amortisation expense (net)	11 & 1(B)(5)(b)(i)		8,755.51		8,811.00
Other expenses	27		97,487.12		91,684.19
Total expenses			820,202.79		835,297.04
V. Profit before tax (III - IV)			32,455.89		26,105.66
VI. Tax expenses :					
Current Tax [includes share of joint ventures of ₹ 2,962.91 lacs (Previous Year ₹ 2,490.39 lacs)]			14,565.05		10,009.29
*includes pertaining to earlier years ₹ 2,383.64 lacs (net) [Previous Year - ₹ 857.64 lacs (net)]					
Deferred Tax			(1,259.06)		(1.70)
			13,305.99		10,007.59
VII Profit after tax before share of profit of an associate (V-VI)			19,149.90		16,098.07
VIII Share in profit of an associate			2.37		1.08
IX Profit for the year (VII-VIII)			19,152.27		16,099.15
X Earnings per equity share (of ₹ 2 each)	35		₹		₹
(1) Basic			7.45		6.26
(2) Diluted			7.45		6.26

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

SAIRA NAINAR
Partner

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2016

Place : Mumbai
Date : May 06, 2016

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2016

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:				
PROFIT BEFORE TAX		32,455.89		26,105.66
Adjustments for:				
Depreciation and amortisation expense (net)	8,755.51		8,811.00	
Profit on fixed assets sold (net)	(573.91)		(13,505.74)	
Loss on fixed assets discarded	408.05		-	
Finance costs	27,743.03		30,885.88	
Interest income	(195.32)		(1,014.92)	
Bad debts, loans and advances written off (net)	14,151.88		5,199.18	
Allowance for bad and doubtful debts, loans and advances (net)	1,326.41		2,201.84	
Mark to market loss on forward and commodity contracts	14.27		53.10	
Net unrealised exchange (gain) / loss	1,215.60		819.93	
		52,845.52		33,450.27
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		85,301.41		59,555.93
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	4,658.49		2,883.80	
Trade receivables	(75,035.49)		(7,675.94)	
Loans and advances	7,667.29		(23,946.95)	
Other current assets & non current assets	(6,819.70)		(10,564.35)	
	(69,529.41)		(39,303.44)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables and other current liabilities	(8,014.60)		7,835.00	
Provisions	636.18		(593.86)	
	(7,378.42)		7,241.14	
		(76,907.83)		(32,062.30)
CASH GENERATED FROM OPERATIONS		8,393.58		27,493.63
Direct Taxes Paid (net of refund of taxes)		(13,472.30)		(12,208.45)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)		(5,078.72)		15,285.18
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets (after adjustment of increase/ decrease in capital work-in-progress and advances for capital expenditure)	(7,778.87)		(9,038.58)	
Proceeds from sale of fixed assets	8,914.39		20,689.11	
Interest received	499.64		787.16	
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	179.72		46.45	
		1,814.88		12,484.14
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		1,814.88		12,484.14
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	12,460.97		65,361.85	
Repayment of other than short-term borrowings	(26,400.11)		(63,987.66)	
Net increase / (decrease) in short term borrowings	40,757.51		9,272.86	
Finance cost	(27,381.64)		(30,472.18)	
Dividends paid (including tax on distributed profit)	(5,754.08)		(1,746.06)	
		(6,317.35)		(21,571.19)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		(6,317.35)		(21,571.19)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(9,581.19)		6,198.13

CONSOLIDATED CASH FLOW STATEMENT

for the year ended March 31, 2016

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Cash and cash equivalents at the beginning of the year		19,418.32		13,220.24
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.22		(0.05)
Cash and Cash Equivalents at the end of the year		9,837.35		19,418.32
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		11,126.11		20,631.73
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements - Balances with banks in earmarked accounts		1,288.76		1,213.41
Cash and Cash Equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 17 [Refer Footnote (ii)]		9,837.35		19,418.32
Footnotes:				
(i) The Consolidated Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements.				
(ii) Cash and cash equivalents at the end of the year comprises:				
(a) Balances with banks				
(i) In current accounts		6,597.75		8,973.19
(ii) In deposit accountss		2,704.49		2,781.25
(b) Cheques, drafts on hand		232.55		698.03
(c) Cash on hand		302.56		267.81
(d) Remittance in transit		-		6,698.04
		9,837.35		19,418.32
(iii) Previous year's figures have been regrouped to conform with those of the current year.				

See accompanying notes forming part of the consolidated financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

SAIRA NAINAR
Partner

Place : Mumbai
Date : May 06, 2016

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

Place : Mumbai
Date : May 06, 2016

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

NOTES

forming part of the consolidated financial statements

NOTE 1: BASIS OF CONSOLIDATION AND SIGNIFICANT ACCOUNTING POLICIES

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

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

I. Principles of consolidation

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

- i. The financial statements of the Company and its Subsidiary Companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits or losses are fully eliminated.
- ii. The financial statements of the subsidiary companies and jointly controlled entities used in the consolidation are drawn up to the same reporting date as that of the Company except for Al- Sharif Group and KEC Ltd Company, Saudi Arabia where it is drawn upto December 31, 2015. In respect of Al- Sharif Group and KEC Ltd Company, Saudi Arabia, effect has been given to significant transactions between the two reporting dates.
- iii. The interest of the Company in the Jointly Controlled Entity has been reported by using proportionate consolidation whereby its share of each of the assets and liabilities of the Jointly Controlled Entity is reported as separate line item in the consolidated financial statements. When reporting an interest in a jointly controlled entity, in terms of arrangement entered into with other venturer/s the interest of the Company (venturer) reflects the substance and economic reality of the respective arrangement, rather than the joint venture's particular structure or form. In respect of Al-Sharif Group and KEC Ltd Company, Saudi Arabia as the assets, liabilities, income and expenses relating to the contracts awarded to Al-Sharif Group and KEC Ltd. Company, Saudi Arabia but executed by the Company under the arrangement with the Joint Venture Partner [being in substance in the nature of Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 " Financial Reporting of Interests in Joint Ventures"] have already been recognised in the standalone financial statements of the Company considered for consolidation, necessary effects have been given by the management to the financial statements of Al-Sharif Group and KEC Ltd Company, Saudi Arabia as referred to in Note A(I)(ii) above which have been considered for consolidation. The intra-group balances and intra group transactions and unrealised profits or losses are eliminated to the extent of the Group's proportionate share.
- iv. The consolidated financial statements include the share of profit / loss of the associate company which has been accounted for using equity method as per AS 23 "Accounting for Investments in Associates in Consolidated Financial Statements". Accordingly, the share of profit/ loss of the associate company (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
- v. The excess of cost to the Company of its investments in the Subsidiary Companies / Jointly Controlled Entities over its share of equity of the Subsidiary Companies / Jointly Controlled Entities, at the dates on which the investments in the Subsidiary Companies / Jointly Controlled Entities are made/acquired, is recognised as 'Goodwill on consolidation' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the Subsidiary Companies / Jointly Controlled Entities as on the date of investment/acquisition is in excess of cost of the investment of the Company, it is recognised as 'Capital reserve on consolidation' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.
- vi. The goodwill on consolidation is not amortised; however, it is tested for impairment at each Balance Sheet date and impairment loss, if any, is provided for.
- vii. The consolidated financial statements of SAE Towers Holdings LLC, USA and its subsidiaries (SAE Group) have been prepared in accordance with the accounting principles generally accepted in the United States. The appropriate adjustments have been made to the consolidated financial statements of SAE Group for preparation of the consolidated financial statements of KEC Group.

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

(a) Subsidiaries

	Country of Incorporation	% of ownership interest either directly or through subsidiaries	
		As at March 31, 2016	As at March 31, 2015
Direct Subsidiaries			
RPG Transmission Nigeria Limited	Nigeria	100	100
KEC Global FZ–LLC–Ras UL Khaimah	UAE	100	100
Jay Railway Projects Private Limited*	India	-	100
KEC Investment Holdings, Mauritius	Mauritius	100	100
KEC Global Mauritius	Mauritius	100	100
KEC Power India Private Limited	India	100	100
KEC Bikaner Sikar Transmission Private Limited**	India	99.99	-
Indirect Subsidiaries			
KEC International Holdings LLC	USA	100	100
KEC Brazil LLC	USA	100	100
KEC Mexico LLC	USA	100	100
KEC Transmission LLC	USA	100	100
KEC US LLC	USA	100	100
SAE Towers Holdings LLC	USA	100	100
SAE Towers Brazil Subsidiary Company LLC	USA	100	100
SAE Towers Mexico Subsidiary Holding Company LLC	USA	100	100
SAE Towers Mexico S de RL de CV	Mexico	100	100
SAE Towers Brazil Torres de Transmission Ltda	Brazil	100	100
SAE Prestadora de Servicios Mexico, S de RL de CV	Mexico	100	100
SAE Towers Ltd	USA	100	100
SAE Towers Panama Holdings LLC!	USA	-	100
SAE Towers Panama S de RL !!	Panama	-	100
SAE Engenharia E Construc�o Ltda	Brazil	100	100
SAE Engineering & Construction Services, S de RL de CV	Mexico	100	100
KEC International (Malaysia) SDN BHD	Malaysia	100	100

* Amalgamated with the Company w.e.f. April 01, 2014.

**Incorporated on September 03, 2015.

! Liquidated on August 06, 2015

!!Liquidated on July 01, 2015

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(b) Jointly Controlled Entities

Particulars	Country of Incorporation	% of ownership interest	
		As at March 31, 2016	As at March 31, 2015
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	Saudi Arabia	49	49
EJP KEC Joint Venture	South Africa	50	50
KEC – ASSB JV	Malaysia	67	67
KEC – ASIAKOM – UB JV	India	60	60
KEC – ASIAKOM JV	India	51	51
KEC – DELCO – VARAHA JV	India	80	80
KEC – VARAHA – KHAZANA JV	India	80	80
KEC – VALECHA – DELCO JV	India	51	51
KEC – SIDHARTH JV	India	80	80
KEC – TRIVENI – KPIPL JV	India	55	55
KEC – UNIVERSAL JV	India	80	80
KEC – DELCO – DUSTAN JV	India	51	51
KEC – ANPR – KPIPL JV	India	60	60
KEC – PLR – KPIPL JV	India	55	55
KEC – BJCL JV	India	51	51
KEC – KIEL JV	India	90	90
KEC – ABEPL JV	India	90	90
KEC-SIL JV (Formed on May 19, 2015)	India	83.72	-
KEC – TNR Infra JV	India	51	51
KEC – SMC JV	India	51	51
KEC – WATERLEAU JV	India	51	51

(c) Associate

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

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B) SIGNIFICANT ACCOUNTING POLICIES

1. Use of estimates:

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

2. Revenue Recognition:

- Sale of goods is recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sale of services is recognised, when services are rendered. Sales exclude sales tax/ value added tax and service tax charged to the customers
- Revenue from turnkey contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs.

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

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

3. Inventories:

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

Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

4. Fixed Assets:

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

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

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

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5. Depreciation/ Amortisation:

a) Tangible Assets:

- (i) Leasehold land is amortised over the remaining period of the lease.
- (ii) Depreciation on other tangible fixed assets as been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the certain assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.:

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

b) Intangible Assets:

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

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

Brand transferred to the Company during the year under the Scheme of Amalgamation is amortised over ten years being its useful life, as estimated by the management.

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

6. Investments:

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

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

8. Foreign Currency Transactions:

a) Foreign branches (Integral)

- i. Fixed assets are translated at the rates on the date of purchase/acquisition of assets and inventories are translated at the rates that existed when costs were incurred.
- ii. All foreign currency monetary items outstanding at the year end are translated at the year end exchange rates. Income and expenses are translated at average rates of exchange and depreciation/amortisation is translated at the rates referred to in (a)(i) above for fixed assets.

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

b) Jointly Controlled Operations (Non Integral)

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

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c) Other foreign currency transactions:

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

ii) Forward Exchange Contracts:

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

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

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

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

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

10. Employee Benefits:

a) Defined Contribution Plans:

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

b) Defined Benefit Plan / Long Term employee benefits:

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

c) Short term employee benefits:

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

11. Leases:

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

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

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12. Taxation:

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

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

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

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

14. Provisions and contingencies:

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

15. Derivative Contracts and Hedge Accounting:

a) Derivative Contracts:

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

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

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

b) Hedge Accounting:

To designate contract as an effective hedge, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk.

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

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

16. Operating Cycle:

Assets and liabilities other than those relating to long-term contracts (i.e. supply or turnkey contracts) are classified as current if it is expected to realise or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realization of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle.

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

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

18. Consolidated Cash Flow Statement:

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

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NOTE 2 - SHARE CAPITAL

Particulars	Current Year		Previous Year	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	570,000,000	11,400.00	550,000,000	11,000.00
Preference Shares:				
Redeemable Preference Shares of ₹ 100 each	1,500,000	1,500.00	1,500,000	1,500.00
		12,900.00		12,500.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	5,141.77	257,088,370	5,141.77
	257,088,370	5,141.77	257,088,370	5,141.77

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

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

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

Sr. No.	Name of the shareholder*	Current Year		Previous Year	
		Nos. of Shares Held	Percentage of Shares held	Nos. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	69,546,616	27.05	69,546,616	27.05
2	Summit Securities Limited	27,602,945	10.74	26,974,152	10.49
3	HDFC Trustee Company Limited	23,110,249	8.99	23,110,249	8.99
4	Instant Holdings Limited	17,855,651	6.95	16,592,755	6.45

*Shares held in multiple folios have been combined.

2.3 3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

2.4 The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid- up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

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NOTE 3 - RESERVES AND SURPLUS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Capital Reserve		
Balance as per last Consolidated Balance Sheet	8,497.87	8,497.87
(b) Capital Redemption Reserve		
Balance as per last Consolidated Balance Sheet	1,427.95	1,427.95
(c) Securities Premium Account		
Balance as per last Consolidated Balance Sheet	8,674.89	8,674.89
(d) Statutory Reserve@		
Balance as per last Consolidated Balance Sheet	94.88	94.88
(e) Debenture Redemption Reserve		
Balance as per last Balance Sheet	357.88	-
Add : Transferred from Surplus in Consolidated Statement of Profit and Loss	584.75	357.88
	942.63	357.88
(f) Reserve for Amortisation of Brand Account [Note 1(B)(5)(b)(i)]		
Balance as per last Consolidated Balance Sheet	-	157.00
Less : Transferred to Consolidated Statement of Profit and Loss	-	157.00
	-	-
(g) Foreign Currency Translation Reserve [Note 1(B)(8)]		
Balance as per last Consolidated Balance Sheet	2,109.51	1,191.57
Credited/ (Debited) during the year :		
On consolidation of foreign subsidiaries and joint ventures (Net)	1,870.55	926.76
Other- on translation of non-integral operations in a joint venture (Net)	18.90	(8.82)
	3,998.96	2,109.51
(h) Capital reserve on consolidation		
Balance as per last Consolidated Balance Sheet	3.72	3.72
(i) General Reserve		
Balance as per last Consolidated Balance Sheet	10,899.16	9,791.81
Add: Transferred from Surplus in Consolidated Statement of Profit and Loss	1,580.10	1,107.35
	12,479.26	10,899.16
(j) Hedging Reserve		
Balance as per last Balance Sheet	(116.92)	-
Add :-Effect of foreign exchange rate variations on hedging instrument outstanding at the end of the year (net of deferred tax of ₹ 73.82 lacs [(Previous year ₹ 60.20 lacs)])	139.49	(116.92)
Add : Amount transferred to Statement of Profit and Loss [Net of deferred tax of ₹ 60.20 lacs (Previous Year - ₹ Nil)]	116.92	-
	139.49	(116.92)
(k) Surplus in Consolidated Statement of Profit and Loss		
Opening Balance	95,889.01	84,176.82
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets of the Company with nil remaining useful life [Net of deferred tax - Nil (Previous Year - ₹ 102.48 lacs) (Refer Note 42)]	-	199.01
Add : Profit for the year	19,152.27	16,099.15
Less : Transferred to Debenture Redemption Reserve	584.75	357.88
Less : Transferred to General Reserve	1,580.10	1,107.35
Less : Interim Dividend on Equity Shares	2,570.88	-
Less : Proposed Dividend on Equity Shares	-	2,313.80
Less : Tax on distributed profits (*Net of write back of excess provision of ₹ 62.11 lacs pertaining to an earlier year)	517.86	*408.92
	109,787.69	95,889.01
	146,047.34	127,837.95

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

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NOTE 4 - LONG-TERM BORROWINGS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I Debentures				
Secured (Refer Note 4.1)		7,500.00		7,500.00
II Term loans				
(1) From Banks				
Secured (Refer Note 4.2)	54,595.17		60,372.48	
Less : Current maturities of long-term debt (Refer Note 9)	(7,026.77)		(7,559.17)	
		47,568.40		52,813.31
Unsecured (Refer Note 4.3)	10,457.83		12,627.70	
Less : Current maturities of long-term debt (Refer Note 9)	(9,863.22)		(3,971.13)	
		594.61		8,656.57
(2) From other parties				
Secured (Refer Note 4.4)	4,595.65		6,968.56	
Less : Current maturities of long-term debt (Refer Note 9)	(2,088.00)		(2,894.65)	
		2,507.65		4,073.91
III Long term maturities of finance lease obligations (Refer Notes 4.5 and 34B)	2,360.61		2,929.39	
Less : Current maturities of finance lease obligations (Refer Note 9)	(626.16)		(2,472.67)	
		1,734.45		456.72
Share of finance lease obligations of Joint Ventures (Refer Notes 4.5 and 34B)	595.60		323.87	
Less : Current maturities of finance lease obligations (Refer Note 9)	(296.57)		(120.29)	
		299.03		203.58
		60,204.14		73,704.09

4.1 750, 11.65% Privately Placed, Secured, Redeemable Non-Convertible Debentures of ₹ 10 lacs each aggregating ₹ **7,500 lacs** (Previous Year - ₹ 7,500 lacs) of the Company are secured by an equitable mortgage on land situated at Cable factory, Mysore and hypothecation of all movable fixed assets situated at Cable factory, Mysore. 350 Debentures of ₹ 10 lacs each aggregating ₹ 3,500 lacs are repayable on June 15, 2018 and 400 Debentures of ₹ 10 lacs each aggregating ₹ 4,000 lacs are repayable on June 14, 2017.

4.2 Term loans from banks (Secured) :

- ₹ **NIL** (Previous Year ₹ 2,798.50 lacs) secured by first charge on movable assets of Telecom Division of the Company including Telecom Towers.
- ₹ **NIL** (Previous Year ₹ 564.31 lacs) secured by first charge on movable fixed assets of the Company i.e. construction equipment pertaining to the Transmission, Distribution and Railway business situated at various project sites in India.

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- (c) ₹ 5,015.00 lacs (Previous Year ₹ 6,327.50 lacs) secured by first charge on land, building and plant & machinery of the Company at Jabalpur and Nagpur factories, both present and future. The term loan is repayable in remaining 10 quarterly structured installments by September 28, 2018 and the present interest rate is 10.60% p.a.
- (d) ₹ 4,250.00 lacs (Previous Year ₹ 4,750.00 lacs) secured by first charge on land, building and plant & machinery of the Company situated at Jaipur factory, both present and future. The term loan is repayable in remaining 12 quarterly structured installments by March 31, 2019 and the present interest rate is 11.20% p.a.
- (e) ₹ 159.60 lacs (Previous Year ₹ 1,068.30 lacs) secured against equipment of subsidiary at Brazil. These loans have various repayment periods that range between two to ten years and various fixed interest rates that range between 3.50% p.a. and 11.00% p.a.
- (f) ₹ 45,170.57 lacs (Previous year 44,863.87 lacs) secured by exclusive charge on fixed deposits with a bank aggregating ₹ 596.25 lacs (Previous Year ₹ 562.46 lacs) of two subsidiaries in USA and exclusive charge on assets of and investments in certain subsidiary companies in USA, Brazil and Mexico. The term loan is repayable in remaining 26 quarterly structured installment by September 2022 and the present interest rate is 5.12% p.a.

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

- (a) ₹ NIL (Previous Year ₹ 146.21 lacs) repaid by June 15, 2015.
- (b) ₹ 1,305.18 lacs (Previous Year ₹ Nil) repayable in monthly structured installments by February 2018 and the present rate of interest range between 18.57% to 20.36% p.a.
- (c) ₹ 9,152.65 lacs (Previous Year ₹ 12,481.49 lacs) repayable in quarterly structured installments by March 2017 and the present rate of interest range between 18% to 19% p.a.

4.4 Term loans from other parties includes :

- (a) ₹ NIL (Previous Year ₹ 807.69 lacs) secured by first charge over the fixed assets of the Company pertaining to Tower Testing Station situated at Nagpur.
- (b) ₹ 4,595.65 lacs (Previous Year ₹ 6,160.87 lacs) secured by exclusive first charge on the project assets of the Company including immovable properties at Cable factory, Vadodara both present and future. The term loan is repayable in remaining 8 equal quarterly installments by March 20, 2018 and the present interest rate is 10.50% p.a.

4.5 Finance Lease Obligations includes:

- (a) ₹ 2,322.62 lacs (Previous Year ₹ 2,858.57 lacs) secured against certain equipment of a subsidiary at Mexico. The lease obligations are repayable in monthly installments through August 2019 and the present interest rate are in range of six month LIBOR+2.80% p.a. to 15.25% p.a.
- (b) ₹ 37.99 lacs (Previous Year ₹ 70.82 lacs) secured against certain equipment/vehicle of a subsidiary at Brazil. The lease obligation is repayable in monthly installments through October 2016 and the present interest rate are in range of 12.84% to 13.20% p.a.
- (c) ₹ 15.68 lacs (Previous Year ₹ 200.54 lacs) secured against equipment of a joint venture at Saudi Arabia. The lease obligation is repayable in monthly installments through November 2017 and the present interest rate is 10.63% p.a.
- (d) ₹ 579.92 lacs (Previous Year ₹ 123.33 lacs) secured against certain vehicles of a joint venture at Saudi Arabia. The lease obligations are repayable in monthly installments through December 2018 and the present interest rates are in the range of 10.63% to 14.84% p.a.

NOTE 5 - OTHER LONG-TERM LIABILITIES

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Liability towards claims	1,000.00	1,000.00
	1,000.00	1,000.00

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NOTE 6 - LONG-TERM PROVISIONS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Provision for employee benefits		
- Compensated Absences	1,543.80	1,087.02
Share of long-term provisions of Joint Ventures	38.59	25.98
	1,582.39	1,113.00

NOTE 7 - SHORT-TERM BORROWINGS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I Loans repayable on demand				
From Banks				
-Secured [Refer Note 7.1 (a)]		111,587.20		73,666.15
-Unsecured [Refer Note 7.1 (b)]		4,618.23		-
From Others				
-Secured (Refer Note 7.2)		3,312.50		-
II Other short term borrowings				
From Banks				
-Secured [Refer Note 7.3 (a)]	20,089.02		15,234.04	
-Unsecured [Refer Note 7.3 (b)]	7,947.16		-	
	28,036.18		15,234.04	
From other parties				
-Secured [Refer Note 7.3 (c)]	14,341.61		41,141.18	
		42,377.79		56,375.22
		161,895.72		130,041.37
Share of short-term borrowings of Joint Ventures (Refer Note 7.4)				
- Loans repayable on demand from banks		10,364.01		767.26
		172,259.73		130,808.63

7.1 Loans repayable on demand from banks :

(a) Secured

- ₹ 99,782.20 lacs** (Previous Year ₹ 52,086.63 lacs) secured by first charge by hypothecation of all the present and future current assets of the Company excluding those covered under Note 4.2 (a) above and first charge on flat situated at Juhu, Mumbai of the Company and second charge created on the Company's fixed assets situated at Jaipur, Jabalpur & Nagpur factories. The present interest rates are in the range of 9.90% to 13.70% p.a.
- ₹ 9,987.42 lacs** (Previous Year ₹ 12,735.79 lacs) guaranteed by banks, which in turn is secured by security of the Company stated against Note 7.1 (a) above. The present interest rates are in the range 2.41% to 3.48% p.a.
- ₹ 983.10 lacs** (Previous Year ₹ 4,046.69 lacs) secured by assignment of certain overseas book debts of the Company. The present interest rates are in the range of 3.50% to 6.00% p.a.

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- (iv) ₹ 834.48 lacs (Previous Year ₹ 4,797.04 lacs) secured by customer contracts and their related receivables of the subsidiaries at Mexico, Brazil and USA and in some cases fixed assets of the respective subsidiaries. The present interest rates are in the range of 3.05% to 4.90% p.a.

(b) Unsecured

- (i) ₹ 4,618.23 lacs (Previous Year ₹ Nil) and the present interest rates are in the range of 3.05% to 4.05% p.a.

7.2 Loans repayable on demand from others :

- (a) ₹ 3,312.50 lacs (Previous Year ₹ Nil) secured by exclusive charge over entire movable assets pertaining to sub-contract for supply of transmission towers for project undertaken by the subsidiary at USA. The present interest rate is 3.65% p.a.

7.3 Other short-term borrowings

(a) From Banks-secured

- (i) ₹ 16,776.52 lacs (Previous Year ₹ 12,109.29 lacs) secured by security of the Company stated against Note 7.1 (a) above. The present interest rates are in the range of 1.45% to 2.02% p.a.
- (ii) ₹ 3,312.50 lacs (Previous Year ₹ 3,124.75 lacs) secured by security of the Company stated against Note 7.1 (b) above. The present interest rate is 3.38% p.a.

(b) From Banks-unsecured

₹ 7,947.16 lacs (Previous Year ₹ Nil) is repayable by December 2016 and carries interest rate of 1.93% p.a.

(c) From other parties

- (i) ₹ 14,341.61 lacs (Previous Year ₹ 15,141.18 lacs) secured by security of the Company stated against Note 7.1 (a) above. The loans of ₹ 9,378.69 lacs carries interest of 3.91% p.a and loan of ₹ 4,962.92 lacs carries interest of 3.16% p.a.
- (ii) ₹ NIL (Previous Year ₹ 26,000.00 lacs) being commercial paper issued against standby facilities from certain banks which in turn is secured by security of the Company stated against Note 7.1 (a) above. Maximum balance outstanding anytime during the year is ₹ 80,000 lacs (Previous Year ₹ 31,000 lacs)

7.4 Share of short-term borrowings of Joint Ventures

₹ 10,364.01 lacs (Previous Year ₹ 767.26 lacs) secured by the contract receivables of certain projects of a joint venture at Saudi Arabia. Also secured by bank guarantee given by bankers of the Company which in turn is secured by security of the Company stated against Note 7.1 (a) / corporate guarantee of the Company. The present interest rates are in the range of 3.50% to 4% p.a.

NOTE 8 - TRADE PAYABLES

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Trade payables (including acceptances)		
(A) Total outstanding dues of micro enterprises and small enterprises	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	272,517.02	306,700.02
Share of trade payables (including acceptances) of Joint Ventures	21,395.08	25,783.22
	293,912.10	332,483.25

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NOTE 9 - OTHER CURRENT LIABILITIES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Current maturities of long-term debt (Refer Note 4)		18,977.99		14,424.95
(b) Current maturities of finance lease obligations (Refer Note 4)		626.16		2,472.67
(c) Interest accrued but not due on borrowings		1,279.98		1,159.85
(d) Advances from Customers		18,891.50		14,255.53
(e) Unpaid / unclaimed dividends #		321.80		202.31
(f) Other payables				
- Statutory remittances (contribution to PF and ESIC, withholding tax, Excise Duty, VAT, Service Tax, etc.)	7,461.04		6,068.59	
- Gross amount due to customers for long term contracts	41,052.19		23,270.79	
- Interest on trade payables and customer advances	876.84		635.58	
- Payable on purchase of fixed assets	801.86		1,200.33	
- Mark to market loss on forward and commodity contracts	66.11		53.10	
- Directors' commission	233.88		76.38	
- Advance against fixed assets held for sale	940.94		940.94	
- Others	136.85		61.22	
		51,569.71		32,306.93
		91,667.14		64,822.24
Share of other current liabilities of Joint Ventures		25,543.67		19,462.83
		117,210.81		84,285.07

The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

NOTE 10 - SHORT-TERM PROVISIONS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Provision for employee benefits :				
- Compensated Absences	353.92		118.69	-
- Gratuity	168.93		-	
		522.85		118.69
(b) Provision - Others :				
- Proposed equity dividend	-		2,313.80	
- Tax on distributed profits	-		471.03	
- Tax provisions less payments	2,526.13		1,214.54	
- Provision for expected loss on long term contracts	6,729.42		6,940.29	
		9,255.55		10,939.66
		9,778.40		11,058.35
Share of short-term provisions of Joint Ventures		-		13.89
		9,778.40		11,072.24

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NOTE 11 - FIXED ASSETS

(₹ in Lacs)

Description	GROSS CARRYING AMOUNT					ACCUMULATED DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT		
	As at April 01, 2015	Additions during the year	Deductions during the year	Reclassified as held for sale	Effect of foreign currency exchange differences	As at March 31, 2016	As at April 01, 2015	Depreciation / Amortization for the year	Deductions during the year	Eliminated on reclassification as held for sale	Effect of foreign currency exchange differences	Transition adjustment recorded against Surplus balance in Consolidated Statement of Profit and Loss (Refer Note 42)	As at March 31, 2016	As at March 31, 2015
Tangible Assets														
(a) Land [^]														
- Freehold [^]	7,785.76	-	-	-	(53.14)	7,732.62	-	-	-	-	-	-	7,732.62	7,785.76
Previous Year [^]	8,214.21	-	-	-	(428.45)	7,785.76	-	-	-	-	-	-	7,785.76	8,214.21
- Leasehold [^]	4,999.43	8.61	-	-	-	5,008.04	729.22	77.50	-	-	-	-	806.72	4,270.21
Previous Year [^]	4,975.37	24.06	-	-	-	4,999.43	651.75	77.47	-	-	-	-	729.22	4,323.62
Land (Total)[^]	12,785.19	8.61	-	-	(53.14)	12,740.66	729.22	77.50	-	-	-	-	806.72	12,055.97
Previous year [^]	13,189.58	24.06	-	-	(428.45)	12,785.19	651.75	77.47	-	-	-	-	729.22	12,537.83
(b) Buildings [^]	16,622.53	338.52	740.05	-	(73.56)	16,147.44	3,986.00	706.86	688.96	-	15.61	-	4,019.51	12,636.53
Previous Year [^]	16,630.10	905.15	114.94	-	(797.78)	16,622.53	3,460.70	702.28	68.17	-	(123.29)	14.48	3,986.00	13,169.40
(c) Plant and Equipment	62,106.65	3,654.84	2,205.12	-	396.87	63,953.24	22,010.32	4,551.54	1,348.05	-	159.48	-	25,373.29	40,096.33
Previous Year	70,314.88	4,446.00	754.64	10,952.62	(946.97)	62,106.65	20,856.56	5,310.87	389.83	3,390.66	(435.98)	59.36	22,010.32	49,458.32
(d) Furniture and Fixtures	1,555.26	694.12	378.98	-	8.94	1,889.34	638.44	192.73	223.25	-	0.58	-	608.50	926.82
Previous Year	1,555.84	58.24	19.08	2.77	(26.97)	1,555.26	497.09	157.32	10.73	1.00	(5.67)	1.43	638.44	1,058.75
(e) Vehicles	3,489.51	586.19	273.76	-	2.79	3,804.73	1,490.77	524.97	222.41	-	1.22	-	1,794.55	1,998.74
Previous Year	2,554.78	1,036.89	104.11	-	1.95	3,489.51	1,214.31	293.57	65.53	-	0.75	47.67	1,490.77	1,340.47
(f) Office Equipment	889.40	203.77	123.71	-	1.26	970.72	487.79	135.76	106.22	-	0.45	-	517.78	401.61
Previous Year	752.07	165.09	23.56	1.97	(2.23)	889.40	245.91	161.41	14.55	1.77	(2.28)	99.07	487.79	506.16
(g) Computers	2,612.82	526.47	214.24	-	12.57	2,937.62	1,987.27	314.59	202.23	-	2.27	-	2,101.90	625.55
Previous Year	2,454.80	238.19	20.83	1.95	(57.39)	2,612.82	1,593.68	376.31	19.15	1.87	(41.18)	79.48	1,987.27	861.12
Sub Total - A	100,071.36	6,012.52	3,935.86	-	295.73	102,443.75	31,329.81	6,503.95	2,791.12	-	179.61	-	35,222.25	68,741.55
Previous Year	107,452.05	6,873.62	1,037.16	10,959.31	(2,257.84)	100,071.36	28,520.00	7,079.23	567.96	3,395.30	(607.65)	301.49	31,329.81	78,932.05

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Description	GROSS CARRYING AMOUNT				ACCUMULATED DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT		
	As at April 01, 2015	Additions during the year	Deductions during the year	Reclassified as held for sale	Effect of foreign currency exchange differences	As at March 31, 2016	Depreciation / Amortization for the year	Deductions during the year	Eliminated on reclassification as held for sale	Effect of foreign currency exchange differences	Transition adjustment recorded against Surplus balance in Consolidated Statement of Profit and Loss (Refer Note 42)	As at March 31, 2016	As at March 31, 2015
Assets acquired under Finance Lease													
Plant and Equipment	3,470.84	-	18.94	-	205.81	3,657.71	37.28	18.94	-	4.04	-	148.00	3,345.22
Previous Year	3,359.27	53.01	49.64	-	108.20	3,470.84	50.14	41.06	-	(1.07)	-	125.62	3,241.66
Sub Total - B	3,470.84	-	18.94	-	205.81	3,657.71	37.28	18.94	-	4.04	-	148.00	3,345.22
Previous Year	3,359.27	53.01	49.64	-	108.20	3,470.84	50.14	41.06	-	(1.07)	-	125.62	3,241.66
Share of Fixed Assets of Joint Ventures	1,637.77	963.08	15.76	-	123.68	2,708.77	1,017.18	8.55	-	64.41	-	1,361.44	620.59
Previous Year	1,428.50	431.82	284.66	-	62.11	1,637.77	869.17	152.99	45.47	40.49	-	1,017.18	559.33
Share of Fixed Assets acquired under Finance Lease of Joint Venture													
(a) Plant and Equipment	30.70	-	-	-	-	30.70	1.63	6.44	-	0.18	-	8.25	22.45
Previous Year	-	30.70	-	-	-	30.70	-	1.60	-	0.03	-	1.63	29.07
(b) Vehicles	398.99	540.09	-	-	-	939.08	39.47	186.72	-	4.67	-	230.86	708.22
Previous Year	-	398.99	-	-	-	398.99	-	38.78	-	0.69	-	39.47	359.52
Sub Total - C	2,067.46	1,503.17	15.76	-	123.68	3,678.55	1,058.28	481.56	-	69.26	-	1,600.55	2,078.00
Previous Year	1,428.50	861.51	284.66	-	62.11	2,067.46	869.17	193.37	45.47	41.21	-	1,058.28	1,009.18
Total (A+B+C)	105,609.66	7,515.69	3,970.56	-	625.22	109,780.01	32,513.71	7,022.79	2,818.61	252.91	-	36,970.80	72,809.21
Previous Year	112,239.82	7,788.14	1,371.46	10,959.31	(2,087.53)	105,609.66	29,506.78	7,322.74	654.49	(567.51)	301.49	32,513.71	73,095.95
Intangible Assets (other than internally generated)													
(a) Brand	24,819.57	-	-	-	77.76	24,897.33	1,244.78	1,269.50	-	77.76	-	13,789.04	12,377.79
Previous Year	24,814.35	-	-	-	5.22	24,819.57	1,167.07	1,269.50	-	5.21	-	12,441.78	13,647.28
(b) Computer Software	3,498.93	369.78	43.44	-	45.54	3,870.81	2,509.58	463.22	10.87	20.45	-	2,982.38	989.35
Previous Year	3,201.11	368.94	-	-	(71.12)	3,498.93	2,159.88	375.76	-	(26.06)	-	2,509.58	1,041.23
Total (Intangible Assets)	28,318.50	369.78	43.44	-	123.30	28,768.14	14,951.36	1,732.72	10.87	98.21	-	16,771.42	13,367.14
Previous Year	28,015.46	368.94	-	-	(65.90)	28,318.50	13,326.95	1,645.26	-	(20.85)	-	14,951.36	14,688.51
Total (Tangible and Intangible Assets)	133,928.16	7,885.47	4,014.00	-	748.52	138,548.15	47,465.07	8,755.51	2,829.48	351.12	-	53,742.22	86,463.09
Previous Year	140,255.28	8,157.08	1,371.46	10,959.31	(2,153.43)	133,928.16	42,833.73	8,968.00	654.49	3,395.30	301.49	47,465.07	97,421.55
Capital work-in-progress (at cost)													
Grand Total												85,976.46	88,107.50

₹ in Lacs

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

^The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating ₹ 2,640.93 Lacs (Previous Year ₹ 2,640.93 Lacs) and net carrying amount aggregating ₹ 2,592.40 Lacs (Previous Year ₹ 2,596.85 Lacs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in the earlier years and the procedural formalities for transfer in the name of the Company in the relevant documents is in process.

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NOTE 12 - NON-CURRENT INVESTMENTS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Trade		
Investment in Equity Instruments (At cost) :		
Unquoted		
Associates		
4,900 Fully paid Equity Shares of ₹ 10/- each of RP Goenka Group of Companies Employees Welfare Association	0.49	0.49
Add: Share of profit	2.96	0.59
	3.45	1.08
Aggregate book value of unquoted investments	3.45	1.08
Aggregate provision for diminution in value of investments	-	-

NOTE 13 - LONG-TERM LOANS AND ADVANCES

Particulars	Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
(a) Capital advances - Unsecured, considered good		94.10		125.29
(b) Security deposits - Unsecured				
(i) Considered good	964.96		799.90	
(ii) Doubtful	34.53		87.89	
	999.49		887.79	
Less: Allowance for bad and doubtful security deposits	34.53		87.89	
		964.96		799.90
(c) Other loans and advances -				
(i) Unsecured, considered good				
- Excise duty recoverable from Government authorities	2,339.68		2,339.68	
- VAT Credit /WCT receivable	13,549.59		14,265.44	
- Tax payments less provisions	9,876.13		9,888.62	
- Prepaid expenses	1,600.00		1,515.55	
- Service tax cenvat receivable	626.32		758.84	
	27,991.72		28,768.13	
(ii) Doubtful - Service tax receivable	-		130.08	
Less: Allowance for bad and doubtful receivable	-		130.08	
	-		-	
		27,991.72		28,768.13
		29,050.78		29,693.32
Share of long-term loans and advances of Joint Ventures		2,308.75		1,513.44
		31,359.53		31,206.76

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NOTE 14 - OTHER NON-CURRENT ASSETS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Long-term trade receivables - Unsecured				
(i) Considered good	6,348.35		9,343.11	
(ii) Doubtful	1,886.50		1,400.10	
	8,234.85		10,743.21	
Less: Allowance for bad and doubtful debts	1,886.50		1,400.10	
		6,348.35		9,343.11
(b) Others				
(i) Export benefits receivable	2,223.66		3,427.26	
(ii) Balances with banks held as margin money or security against the borrowings, guarantees and other commitments which have a maturity period of more than 12 months from the Balance Sheet date	731.74		627.37	
(iii) Other receivables [Also Refer Note 28(i)(a)(8)]	6,933.08		5,888.90	
		9,888.48		9,943.53
		16,236.83		19,286.64

NOTE 15 - INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Raw materials				
(i) in stock	16,842.08		16,620.43	
(ii) goods-in-transit	1,350.18		1,762.11	
		18,192.26		18,382.54
(b) Work-in-progress		11,518.14		8,297.20
(c) Finished goods		4,310.59		9,408.69
(d) Stores and spares		582.38		652.77
(e) Erection tools and spares		6,101.74		8,222.99
(f) Erection materials		140.10		978.97
(g) Scrap		1,237.69		1,295.87
		42,082.90		47,239.03
Share of inventories of Joint Ventures		897.86		400.22
		42,980.76		47,639.25

NOTE 16 - TRADE RECEIVABLES

Particulars	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment - Unsecured, considered good	31,727.10	36,435.86
(b) Other trade receivables - Unsecured, considered good	346,043.80	296,508.23
	377,770.90	332,944.09
Share of Trade receivables of Joint Ventures	71,707.67	52,349.36
	449,478.57	385,293.45

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NOTE 17 - CASH AND CASH EQUIVALENTS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Balances with banks				
(i) In current accounts		5,295.24		5,304.73
(ii) In deposit accounts (Refer Notes 17.1 and 17.2)		2,704.49		2,781.25
(iii) In earmarked accounts				
Unpaid dividend accounts	321.80		202.31	
Balances with banks held as margin money or security against the borrowings, guarantees and other commitments (Refer Note 17.1)	966.96		1,011.10	
		1,288.76		1,213.41
(b) Cheques on hand		232.55		698.03
(c) Cash on hand		206.64		222.48
(d) Others - Remittances in Transit		-		6,698.04
		9,727.68		16,917.94
Share of cash on hand of Joint Ventures		95.92		45.33
Share of balances with banks of Joint Ventures		1,302.51		3,668.46
		1,398.43		3,713.79
		11,126.11		20,631.73
Of the above, the balances that meet the definition of cash and cash equivalents as per AS 3 Cash Flow Statements is		9,837.35		19,418.32

17.1 Balances with banks includes deposits amounting to ₹ **139.87 lacs** (Previous Year ₹ 175.95 lacs) and margin money or security against the borrowings, guarantees and other commitments ₹ **222.01 lacs** (Previous Year ₹ 101.11 lacs) which have an original maturity of more than 12 months.

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

NOTE 18 - SHORT-TERM LOANS AND ADVANCES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
a) Loans and advances to related parties - Unsecured, considered good				
Joint Ventures :				
- EJP KEC Joint Venture, South Africa (Refer Note 39)		8,178.15		9,386.08
b) Others - Unsecured, considered good, unless otherwise stated				
- Advances to suppliers	7,058.56		13,568.56	
Less: Allowance for doubtful advances	-		1,250.00	
	7,058.56		12,318.56	
- Employee advances	405.06		526.01	
- Cenvat / service tax input credit receivable	4,010.16		5,426.92	
- Amount due as refund of custom duty	1,448.64		-	
- Sales tax / excise duty / entry tax paid under protest	2,638.26		1,926.76	
- Excise duty recoverable from Government authorities	2,467.26		3,349.19	
- VAT Credit / WCT receivable	12,755.68		12,045.86	
- Tax payments less provisions	2,402.82		2,387.88	
- Prepaid expenses	9,733.47		11,461.22	
- Sundry deposits	1,875.82		2,021.56	
- Others	379.04		521.56	
		45,174.77		51,985.52
		53,352.92		61,371.60
Share of short-term loans and advances of Joint Ventures		2,660.22		2,492.21
		56,013.14		63,863.81

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NOTE 19 - OTHER CURRENT ASSETS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Gross amount due from customers for long term contracts	19,097.91	15,909.33
Unbilled revenue	25,485.81	29,066.43
Interest receivable on income tax refund	-	302.33
Contractually reimbursable expenses	6,289.99	4,183.08
Export benefits	2,571.95	2,516.46
Insurance claims receivable	12.89	12.39
Interest accrued on fixed deposits	22.07	24.06
Fixed assets held for sale (Refer Note 19.1)	245.00	7,809.01
	53,725.62	59,823.09
Share of other current assets of Joint Ventures	22,646.97	17,438.71
	76,372.59	77,261.80

Note 19.1 - Details of fixed assets held for sale

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Leasehold Land	245.00	245.00
Plant and Equipment (Refer Note 41)	-	7,561.96
Furniture and Fixtures	-	1.77
Office Equipment	-	0.20
Computers	-	0.08
	245.00	7,809.01

NOTE 20 - REVENUE FROM OPERATIONS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Sale of products	182,072.31	186,943.22
(b) Turnkey contracts revenue	507,031.36	514,572.52
(c) Sale of services	6,871.08	7,781.27
(d) Other operating revenues	9,790.55	12,454.56
	705,765.30	721,751.57
Share of revenue from operations of Joint Ventures	165,049.50	143,979.19
	870,814.80	865,730.76
Less: Excise Duty	19,182.01	18,950.57
	851,632.79	846,780.19

NOTE 21 - OTHER INCOME

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Interest Income	192.80	1,014.92
(b) Other non-operating income		
- Profit on fixed assets sold (net)	573.91	*13,505.74
- Miscellaneous income	256.66	101.85
	1,023.37	14,622.51
Share of other income of Joint Ventures	2.52	-
	1,025.89	14,622.51

*includes profit on sale of land of the Company at Thane of ₹ 13,465 lacs

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NOTE 22 - COST OF MATERIALS CONSUMED

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Cost of materials consumed	370,914.86		398,537.09	
Share of cost of materials consumed of Joint Ventures	41,953.61		54,198.08	
		412,868.47		452,735.17

NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Opening stock				
Finished goods	9,408.69		8,677.26	
Work-in-progress	8,297.20		12,906.30	
Scrap	1,295.87		1,324.12	
		19,001.76		22,907.68
Less: Closing stock				
Finished goods	4,310.59		9,408.69	
Work-in-progress	11,518.14		8,297.20	
Scrap	1,237.69		1,295.87	
		17,066.42		19,001.76
		1,935.34		3,905.92

NOTE 24- ERECTION & SUB-CONTRACTING EXPENSES

Particulars	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Erection / construction material consumed	28,714.53	29,874.18
Stores consumed	7,481.68	7,346.28
Sub-contracting expenses	96,209.95	95,137.62
Power, fuel and water charges	2,675.32	4,114.57
Construction transport	11,584.48	13,828.54
Others	9,992.24	10,854.12
	156,658.20	161,155.31
Share of erection & sub-contracting expenses of Joint Ventures	50,518.70	27,471.48
	207,176.90	188,626.79

NOTE 25 - EMPLOYEE BENEFITS EXPENSE

Particulars	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Salaries and wages	53,042.15	48,363.45
Contribution to provident fund and other funds (Refer Note 31)	2,204.62	1,774.46
Staff welfare expenses	3,704.52	4,496.50
Workmen's compensation	78.03	37.48
	59,029.32	54,671.89
Share of employee benefits expense of Joint Ventures	5,207.10	3,976.20
	64,236.42	58,648.09

NOTE 26 - FINANCE COSTS

Particulars	Current Year	Previous Year
	₹ in Lacs	₹ in Lacs
Interest expense	26,257.50	29,421.83
Other borrowing costs	816.65	1,279.85
	27,074.15	30,701.68
Share of finance costs of Joint Ventures	668.88	184.20
	27,743.03	30,885.88

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NOTE 27 - OTHER EXPENSES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Tools, non-erection stores and maintenance spares		1,550.20		1,678.98
Power and fuel		4,573.91		5,365.83
Rent		4,508.77		4,752.50
Rates and taxes, excluding taxes on income (net)		15,217.10		11,252.79
Excise duty (Refer Note 27.1)		(47.25)		331.61
Insurance		3,613.57		3,238.21
Bank (guarantee, letter of credit and other) charges		7,224.61		6,709.63
Commission		1,962.10		2,971.93
Freight and forwarding (net)		11,893.44		14,257.24
Repairs to buildings		377.59		379.77
Repairs to plant and equipment		1,489.37		1,400.59
Repairs to other fixed assets		892.20		765.67
Travelling and conveyance		5,674.36		5,571.89
Payment to statutory auditors (net of service tax input credit, where applicable)				
- as auditors (for audit, limited reviews and audit of consolidated financial statements)	156.10		153.60	
- for taxation matters	22.00		22.00	
- for other services	24.49		18.10	
- for reimbursement of expenses	2.52		1.42	
		205.11		195.12
Professional fees		6,359.56		6,863.14
Bad debts, loans and advances written off	16,425.33		5,295.52	
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	2,273.45		96.34	
		14,151.88		5,199.18
Allowance for bad and doubtful debts, loans and advances (net)		1,326.41		2,201.84
Directors' fees		44.00		39.60
Loss on fixed assets discarded		408.05		-
Net (gain)/loss on foreign currency transactions and translation		1,367.40		6,217.01
Corporate Social Responsibility (Refer Note 40)		93.00		39.50
Miscellaneous expenses (Refer Note 27.3)		8,483.16		10,010.52
		91,368.54		89,442.55
Share of other expenses of Joint Ventures		6,118.58		2,241.64
		97,487.12		91,684.19

27.1: Excise duty shown above includes ₹ (371.98) lacs (Previous Year ₹ 79.94 lacs) being excise duty related to the difference between the closing stock and opening stock of finished goods.

27.2: Other expenses shown above include fees of ₹ 164.54 lacs (Previous Year ₹ 154.41 lacs) paid to the branch auditors of the Company, fees of ₹ 7.00 lacs (Previous Year ₹ 9.00 lacs) paid to the cost auditors of the Company, ₹ 258.85 lacs (Previous Year ₹ 516.74 lacs) paid to the auditors of subsidiaries and ₹ 23.07 lacs (Previous Year ₹ 27.98 lacs) paid to the auditors of joint ventures.

27.3: Miscellaneous expenses shown above includes ₹ Nil (Previous Year ₹ 133.00 lacs) being contribution made for political party through an Electoral Trust.

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

(i) Contingent Liabilities

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

Sr. No.	Particulars	Relating to various years comprise in the period	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Sales Tax / Value Added Tax* (Tax/Penalty/Interest)	1994-2014	9,929.41	
		1993-2013		9,093.46
2	Excise Duty * (Tax/Penalty/Interest)	1994-2016	5,234.92	
		1994-2014		3,992.58
3	Service Tax * (Tax/Penalty/ Interest)	2003-2013	28,684.71	
		1998-2013		16,822.00
4	Entry Tax * (Tax/Penalty/Interest)	2001-2016	1,252.99	
		2001-2015		2,158.28
5	(i) Income Tax matters of the Company mainly on account of disallowance of depreciation / tax levied on guarantees given to Associated Enterprises, etc.	A.Y 2007-08 A.Y 2011-12 A.Y 2012-13 A.Y 2006-07	1,918.46	2,416.10
	(ii) Income Tax matters at overseas unit/s of the Company	2002-2008 2002-2013	3,136.61	5,903.96
	(iii) Income Tax matters of a joint venture (Company's share)	2000-2007 2000-2007	263.68	248.93
6	Customs Duty	1995-1996 1995-1996	60.14	60.14
7	Civil Suits	1993-2004 1993-2004	67.02	67.02
8	(i) Claims including amounts withheld by the Customers of the Company and an overseas subsidiary.		19,657.71	26,357.90
	(ii) Claim by the sub-contractor of a joint venture. (Company's share)		889.14	-
9	Demands of employees /subcontractors	Amount not determinable		

*These claims mainly relate to the issues of applicability, issue of disallowance of cenvat / VAT credit and in case of Sales Tax / Value Added Tax, also relate to the issue of submission of relevant forms and the Company's claim of exemption for MVAT on export sales and services.

b) Guarantees:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Guarantees given by the Company/ bankers of the Company for credit facilities extended/ loans given by the banks to subsidiary companies / a joint venture ₹ 87,233.50 lacs (Previous Year ₹ 66,332.84 lacs) in respect of facilities/loans outstanding at the year end	20,865.18	3,359.26

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c) Other money for which Group is contingently liable:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Bills discounted/Purchased/ Financing by the banks {excluding ₹ 10,078.15 lacs (Previous Year ₹ 3,155.50) included in b(1) above}	*29,829.71	*13,998.32
2	Contingent liability of Income tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company	188.01	596.25

* Includes Company's share of a joint venture of ₹ 9,682.93 lacs (Previous Year ₹ 3,031.76 lacs)

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

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

(ii) Commitments

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances)	*907.71	*1,842.46
2	Other Commitments:		
i)	Amount of future minimum lease payment under non-cancellable operating leases [Refer Note 34A (3) below]	10,212.53	9,204.95
ii)	Derivative related commitments	Refer Note 29 (a) and (b) below	

* Includes Company's share of a joint venture of ₹ 14.84 lacs (Previous Year ₹ Nil)

NOTE 29 - THE DERIVATIVE INSTRUMENTS, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATIVE PURPOSE, OUTSTANDING AS AT MARCH 31, 2016 ARE AS FOLLOWS:

(a) Forward Exchange Contracts:

Currency	Buy/ Sell	Cross Currency	Foreign Currency (in Lacs)	
			As at March 31, 2016	As at March 31, 2015
USD	Buy	INR	-	136.76
EUR	Buy	USD	15.13	123.85
USD	Buy	BRL	139.71	219.15
USD	Sell	INR	102.08	-
JPY	Sell	USD	785.33	-

(b) Hedging Commodity related risks:

Commodity	Buy/ Sell	Quantity in MT	
		As at March 31, 2016	As at March 31, 2015
Copper	Buy	1,450	2,825
Aluminium	Buy	6,635	2,725
Zinc	Buy	375	-

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

Receivables:

Currency	As at March 31, 2016		As at March 31, 2015	
	FC in Lacs	₹ In Lacs	FC in Lacs	₹ In Lacs
AED	63.68	1,148.57	-	-
AFA	16.54	15.97	3.08	3.35
AUD	0.50	25.49	3.32	157.71
BDT	-	-	772.47	620.53
CAD	123.60	6,327.36	118.92	5,818.59
CDF	17,874.25	1,256.56	24,115.03	1,663.94
DZD	1,160.21	708.66	993.02	637.02
EGP	79.37	592.17	146.52	1,208.27
ETB	88.60	270.93	293.04	907.00
EUR	28.21	2,128.72	129.76	8,712.93
GEL	-	-	4.20	118.03
GHC	5.94	102.22	27.21	446.40
IDR	182,502.98	912.51	159,207.30	764.20
JPY	-	-	1,214.14	632.69
KES	-	-	4,109.87	2,784.44
KZT	1,244.73	238.99	588.10	197.84
KWD	1.34	293.98	6.23	1,294.80
LAK	68,187.80	552.32	16,091.47	123.90
MYR	13.18	223.47	29.22	493.28
MZM	-	-	28.12	48.13
NGN	10,170.45	3,377.61	17,295.90	5,430.91
NPR	375.56	234.72	482.38	304.19
OMR	16.21	2,789.67	-	-
PHP	257.51	371.56	367.87	514.90
SR	770.98	13,613.91	357.79	5,961.24
LKR	249.16	112.47	367.67	172.84
SYP	0.24	0.07	0.24	0.07
TZS	169,065.30	5,105.77	-	-
UGX	-	-	2,452.44	51.50
ZAR	2,166.79	9,746.45	394.77	2,021.07
ZMW	76.54	458.91	-	-

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Payables@:

Currency	As at March 31, 2016		As at March 31, 2015	
	FC in Lacs	₹ In Lacs	FC in Lacs	₹ In Lacs
AED	-	-	90.47	1,539.51
BDT	97.81	82.57	-	-
BTN	1,029.53	1,029.53	105.67	105.67
CAF	1,010.27	112.75	9,756.37	998.08
CHF	2.93	202.45	6.18	396.96
GEL	40.64	1,163.13	-	-
JPY	94.75	55.88	-	-
KES	614.41	400.84	-	-
LBP	7,705.72	338.28	7,467.47	308.41
LYD	8.37	402.69	6.04	273.63
NAD	-	-	2.63	13.46
OMR	-	-	3.23	523.67
TND	68.01	2,233.62	114.94	3,671.28
UGX	143,725.93	2,874.52	-	-
ZMW	-	-	299.09	2,462.85
TZS	-	-	94,977.15	3,314.70
USD	1,251.32	82,899.89	850.5	53,152.40

@excludes term loan taken in foreign currency ₹ Nil (Previous Year ₹ 2,798.50 lacs) which was swapped with Rupee Currency fixed interest rate loan.

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

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a)	(i) Contract Revenue (net of excise) recognised during the year	661,643.90	6,47,615.45
	(ii) Method used to determine the contract revenue recognised and the stage of completion of contracts in progress	Refer Note 1(B)(2)(b)	Refer Note 1(B)(2)(b)
(b)	Disclosure in respect of contracts in progress as at the year end		
	(i) Aggregate amount of costs incurred and recognised profits (less recognised losses)	2,248,288.85	18,04,482.24
	* (ii) Advances received	17,463.72	7,275.32
	* (iii) Retentions receivable	109,070.51	1,09,367.22
	(iv) Gross amount due from customers (including unbilled revenue)	67,226.18	62,414.48
	(v) Gross amount due to customers	60,601.50	38,014.33

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

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

Sr. No.	Particulars		
1	Defined Contribution Plans		
	The Group makes contributions towards provident fund, superannuation fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees.		
	The Group recognised ₹ 838.92 lacs (Previous Year ₹ 808.86 lacs) for provident fund contributions and ₹ 301.47 lacs (Previous Year ₹ 268.18 lacs) for superannuation contribution and other retirement benefit contributions in the Consolidated Statement of Profit and Loss.		
2	Defined Benefit Plan (Funded)		
a.	A general description of the Employee Benefit Plan:		
	The Company has an obligation towards gratuity, a funded defined benefit retirement plan covering eligible employees. The plan provides for lump sum payment to vested employees at retirement, death while in employment or on termination of the employment of an amount equivalent to 15 days / one month salary, as applicable, payable for each completed year of service or part thereof in excess of six months in terms of gratuity scheme of the Company or as per the Payment of the Gratuity Act, whichever is higher. Vesting occurs upon completion of five years of service.		
b.	Details of defined benefit plan - As per Actuarial Valuation are as follows:		
		Current Year	Previous Year
		₹ in Lacs	₹ in Lacs
I	Components of employer expense		
1	Current Service cost	358.08	284.82
2	Interest Cost	195.23	205.32
3	Expected return on Plan Assets	(252.90)	(242.11)
4	Actuarial Losses / (Gains)	358.56	107.72
5	Total expense recognised in the Consolidated Statement of Profit and Loss (included in 'Contribution to provident and other funds' under 'Employee benefits expense' in Note 25)	658.96	355.75
II	Actual Contribution and Benefits Payments for the year		
1	Actual Benefits Payments	(506.20)	(410.26)
2	Actual Contributions	411.22	283.71
III	Net asset/(liability) recognised in the Balance Sheet		
1	Present Value of Defined Benefit Obligation	3,005.79	2,659.11
2	Fair Value of Plan Assets	2,836.86	2,737.92
3	Funded Status [Surplus/(Deficit)]	(168.93)	78.81
4	Net asset/(liability) recognised in the Consolidated Balance Sheet	(168.93)	78.81
IV	Change in Defined Benefit Obligation during the year		
1	Present Value of Defined Benefit Obligation as at the beginning of the year	2,659.11	2,476.35
2	Current Service Cost	358.08	284.82
3	Interest Cost	195.23	205.32
4	Actuarial Losses/ (Gains)	299.57	102.88
5	Benefits paid	(506.20)	(410.26)
6	Present Value of Defined Benefit Obligations as at the end of the year	3,005.79	2,659.11
V	Change in Fair Value of Plan Assets during the year		
1	Plan Assets as at the beginning of the year	2,737.92	2,627.20
2	Expected return on Plan Assets	252.90	242.11
3	Actuarial Gains/ (Losses)	(58.98)	(4.84)
4	Actual Company Contributions	411.22	283.71
5	Benefits paid	(506.20)	(410.26)
6	Plan Assets as at the end of the year	2,836.86	2,737.92

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	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
VI Actuarial Assumptions		
1 Discount Rate	7.80%	7.80%
2 Expected Return on plan assets	8.35%	9.40%
3 Salary escalation Rate	8.00%	6.00%
VII The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is ₹ 193.92 lacs (Previous Year ₹ 237.27 lacs)		
VIII The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.		
IX The major categories of Plan Assets as a percentage of the total plan assets		
Insurer Managed Funds	100%	100%

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

					(₹ In Lacs)
X Experience Adjustments	2015-16	2014-15	2013-14	2012-13	2011-12
1 Present Value of Defined Benefit Obligation as at the end of the year	3,005.79	2,659.11	2,476.35	2,797.55	2,566.78
2 Fair Value of Plan Assets as at the end of the year	2,836.86	2,737.92	2,627.20	2,560.46	2,319.34
3 Funded Status [Surplus/(Deficit)]	(168.93)	78.81	150.85	(237.09)	(247.44)
4 Experience adjustment on Plan Liabilities	(121.49)	139.47	285.95	(21.06)	(443.30)
5 Experience adjustment on Plan Assets	58.98	4.84	22.01	(15.20)	-

XI Contribution expected to be paid to the Plan during the year ending March 31, 2017 – ₹ 452.47 lacs

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

Geographical (Secondary) segment:-				(₹ in Lacs)
Particulars	India	Outside India		Total
External Revenue	417,511.84	434,120.95		851,632.79
	(400,562.72)	(446,217.47)		(846,780.19)
Carrying amount of segment assets	436,105.47	377,647.92		813,753.39
	(418,286.93)	(356,195.21)		(774,482.14)
Capital Expenditure incurred during the year	3,115.82	4,295.77		7,411.59
	(3,354.42)	(4,647.78)		(8,002.20)

Figures in bracket are for the previous year.

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

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NOTE 33: RELATED PARTY DISCLOSURES

a) Parties with whom transactions have taken place:

Joint Ventures:

- (i) Al-Sharif Group and KEC Ltd. Company, Saudi Arabia
- (ii) EJP KEC Joint Venture, South Africa
- (iii) KEC – ASSB JV, Malaysia
- (iv) KEC – ASIAKOM – UB JV
- (v) KEC – ASIAKOM JV
- (vi) KEC – DELCO – VARAHA JV
- (vii) KEC – VARAHA – KHAZANA JV
- (viii) KEC – VALECHA – DELCO JV
- (ix) KEC – SIDHARTH JV
- (x) KEC – TRIVENI – KPIPL JV
- (xi) KEC – UNIVERSAL JV
- (xii) KEC – DELCO – DUSTAN JV
- (xiii) KEC – ANPR – KPIPL JV
- (xiv) KEC – PLR – KPIPL JV
- (xv) KEC – BJCL JV
- (xvi) KEC – KIEL JV
- (xvii) KEC-ABEPL JV
- (xviii) KEC-TNR INFRA JV
- (xix) KEC-SMC JV
- (xx) KEC-WATERLEAU JV
- (xxi) KEC – SIL JV (formed on May 19, 2015)

Associate:

RP Goenka Group of Companies Employees Welfare Association

Key Management Personnel

- (i) Mr. Vimal Kejriwal – Managing Director & CEO
- (ii) Mr. R. D. Chandak - Managing Director (Up to April 01,2015)

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(b) Transactions with the Related Parties

Transactions	Current Year				Previous Year			
	Joint Ventures	Associates	Key Management Personnel	Total	Joint Ventures	Associates	Key Management Personnel	Total
Sale of Products	8,448.72	-	-	8,448.72	7,043.25	-	-	7,043.25
Sale under Turnkey Contracts	760.53	-	-	760.53	1,647.70	-	-	1,647.70
Freight and Service tax recovery	835.06	-	-	835.06	387.02	-	-	387.02
Services rendered	620.14	-	-	620.14	600.25	-	-	600.25
Guarantees charges recovered	40.76	-	-	40.76	35.69	-	-	35.69
Remuneration	-	-	433.81	433.81	-	-	395.63	395.63
Sale of Fixed Assets	625.71	-	-	625.71	339.62	-	-	339.62
Purchase of Fixed Assets	0.69	-	-	0.69	460.54	-	-	460.54
Payments made/expenses incurred on behalf of related party	1,679.15	-	-	1,679.15	1,344.60	-	-	1,344.60
Amount recovered /recoverable towards non-fund based credit limit of the company utilised by the related party	27,082.39	-	-	27,082.39	26,910.74	-	-	26,910.74
Credit facilities of the Company utilised by the related party (net)	7,886.12	-	-	7,886.12	-	-	-	-
Expenses incurred by Related Party	17.85	-	-	17.85	48.41	-	-	48.41
Advance / Loan given	-	-	-	-	3,796.04	-	-	3,796.04
Advance / Loan recovered	140.50	-	-	140.50	-	-	-	-
Guarantees given/renewed on behalf of related party	114,437.76	-	-	114,437.76	78,711.90	-	-	78,711.90
Advance received towards project execution	-	-	-	-	1,625.90	-	-	1,625.90
Dividend Paid	-	22.32	-	22.32	-	7.05	-	7.05

(c) Balances outstanding as at the year end

	Current Year				Previous Year			
	Joint Ventures	Associates	Key Management Personnel	Total	Joint Ventures	Associates	Key Management Personnel	Total
Receivable	19,512.11	-	-	19,512.11	15,319.06	-	-	15,319.06
Payable	-	-	-	-	13.56	-	-	13.56
Investment	-	3.45	-	3.45	-	1.08	-	1.08
Guarantees given on behalf of the related parties	87,233.50	-	-	87,233.50	66,332.84	-	-	66,332.84

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

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

(₹ In Lacs)

Transactions	Current Year			Previous Year		
	Joint Ventures	Associates	Key Management Personnel	Joint Ventures	Associates	Key Management Personnel
Sale of Products						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	8,448.72	-	-	7,043.25	-	-
Sale under Turnkey Contracts						
KEC - ANPR - KPIPL JV	(223.80)	-	-	17.66	-	-
KEC - DELCO - DUSTAN JV	349.84	-	-	89.94	-	-
KEC - PLR- KPIPL JV	93.98	-	-	531.37	-	-
KEC - TRIVENI-KPIPL JV	(22.05)	-	-	126.56	-	-
KEC - VALECHA - DELCO JV	(306.56)	-	-	21.17	-	-
KEC - KIEL JV	288.14	-	-	629.03	-	-
KEC-DELCO-VARAHA JV	(547.72)	-	-	85.18	-	-
KEC - ABEPL JV	574.38	-	-	109.52	-	-
KEC - SIL JV	546.48	-	-	-	-	-
Freight and Service tax recovered on sales						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	835.06	-	-	387.02	-	-
Services rendered						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	620.14	-	-	600.25	-	-
Guarantees charges recovered						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	40.76	-	-	35.69	-	-
Remuneration						
Mr.R.D. Chandak - Managing Director	-	-	@85.45	-	-	#340.50
Mr.Vimal Kejriwal - Managing Director & CEO	-	-	#348.36	-	-	#55.13
Sale of Fixed Assets						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	625.71	-	-	339.62	-	-
Purchase of Fixed Assets						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	0.69	-	-	460.54	-	-

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(₹ In Lacs)

Transactions	Current Year			Previous Year		
	Joint Ventures	Associates	Key Management Personnel	Joint Ventures	Associates	Key Management Personnel
Payments made/ expenses incurred on behalf of related party						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	1,338.41	-	-	913.49	-	-
EJP KEC Joint Venture, South Africa	340.74	-	-	431.11	-	-
Amount recovered / recoverable towards non-fund based credit limit of the company utilised by the related party						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	27,082.39	-	-	26,910.74	-	-
Credit facilities of the Company utilised by the related party (net)						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	7,886.12	-	-	-	-	-
Expenses incurred by Related Party						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	17.85	-	-	48.41	-	-
Advance / Loan given						
EJP KEC Joint Venture, South Africa	-	-	-	3,483.35	-	-
Advance / Loan recovered						
EJP KEC Joint Venture, South Africa	140.50	-	-	-	-	-
Guarantees given						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	114,437.76	-	-	78,711.90	-	-
Advance received towards project execution						
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	-	-	532.08	-	-
KEC - ABEPL JV	-	-	-	1,093.82	-	-
Dividend paid						
R.P. Goenka Group of Companies Welfare Association	-	22.32	-	-	7.05	-

@ excludes gratuity paid of ₹ 175.06 Lacs

excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company

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NOTE 34- DISCLOSURE FOR LEASES UNDER ACCOUNTING STANDARD 19 – “LEASES”

A. Operating Leases

Particulars	Current Year ₹ in Lacs	Current Year ₹ in Lacs
Disclosure in respect of the agreements entered into for taking on leave and license / under operating leases the residential/office premises and warehouses, including furniture and fittings therein and machinery, etc. is given below:		
1 Lease payments recognised in the Consolidated Statement of Profit and Loss for the year [includes minimum lease payments ₹ 1,544.99 lacs (Previous Year ₹ 1,760.49 lacs).	4,881.95	5,104.79
2 (i) Under some of the agreements, refundable interest free deposits have been given.		
(ii) Some of the agreements provide for increase in rent.		
(iii) Some of the agreements provide for early termination by either party with a specified notice period.		
(iv) Some of the agreements contain a provision for its renewal.		
3 Future minimum lease payments under the agreements, which are non-cancellable are as follows:		
(i) Not later than one year	1,084.53	1,544.99
(ii) Later than one year and not later than five years.	4,165.01	4,710.24
(iii) Later than five years	4,962.99	2,949.72

B. Finance lease:

(i) The net carrying amount as at March 31, 2016 for assets acquired under finance lease } Refer Note 11-Fixed Assets

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

Particulars	Total minimum lease payments outstanding as at March 31, 2016	Present value of minimum lease payments
Not later than one year	1,088.62 (2,760.82)	922.73 (2,592.96)
Later than one year and not later than five years.	2,178.71 (872.05)	2,033.48 (642.71)
Later than five years	- (17.59)	- (17.59)
Total	3,267.33 (3,650.46)	2,956.21 (3,253.26)

Figures in bracket are for the previous year.

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

NOTE 35 - Basic / diluted earnings per share has been calculated by dividing the profit for the year after tax of ₹ **19,152.27 lacs** (Previous Year ₹ 16,099.15 lacs), by **25,70,88,370** (Previous Year 25,70,88,370) being the weighted average number of equity shares (having face value of ₹ 2/- each) outstanding during the year.

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

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

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Liabilities		
Depreciation	10,631.39	10,619.11
Others	73.82	-
(A)	10,705.21	10,619.11
Deferred Tax Assets		
Provision for doubtful debts, loans and advances	1,939.35	2,204.95
Amalgamation expenses	67.78	66.57
VRS Expenditure u/s 35 DDA	252.41	378.96
Expenses debited to the Statement of Profit and Loss allowable in subsequent year/s u/s 43B / 40(a) of the Income Tax Act, 1961.	1,136.80	872.28
Others	692.16	60.20
(B)	4,088.50	3,582.96
Deferred Tax Liabilities (net)	(A-B)	7,036.15

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

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Assets		
Expenses debited to the Consolidated Statement of Profit and Loss allowable in subsequent year/s	1,497.97	814.93
Tax loss carry forward*	1,085.83	1,166.52
(A)	2,583.80	1,981.45
Deferred Tax Liability		
Depreciation	173.58	218.11
(B)	173.58	218.11
Deferred Tax Assets (net)	(A-B)	1,763.34

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

NOTE 37 - RESEARCH AND DEVELOPMENT EXPENSES:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue expenses charged to the Consolidated Statement of Profit and Loss (including depreciation on fixed assets)	1,662.75	1,582.97
Expenditure capitalised during the year	-	487.04

NOTE 38 - The execution of the construction works under contracts of the Company with General Electric Company Libya (a Government of Libya undertaking) is disrupted since February, 2011 due to civil/political unrest in that country. The net assets [including fixed assets, trade receivables net of provisions etc.] as at March 31, 2016 of the Company relating to these contracts aggregate ₹ 3,134.85 lacs (Previous Year ₹ 5,125.96 lacs). The Company is confident of completing these projects.

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

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

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During the previous year, the JV lodged various claims (viz. compensation and damages claims) on the client to recover additional costs incurred/ damages suffered by the JV during the execution of the project. During the year, the adjudication proceedings have commenced. Based on the claim expert/ legal advice received, the Company is confident that the JV will ultimately succeed in getting these claims from the client and thereby the Company will realise its dues from the JV. Accordingly, amount recoverable from the JV aggregating ₹ **8,178.15 lacs** (Previous Year ₹ 9,386.08 lacs) as appearing under 'Short-term loans and advances' - Note 18, has been considered good and recoverable by the management.

NOTE 40 - The Corporate Social Responsibility (CSR) obligation for the year as computed by the Company and relied upon by the auditors is ₹ **Nil** (Previous Year ₹ Nil). CSR amount spent by the Company during the year is ₹ **93.00 Lakhs** (Previous Year ₹ 39.50 Lakhs).

NOTE 41 - The transaction for sale of telecom tower assets of the Company at 381 sites in the states of Chhattisgarh, Meghalaya and Mizoram to ATC Telecom Tower Corporation Private Limited has been completed at a total consideration of ₹ 8,230 Lacs on July 22, 2015. Profit on sale of these assets (net of related expenses) of ₹ 536.06 lacs is included under "Other Income" Note 21.

NOTE 42 - During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 (the Act) with effect from April 1, 2014, the Company revised the estimated useful life of its assets as mentioned in Note 1(B)(5)(a). Pursuant to the transition provisions prescribed in Schedule II to the Act, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and adjusted an amount of ₹ 199.01 lacs (net of deferred tax of ₹ 102.48 lacs) against the opening Surplus balance in the Consolidated Statement of Profit and Loss as at March 31, 2014 under Reserves and Surplus. The depreciation expense in the Consolidated Statement of Profit and Loss for the previous year was higher by ₹ 395.51 lacs consequent to the change in the useful life of the assets.

NOTE 43 - ADDITIONAL INFORMATION AS REQUIRED BY PARAGRAPH 2 OF THE GENERAL INSTRUCTIONS FOR PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013

Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies, jointly controlled entities and an associate (together 'KEC Group')	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in Lacs)	As % of Consolidated Profit or Loss	Amount (₹ in Lacs)
1	2	3	4	5
Parent				
KEC International Limited (Net of consolidation adjustment)	64.26	97,153.82	10.62	2,032.04
Subsidiaries				
Indian				
1 KEC Power India Private Limited	0.02	33.37	0.01	1.52
2 KEC Bikaner Sikar Transmission Private Limited	0.24	366.42	(0.19)	(35.49)
Foreign				
1 RPG Transmission Nigeria Limited, Nigeria	0.00	1.90	0.00	(0.16)
2 KEC Global FZ – LLC - Ras UL Khaimah, UAE	0.87	1,309.08	(0.21)	(39.77)
3 KEC Investment Holdings, Mauritius	0.23	342.32	(0.05)	(9.18)
4 KEC International Holdings LLC, USA	0.00	(0.13)	0.00	0.00
5 KEC Brazil LLC, USA	0.00	(0.15)	0.00	0.00
6 KEC Mexico LLC, USA	0.00	(0.15)	0.00	0.00
7 KEC Transmission LLC, USA	(2.97)	(4,483.51)	(7.98)	(1,528.29)
8 KEC US LLC, USA	(1.97)	(2,983.68)	(5.29)	(1,012.52)

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Name of the entity in Consolidated Financial Statements of KEC International Limited, its subsidiary companies, jointly controlled entities and an associate (together 'KEC Group')	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets	Amount (₹ in Lacs)	As % of Consolidated Profit or Loss	Amount (₹ in Lacs)
1	2	3	4	5
9 SAE Towers Holdings LLC, USA (Refer Footnote)	7.66	11,597.74	4.97	952.54
10 KEC Global Mauritius, Mauritius	0.01	21.54	(0.05)	(10.37)
11 KEC International (Malaysia) SDN BHD	0.00	3.52	0.00	(0.30)
Associates (Investments as per equity Method)				
Indian				
1 RP Goenka Group of companies Employees Welfare Association	0.00	3.45	0.01	2.37
Joint Ventures (As per proportionate consolidation)				
Indian				
1 KEC - ASIACOM- UB JV	0.11	162.81	0.00	(0.03)
2 KEC - ASIACOM JV	0.06	90.32	0.00	(0.03)
3 KEC - DELCO-VARAH A JV	0.21	314.78	(0.02)	(3.16)
4 KEC - VARAH A-KHAZANA JV	0.17	254.10	0.00	(0.09)
5 KEC - VALECHA - DELCO JV	0.04	63.98	0.00	(0.48)
6 KEC - SIDHARTH JV	0.13	191.69	0.00	(0.05)
7 KEC - TRIVENI - KPIPL JV	0.28	419.09	0.00	(0.09)
8 KEC - UNIVERSAL JV	0.05	76.56	0.00	(0.06)
9 KEC - DELCO - DUSTAN JV	0.15	220.50	0.00	0.21
10 KEC - ANPR-KPIPL JV	0.26	374.01	0.00	(0.37)
11 KEC - PLR - KPIPL JV	0.07	99.58	0.00	0.04
12 KEC - KEIL JV	1.86	2,817.34	0.05	8.87
13 KEC - ABEPL JV	1.47	2,215.57	0.07	14.26
15 KEC-SIL JV	1.15	1,732.17	0.04	8.44
16 KEC-BJCL JV	0.13	194.60	0.00	0.00
17 KEC-TNR INFRA JV	0.81	1,231.84	0.00	0.00
18 KEC-SMC JV	0.80	1,216.08	0.00	0.00
19 KEC-WATERLEAU JV	1.30	1,968.80	0.00	0.00
Foreign				
1 Al Sharif Group and KEC Ltd. Company, Saudi Arabia	23.53	35,579.51	99.51	19,057.67
2 EJP KEC Joint Venture, South Africa	(1.03)	(1,555.20)	(1.49)	(285.25)
3 KEC ASSB JV, Malasiya	0.10	155.44	0.00	0.00

Footnote

The information has been furnished based on the Audited Consolidated Financial Statement of SAE Towers Holdings LLC, USA and its subsidiaries (SAE Group). The requisite additional information for SAE Towers Holding LLC and its subsidiaries based on the information considered in the Audited Consolidated Financial Statement of SAE Group are as under:

NOTES

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Name of the entity in Consolidated Financial Statements of SAE Group	Net Assets i.e. Total Assets - Total Liabilities		Share in Profit or Loss	
	As % of Consolidated Net Assets of KEC Group	Amount (₹ in Lacs)	As % of Consolidated Profit or Loss of KEC Group	Amount (₹ in Lacs)
1 SAE Towers Holdings LLC, USA	14.71	22,245.47	0.00	0.00
2 SAE Towers Brazil Subsidiary Company LLC, USA	0.00	0.00	0.00	0.00
3 SAE Towers Mexico Subsidiary Holding Company LLC, USA	0.00	1.41	0.00	0.00
4 SAE Towers Mexico S de RL de CV, Mexico	4.23	6,398.99	0.09	17.36
5 SAE Towers Brazil Torres de Transmission Ltda, Brazil	5.11	7,723.50	6.18	1,183.58
6 SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico	0.72	1,093.96	0.11	20.65
7 SAE Towers Ltd, USA	0.62	939.01	(1.11)	(213.52)
8 SAE Towers Panama Holdings LLC, USA !	-	-	-	-
9 SAE Towers Panama S de RL, Panama !	-	-	-	-
10 SAE Engenharia E Construcao Ltda, Brazil	-	-	-	-
11 SAE Engineering & Construction Services S de RL de CV, Mexico	(0.15)	(219.37)	0.00	0.00
Less: Intra group elimination	(17.58)	(26,585.23)	(0.29)	(55.53)
Total	7.66	11,597.74	4.98	952.54

! Following subsidiaries have been liquidated during the year:

- (i) SAE Towers Panama S de RL, Panama (Liquidated on July 01, 2015)
- (ii) SAE Towers Panama Holdings LLC, USA (Liquidated on August 06, 2015)

NOTE 44- Previous year's figures have been regrouped/ reclassified wherever necessary to Correspond with the current year's classification/ disclosure.

Signatures to Notes 1 to 44 which form an integral part of the Financial Statements.

For and on behalf of the Board of Directors

H.V.GOENKA

Chairman
DIN - 00026726

RAJEEV AGGARWAL

Chief Financial Officer

VIMAL KEJRIWAL

Managing Director & CEO
DIN - 00026981

CH.V.JAGANNADHA RAO

Company Secretary

A.T.VASWANI

Director
DIN - 00057953

Place : Mumbai

Date : May 06, 2016

FORM AOC - 1

Annexure pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	INR in Lacs	% of Shareholding (either directly or through subsidiaries)
1	SAE Towers Holdings LLC, USA*	INR	24,135.44	(1,889.97)	22,285.01	39.54	-	-	-	-	-	-	100%	
2	SAE Towers Brazil Subsidiary Company LLC, USA*	USD(000)	36,430.85	(2,852.78)	33,637.75	59.68	-	-	-	-	-	-	100%	
3	SAE Towers Mexico Subsidiary Holding Company LLC, USA*	USD(000)	-	#	@	-	-	-	-	-	-	-	100%	
4	SAE Towers Mexico S de RL de CV, Mexico*	USD(000)	-	2.13	2.13	-	-	-	-	-	-	-	100%	
5	SAE Towers Brazil Torres de Transmission Ltda, Brazil*	USD(000)	22,079.02	(12,420.16)	32,776.39	23,117.53	-	53,727.94	(999.82)	(1,027.20)	27.38	-	100%	
6	SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico*	USD(000)	4,773.63	6,884.48	59,206.43	47,548.32	-	71,931.01	2,837.37	970.33	1,867.04	-	100%	
7	SAE Towers Ltd, USA*	INR	1,325.66	(386.65)	5,032.01	4,092.99	-	23,535.59	58.34	271.86	(213.52)	-	100%	
8	SAE Towers Panama Holdings LLC, USA* (Refer Note 2)	USD(000)	2,001.00	(583.62)	7,595.48	6,178.10	-	37,126.37	92.03	428.85	(336.82)	-	100%	
		USD(000)	-	-	-	-	-	-	-	-	-	-	-	

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
9	SAE Towers Panama S de RL, Panama (Refer Note 2)	INR	-	-	-	-	-	-	-	-	-	-	100%
10	SAE Engenharia E Construc�o Ltda, Brazil*	USD(000)	-	-	-	-	-	-	-	-	-	-	100%
		INR	-	-	-	-	-	-	-	-	-	-	
11	SAE Engineering & Construction Services S de RL de CV, Mexico*	USD(000)	-	-	-	-	-	-	-	-	-	-	100%
		INR	-	(219.37)	(234.77)	(15.40)	-	-	-	-	-	-	
12	KEC Investment Holdings, Mauritius	USD(000)	-	(331.12)	(354.37)	(23.25)	-	-	-	-	-	-	100%
		INR	7,022.50	(55.24)	12,463.52	5,496.17	-	-	(9.18)	-	(9.18)	-	
13	KEC International Holdings LLC, USA	USD(000)	10,600.00	(83.39)	18,812.86	8,296.10	-	-	(14.49)	-	(14.49)	-	100%
		INR	0.03	(0.17)	0.03	0.17	-	-	-	-	-	-	
14	KEC Brazil LLC, USA	USD(000)	0.05	(0.25)	0.05	0.25	-	-	-	-	-	-	100%
		INR	0.02	(0.17)	0.02	0.17	-	-	-	-	-	-	
15	KEC Mexico LLC, USA	USD(000)	0.03	(0.25)	0.03	0.25	-	-	-	-	-	-	100%
		INR	0.02	(0.17)	0.02	0.17	-	-	-	-	-	-	
16	KEC Transmission LLC, USA	USD(000)	0.03	(0.25)	0.03	0.25	-	-	-	-	-	-	100%
		INR	0.02	9,530.71	40,189.93	30,659.20	-	-	(1,528.29)	-	(1,528.29)	-	
17	KEC US LLC, USA	USD(000)	0.03	14,385.98	60,664.04	46,278.04	-	-	(2,410.82)	-	(2,410.82)	-	100%
		INR	0.02	6,359.13	26,791.96	20,432.80	-	-	(1,012.52)	-	(1,012.52)	-	
18	KEC Global Mauritius, Mauritius	USD(000)	0.03	9,598.69	40,440.69	30,841.98	-	-	(1,597.20)	-	(1,597.20)	-	100%
		INR	79.50	(54.45)	31.24	3.08	-	-	(10.37)	-	(10.37)	-	
19	KEC International (Malaysia) SDN.BHD**	USD(000)	120.00	(82.19)	47.16	4.65	-	-	(15.75)	-	(15.75)	-	100%
		INR	6.20	(2.56)	4.38	0.74	-	-	(0.30)	-	(0.30)	-	
20	Jay Railway Projects Private Limited, India (Refer Note 3)	RM(000)	36.62	(15.10)	25.90	4.39	-	-	(2.54)	-	(2.54)	-	100%
		INR	-	-	-	-	-	-	-	-	-	-	

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital	Reserves & surplus	Total Assets	Total Liabilities (excluding Capital and Reserves)	Investments (except in case of Investment in the Subsidiaries)	Turnover **	Profit/ (Loss) before Taxation **	Provision for Taxation **	Profit/ (Loss) after Taxation **	Proposed Dividend (excluding dividend paid)	% of Shareholding (either directly or through subsidiaries)
21	RPG Transmission Nigeria Limited, Nigeria	INR	33.21	0.46	33.72	0.04	-	-	(0.16)	-	(0.16)	-	100%
22	KEC Global FZ – LLC, Ras UL Khaimah, UAE	Naira(000)	10,000.00	139.61	10,152.11	12.50	-	-	(50.00)	-	(50.00)	-	100%
23	KEC Power India Private Limited, India	INR	180.37	1,264.67	1,502.19	57.14	-	-	(39.77)	-	(39.77)	-	100%
24	KEC Bikaner Sikar Transmission Private Limited (Refer Note 4)	AED(000)	1,000.00	7,011.56	8,328.37	316.81	-	-	(223.29)	-	(223.29)	-	100%
		INR	22.10	11.26	33.62	0.25	-	-	2.33	0.81	1.52	-	100%
		INR	^326.00	(35.49)	2,426.65	62.14	-	-	(51.39)	(15.89)	(35.49)	-	99.99%

The figures reported above are without considering elimination

Exchange rates as at year end considered for conversion:

1 USD = ₹66.2500

1 AED = ₹18.0370

1 NAIRA = ₹0.3321

1 RM = ₹ 16.92

* Based on the information considered in the audited consolidated financial statements of SAE Towers Holdings, LLC

@ ₹265

#USD4

** Average exchange rates for the year considered for conversion

^ excludes share application money pending allotment of ₹ 2074.00 lacs

Footnotes:

- 1 Except for KEC Bikaner Sikar Transmission Private Limited, there are no subsidiaries which are yet to commence operations.
- 2 Following subsidiaries have been liquidated during the year.
 - (i) SAE Towers Panama Holdings LLC, USA (Liquidated on August 06, 2015)
 - (ii) SAE Towers Panama S de RL, Panama (Liquidated on July 01, 2015)
- 3 Merged with KEC International w.e.f. April 01, 2014
- 4 Formed on September 03, 2015.

Part "B" : Associates and Joint Ventures

Name of Associates / Joint Ventures	Latest audited Balance sheet date	Shares of Associate/ Joint Ventures held by the company on the year end	No.	Amount of Investment in Associates/ Joint Venture	Extend of Holding %	Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth	Shareholding as per latest audited Balance Sheet	Profit / Loss for the year	i. Considered in Consolidation	ii. Not considered in Consolidation
Al-Shariff Group and KEC Ltd. Arabia	31/12/2015	-	147,000 #	-	49	Joint Control	-	15,405.57	23,291.39	(285.25)	Yes	-
EJP KEC Joint Venture	31/3/2016	-	-	-	50	Joint Control	-	(11,558.82)	(154.67)	-	Yes	-
KEC - ASSB JV	31/3/2016	-	-	-	67	Joint Control	-	-	-	-	Yes	-
KEC - ASIAKOM - UB JV	31/3/2016	-	-	-	60	Joint Control	-	4.10	(0.03)	(0.03)	Yes	-
KEC - ASIAKOM JV	31/3/2016	-	-	-	51	Joint Control	-	0.16	(0.03)	(0.03)	Yes	-
KEC - SIL JV	31/3/2016	-	-	-	83.72	Joint Control	-	8.44	(3.16)	(3.16)	Yes	-
KEC - DELCO - VARAHA JV	31/3/2016	-	-	-	80	Joint Control	-	2.92	-	-	Yes	-
KEC - VARAHA - KHAZANA JV	31/3/2016	-	-	-	80	Joint Control	-	3.24	(0.09)	(0.09)	Yes	-
KEC - VALECHA - DELCO JV	31/3/2016	-	-	-	51	Joint Control	-	0.34	(0.48)	(0.48)	Yes	-
KEC - SIDHARTH JV	31/3/2016	-	-	-	80	Joint Control	-	1.70	(0.05)	(0.05)	Yes	-
KEC - TRIVENI - KPPL JV	31/3/2016	-	-	-	55	Joint Control	-	0.67	(0.09)	(0.09)	Yes	-
KEC - UNIBSAL JV	31/3/2016	-	-	-	80	Joint Control	-	0.19	(0.06)	(0.06)	Yes	-
KEC - DELCO - DUSTAN JV	31/3/2016	-	-	-	51	Joint Control	-	0.53	0.21	0.21	Yes	-
KEC - ANPR - KPPL JV	31/3/2016	-	-	-	60	Joint Control	-	0.77	(0.37)	(0.37)	Yes	-
KEC - PLR - KPPL JV	31/3/2016	-	-	-	55	Joint Control	-	1.57	0.04	0.04	Yes	-
KEC - BJCL JV	31/3/2016	-	-	-	51	Joint Control	-	-	51.69	(18.26)	Yes	-
KEC - KIEL JV	31/3/2016	-	-	-	90	Joint Control	-	-	8.87	14.26	Yes	-
KEC - ABEPL JV	31/3/2016	-	-	-	90	Joint Control	-	-	-	-	Yes	-
KEC - TNR Infra JV	31/3/2016	-	-	-	51	Joint Control	-	-	-	-	Yes	-
KEC - SMC JV	31/3/2016	-	-	-	51	Joint Control	-	-	-	-	Yes	-
KEC - WATERLEAU JV	31/3/2016	-	-	-	51	Joint Control	-	-	-	-	Yes	-
RP Goenka Group of Companies Employees Welfare Association	31/3/2016	-	-	-	49	Joint Control	-	-	-	-	-	-

The figures reported above are without considering elimination

'NIL' realisable value was considered by the Company for this investment when it was acquired as a part of the Power Transmission Business under the Composite Scheme of Arrangement, in an earlier year.

Footnotes:

- There are no associates or joint ventures which are yet to commence operations.
- There are no associates or joint ventures which have been liquidated or sold during the year.

For and on behalf of the Board of Directors

H.V.GOENKA

Chairman

DIN - 00026726

VIMAL KEJRIWAL

Managing Director & CEO

DIN - 00026981

A.T.VASWANI

Director

DIN - 00057953

RAJEEV AGGARWAL

Chief Financial Officer

CH.V.JAGANNADHA RAO

Company Secretary

Place : Mumbai

Date : May 06, 2016

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF KEC INTERNATIONAL LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **KEC INTERNATIONAL LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information, in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Afghanistan, Algeria, Bangladesh, Congo, Egypt, Ethiopia, Georgia, Ghana, Indonesia, Ivory Coast, Kazakhstan, Kenya, Laos, Lebanon, Libya, Malaysia, Nepal, Nigeria, Oman, Philippines, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, United Arab Emirates and Zambia.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We conducted our audit of the standalone 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 financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of 27 branches included in the standalone financial statements of the Company whose financial statements reflect total assets of ₹ 88,049.86 lacs as at March 31, 2016 and total revenues of ₹ 84,738.05 lacs for the year ended on that date, as considered in the standalone financial statements. The financial statements of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these branches, is based solely on the report of such branch auditors.

Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c) The reports on the accounts of the branch offices of the Company at Afghanistan, Algeria, Bangladesh, Congo, Egypt, Ethiopia, Georgia, Ghana, Indonesia, Ivory Coast, Kazakhstan, Kenya, Laos, Lebanon, Libya, Malaysia, Nepal, Nigeria, Oman, Philippines, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, United Arab Emirates and Zambia, audited under Section 143 (8) of the Act by the branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
 - d) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account and with the returns received from the branches not visited by us.
 - e) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
 - f) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls 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
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 28 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable accounting standards, for material foreseeable losses, on long-term contracts - Refer Note 10 to the standalone financial statements. Further, the Company did not have any material losses on derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
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)

Saira Nainar
Partner
(Membership No. 040081)

Place: Mumbai
Date: May 06, 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 1(g) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the standalone financial statements for the year ended March 31, 2016 of KEC International Limited)

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 **KEC INTERNATIONAL LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone 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. 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.

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, 2016, 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.

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

Saira Nainar
Partner
(Membership No. 040081)

Place: Mumbai
Date: May 06, 2016

ANNEXURE “B” TO THE INDEPENDENT AUDITORS’ REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date on the standalone financial statements for the year ended March 31, 2016 of KEC International Limited)

- (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 deeds / transfer deeds / conveyance deeds and other relevant records [including confirmation from trustee of the lenders in respect of immovable properties (land and buildings thereof) whose title deeds have been mortgage as security for loans taken by the Company] provided to us, we report that:
 - (i) The title deeds of all the freehold immovable properties (land and buildings thereof) are held in the name of the Company as at the balance sheet date, except in respect of Industrial plots situated at Gandhinagar, Gujarat, admeasuring to 4,891.45 sq. meters, Industrial plot situated at Mysore, Karnataka, admeasuring to 80773 sq. meters, guest house situated at Jabalpur, Madhya Pradesh, admeasuring to 80,773 sq. meters, land and building situated at Jabalpur, Madhya Pradesh, admeasuring to 9,000 sq feet and a flat at Worli, Mumbai, admeasuring to 1,088.22 sq. feet, having Gross carrying amount aggregating ₹ 2,634.79 Lacs and Net carrying amount aggregating ₹ 2,586.81 Lacs as at Balance Sheet date, the title of which have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in the earlier years and the procedural formalities for transfer in the name of the Company in the relevant documents is in process.
 - (ii) The leasehold deeds of immovable properties (land and buildings thereof) are in the name of the Company, except in respect of Industrial plots situated at Raebareli, Uttar Pradesh, admeasuring to 59,017 sq. meters having Gross carrying amount of ₹ 6.14 Lacs and Net carrying amount of ₹ 5.59 Lacs as at Balance Sheet date, the leasehold rights of which have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation in the earlier year and the procedural formalities for transfer in the name of the Company in the relevant documents is in process.
- (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) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (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. The Company does not have unclaimed deposits as at March 31, 2016 and accordingly, provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act are not applicable to the Company.
- (vi) 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, 2016 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, 2016 on account of disputes are given below:

Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the amount relates	Amount involved (₹ in Lacs)
Sales Tax/Value Added Tax Acts	Tax/Penalty/Interest	Assistant Commissioner / Joint Commissioner / Deputy Commissioner / Additional Commissioner (Appeal)	1994-1995 to 2013-2014	7,277.48
	Tax/Penalty/Interest	Rajasthan Tax Board, Ajmer	1994-1995 to 1997-1998	46.66
	Tax/Interest	Appellate Tribunal	2000-2001 to 2012-2013	10.13
The Central Excise Act, 1944	Excise Duty/ Penalty/Interest	Assistant Commissioner / Joint Commissioner / Deputy Commissioner / Additional Commissioner (Appeal)"	1994-1995 to 2015-2016	1,952.36
	Excise Duty/ Penalty/Interest	Custom Excise and Service Tax Appellate Tribunal	1994-1995 to 2015-2016	2,413.47
	Interest on differential duty of excise	High Court	2001-2002 to 2005-2006	61.76
	Excise Duty	Supreme Court	2008-2009 to 2009-2010	13.44
The Finance Act, 1994	Service Tax/ Penalty/Interest	Commissioner (Appeal)	2008-2009 to 2012-2013	68.44
	Service Tax/ Penalty/Interest	Custom Excise and Service Tax Appellate Tribunal	2003-2004 to 2012-2013	28603.01
The Customs Act, 1962	Customs Duty	Commissioner of Customs (Appeal)	1995 to 1996	60.14
The Income tax Act, 1961	Income Tax/ Interest	Commissioner of Income Tax (Appeal)	AY 2007-2008	230.35

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

- (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 dues to debenture holders.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, the 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 or no material 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 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 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-IA of the Reserve Bank of India Act, 1934.

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

Saira Nainar
Partner
(Membership No. 040081)

Place: Mumbai
Date: May 06, 2016

BALANCE SHEET

as at March 31, 2016

Particulars	Note No.	Current Year		Previous Year	
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2	5,141.77		5,141.77	
(b) Reserves and surplus	3	118,820.96		105,947.04	
			123,962.73		111,088.81
(2) Non-current liabilities					
(a) Long-term borrowings	4	16,335.15		20,838.91	
(b) Deferred tax liabilities (Net)	38	6,616.71		7,036.15	
(c) Other Long-term liabilities	5	1,000.00		1,000.00	
(d) Long-term provisions	6	1,543.80		1,087.02	
			25,495.66		29,962.08
(3) Current liabilities					
(a) Short-term borrowings	7	153,130.51		125,244.33	
(b) Trade payables	8				
(A) Total outstanding dues of micro enterprises and small enterprises		-		-	
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		254,521.49		286,153.18	
(c) Other current liabilities	9	74,716.16		51,041.57	
(d) Short-term provisions	10	9,772.02		11,052.53	
			492,140.18		473,491.61
TOTAL			641,598.57		614,542.50
II. ASSETS					
(1) Non current assets					
(a) Fixed assets					
(i) Tangible assets	11	57,699.30		59,603.74	
(ii) Intangible assets	11	11,900.08		12,835.01	
(iii) Capital work-in-progress	11	664.29		1,241.69	
		70,263.67		73,680.44	
(b) Non-current investments	12	9,633.34		656.51	
(c) Long-term loans and advances	13	28,014.36		29,222.91	
(d) Other non-current assets	14	14,183.55		16,882.83	
			122,094.92		120,442.69
(2) Current assets					
(a) Inventories	15	31,337.47		37,198.71	
(b) Trade receivables	16	374,630.73		322,656.82	
(c) Cash and cash equivalents	17	5,527.20		12,613.33	
(d) Short-term loans and advances	18	48,410.67		53,838.94	
(e) Other current assets	19	59,597.58		67,792.01	
			519,503.65		494,099.81
TOTAL			641,598.57		614,542.50

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

H.V.GOENKA
Chairman
DIN - 00026726

SAIRA NAINAR
Partner

RAJEEV AGGARWAL
Chief Financial Officer

VIMAL KEJRIWAL
Managing Director & CEO
DIN - 00026981

CH.V.JAGANNADHA RAO
Company Secretary

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2016

Place : Mumbai
Date : May 06, 2016

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2016

Particulars	Note No.	Current Year		Previous Year	
		₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I. Revenue from operations (Gross)		665,543.42		678,159.58	
Less: Excise duty		19,182.01		18,950.57	
Revenue from operations (Net)	20		646,361.41		659,209.01
II. Other income	21		11,202.86		17,741.00
III. Total Revenue (I+II)			657,564.27		676,950.01
IV. Expenses					
Cost of materials consumed	22		322,487.12		354,516.78
Changes in inventories of finished goods, work-in-progress and scrap	23		1,950.41		(279.12)
Erection & sub-contracting expenses	24		156,658.20		161,111.50
Employee benefits expense	25		40,077.98		35,722.57
Finance costs	26		23,125.53		25,213.26
Depreciation and amortisation expense (net)	11 & 1(F) (ii)(a)		6,995.62		7,040.34
Other expenses	27		80,356.81		75,390.60
Total expenses			631,651.67		658,715.93
V. Profit before tax (III - IV)			25,912.60		18,234.08
VI. Tax expenses :					
Current Tax (including foreign taxes of ₹ 3,414.86 lacs (previous year ₹ 2,097.18 lacs) which include ₹ 2,383.46 lacs [previous year ₹ 857.64 lacs (net)] pertaining to earlier years)			10,604.90		7,270.07
Deferred Tax			(493.26)		(109.49)
			10,111.64		7,160.58
VII Profit for the year (V-VI)			15,800.96		11,073.50
VIII Earnings per equity share (of ₹ 2 each)	37		₹		₹
(1) Basic			6.15		4.31
(2) Diluted			6.15		4.31

See accompanying notes forming part of the financial statements

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Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2016

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Date : May 06, 2016

CASH FLOW STATEMENT

for the year ended March 31, 2016

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
A. CASH FLOW FROM OPERATING ACTIVITIES:				
PROFIT BEFORE TAX		25,912.60		18,234.08
Adjustments for:				
Depreciation and amortisation expense (net)	6,995.62		7,040.34	
Profit on fixed assets sold (net)	(551.52)		(13,495.18)	
Loss on fixed assets discarded	385.67		-	
Finance costs	23,125.53		25,213.26	
Interest income	(370.81)		(549.72)	
Dividend income from long term investments in subsidiaries and a Jointly Controlled Entity	(9,928.91)		(3,510.95)	
Bad debts, loans and advances written off (net)	14,050.14		5,199.18	
Allowance for bad and doubtful debts, loans and advances (net)	1,609.98		3,429.66	
Mark to market loss on forward and commodity contracts	14.27		53.10	
Net unrealised exchange (gain) / loss	1,215.60		819.93	
		36,545.57		24,199.62
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES		62,458.17		42,433.70
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Inventories	5,861.24		(3,864.30)	
Trade receivables	(61,990.36)		7,720.25	
Loans and advances	5,502.82		(15,307.05)	
Other current assets & non current assets	906.80		(4,156.96)	
		(49,719.50)		(15,608.06)
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables and Other current liabilities	(7,369.77)		(8,497.57)	
Provisions	650.07		(76.33)	
		(6,719.70)		(8,573.90)
CASH GENERATED FROM OPERATIONS		6,018.97		18,251.74
Direct Taxes Paid (net of refund)		(8,942.71)		(11,986.46)
NET CASH FLOW FROM/ (USED IN) OPERATING ACTIVITIES (A)		(2,923.74)		6,265.28
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets (after adjustment of increase/decrease in capital work-in-progress and advances for capital expenditure)	(4,761.11)		(7,664.07)	
Proceeds from sale of fixed assets	8,905.50		20,418.57	
Payment for investments in subsidiaries	(9,076.83)		(18.55)	
Loans given to a subsidiary	(4,364.89)		(4,623.20)	
Loans repaid by a subsidiary	3,223.55		881.94	
Interest received	577.54		228.39	
Dividend received from subsidiaries and a Jointly Controlled Entity	9,928.91		3,510.95	
Bank balances (including non-current) not considered as Cash and cash equivalents (net)	188.96		(34.07)	
		4,621.63		12,699.96
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		4,621.63		12,699.96
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from other than short-term borrowings	-		7,500.00	
Repayments of other than short-term borrowings	(7,548.04)		(10,794.09)	
Net increase / (decrease) in short-term borrowings	27,192.59		14,268.53	
Finance costs	(22,805.29)		(24,633.75)	
Dividend paid (including tax on distributed profit)	(5,754.08)		(1,746.06)	
		(8,914.82)		(15,405.37)
NET CASH FLOW USED IN FINANCING ACTIVITIES (C)		(8,914.82)		(15,405.37)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)		(7,216.93)		3,559.87

CASH FLOW STATEMENT

for the year ended March 31, 2016

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Cash and cash equivalents at the beginning of the year		11,442.96		7,883.14
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		0.22		(0.05)
Cash and cash equivalents transferred under the Scheme referred to in Note 42		12.19		-
Cash and cash equivalents at the end of the year		4,238.44		11,442.96
Reconciliation of Cash and cash equivalents with the Balance Sheet:				
Cash and cash equivalents as per Balance Sheet (Refer Note 17)		5,527.20		12,613.33
Less: Bank balances not considered as Cash and cash equivalents as defined in AS 3 Cash Flow Statements - Balances with banks in earmarked accounts		1,288.76		1,170.37
Cash and cash equivalents at the end of the year (as defined in AS 3 Cash Flow Statements) included in Note 17 [Refer Footnote (iii)]		4,238.44		11,442.96
Footnotes:				
(i) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 - Cash Flow Statements.				
(ii) The working capital changes for the year have been determined after considering the liabilities and assets transferred under the Scheme of Amalgamation referred to in Note 42 to the standalone financial statements.				
(iii) Cash and cash equivalents* at the end of the year comprises:				
(a) Balances with banks				
(i) In current accounts		3,658.16		3,465.08
(ii) In deposit accounts		142.26		360.63
(b) Cheques on hand		232.55		698.03
(c) Cash on hand		205.47		221.18
(d) Remittance in transit		-		6,698.04
		4,238.44		11,442.96
* includes cash and cash equivalents of jointly controlled operations referred to in Note 40 (c) to the standalone financial statements.				
(iv) Previous year's figures have been regrouped to conform with those of the current year.				

See accompanying notes forming part of the financial statements

In terms of our report attached
For Deloitte Haskins & Sells
Chartered Accountants

For and on behalf of the Board of Directors

SAIRA NAINAR
Partner

RAJEEV AGGARWAL
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Company Secretary

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Managing Director & CEO
DIN - 00026981

A.T.VASWANI
Director
DIN - 00057953

Place : Mumbai
Date : May 06, 2016

Place : Mumbai
Date : May 06, 2016

NOTES

forming part of the financial statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. Basis of accounting and preparation of the financial statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Uses of Estimates:

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

C. Revenue Recognition:

- i. Sale of goods is recognised, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sale of services is recognised when services are rendered. Sales exclude sales tax/ value added tax and service tax charged to the customers.
- ii. Revenue from turnkey contracts is recognised based on the stage of completion determined with reference to the costs incurred on contracts and their estimated total costs.

When it is probable that the total contract cost will exceed total contract revenue, expected loss is recognised as an expense immediately. Total contract cost is determined based on technical and other assessment of cost to be incurred.

Liquidated damages/ penalties are accounted as per the contract terms wherever there is a delayed delivery attributable to the Company.

- iii. Revenue from turnkey contracts awarded to a Jointly Controlled Entity at Saudi Arabia but executed by the Company under the arrangement with the Joint Venture Partner [being in substance in the nature of Jointly Controlled Operations, in terms of Accounting Standard (AS) 27 "Financial Reporting of Interests in Joint Ventures"], is recognised on the same basis as similar turnkey contracts independently executed by the Company.
- iv. Share in profit/loss of the projects undertaken by the jointly controlled entities, is accounted on its appropriation to the venturers as per the terms of the respective joint venture contracts.
- v. Dividend income is accounted as and when the right to receive the same is established.
- vi. Interest income is accounted on time proportion basis.

D. Inventories:

- i. Raw materials, work-in-progress, finished goods and stores and erection materials are valued at the lower of cost and net realisable value (NRV). Cost of purchased material is determined on the weighted average basis. Cost of Erection tools and spares is amortised over its estimated useful life. Scrap is valued at net realisable value.
- ii. Cost of work-in-progress and finished goods includes material cost, labour cost, and manufacturing overheads absorbed on the basis of normal capacity of production.

E. Fixed Assets:

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

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

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

NOTES

forming part of the financial statements

F. Depreciation/ Amortisation:

i. Tangible Assets:

- Leasehold land is amortised over the remaining period of the lease.
- Depreciation on other tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the certain assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, etc.

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

ii. Intangible Assets:

- Brand is amortised over twenty years being the useful life certified by the independent valuer.
In terms of the Scheme of Arrangement sanctioned in the year 2007-08, out of the balance in 'Reserve for Amortisation of Brand Account' an amount equal to annual amortisation of brand is credited to the Statement of Profit and Loss each year so that overall depreciation and amortisation gets reduced to that extent. Accordingly, ₹ Nil (Previous Year ₹ 157 lacs) being the amortisation of brand during the year is credited to the Statement of Profit and Loss by netting it with Depreciation and amortisation expense.
- Brand transferred pursuant to the Scheme of Amalgamation referred to in 'Note 42' is amortised over ten year being its useful life as estimated by the Company.
- Computer softwares are amortised on straight line method over the estimated useful life ranging between 4-6 years.

G. Investments:

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

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

I. Foreign Currency Transactions:

i. Foreign branches (Integral)

- Fixed assets are translated at the rates on the date of purchase/acquisition of assets and inventories are translated at the rates that existed when costs were incurred.
- All foreign currency monetary items outstanding at the year end are translated at the year end exchange rates. Income and expenses are translated at average rates of exchange and depreciation/amortisation is translated at the rates referred to in (i) (a) above for fixed assets.
- The resulting exchange gains and losses are recognised in the Statement of Profit and Loss.

ii. Jointly Controlled Operations (Non Integral)

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

iii. Other foreign currency transactions:

- Foreign currency transactions during the year are recorded at the rates of exchange prevailing at the date of transaction. Exchange gains or losses realised and arising due to translation of the foreign currency monetary items outstanding at the year end are accounted in the Statement of Profit and Loss. Non-monetary items of the Company are carried at historical cost.
- Forward Exchange Contracts:
In case of transactions covered by forward exchange contracts, which are not intended for trading or speculation purposes, premium or discounts are amortised as expense or income over the life of the contract.

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forming part of the financial statements

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

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

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

K. Employee Benefits:

a) Defined Contribution Plans:

The Company's contribution to provident fund and superannuation fund are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

b) Defined Benefit Plan / Long Term employee benefits:

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

c) Short term employee benefits:

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

L. Leases

- a) Assets acquired under lease where the Company has substantially all the risks and rewards incidental to ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value and the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.
- b) Assets acquired on leases where significant portions of the risks and rewards incidental to ownership are retained by the lessors, are classified as operating leases. Lease rentals are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

M. Taxation:

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

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

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

N. Receivables and loans and advances identified as doubtful of recovery are provided for / written off.

O. Provisions and contingencies :

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions

NOTES

forming part of the financial statements

(excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

P. Derivative Contracts and Hedge Accounting

a) Derivative Contracts:

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

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

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

b) Hedge Accounting:

To designate contract as an effective hedge, the management objectively evaluates and evidences with appropriate supporting documents at the inception of each contract whether the contract is effective in achieving offsetting cash flows attributable to the hedged risk.

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

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

Q. Operating Cycle

Assets and liabilities other than those relating to long-term contracts (i.e. supply or turnkey contracts) are classified as current if it is expected to realize or settle within 12 months after the balance sheet date.

In case of long-term contracts, the time between acquisition of assets for processing and realisation of the entire proceeds under the contracts in cash or cash equivalent exceeds one year. Accordingly for classification of assets and liabilities related to such contracts as current, duration of each contract is considered as its operating cycle.

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

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

S. Cash Flow Statement

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

T. Basis of Incorporation of integral foreign operations:

Figures in respect of the Company's overseas branches in Afghanistan, Algeria, Bangladesh, Congo, Egypt, Ethiopia, Georgia, Ghana, Indonesia, Ivory Coast, Kazakhstan, Kenya, Laos, Lebanon, Libya, Malaysia, Nepal, Nigeria, Oman, Philippines, South Africa, Sri Lanka, Tanzania, Tunisia, Uganda, United Arab Emirates and Zambia have been incorporated on the basis of financial statements (the Branch Returns) audited by the auditors of the respective branches. Further, in respect of overseas branches in Bhutan, Cameroon, Kuwait and Namibia, the financial statements have been prepared and audited in India.

NOTES

forming part of the financial statements

NOTE 2 - SHARE CAPITAL

Particulars	Current Year		Previous Year	
	Nos.	₹ in Lacs	Nos.	₹ in Lacs
Authorised:				
Equity Shares:				
Equity Shares of ₹ 2 each	570,000,000	11,400.00	550,000,000	11,000.00
Preference Shares:				
Redeemable Preference Shares of ₹ 100 each	1,500,000	1,500.00	1,500,000	1,500.00
		12,900.00		12,500.00
Issued, Subscribed and Paid-up				
Equity Shares:				
Equity Shares of ₹ 2 each fully paid up	257,088,370	5,141.77	257,088,370	5,141.77
	257,088,370	5,141.77	257,088,370	5,141.77

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

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

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

Sr. No.	Name of the shareholder*	Current Year		Previous Year	
		Nos. of Shares Held	Percentage of Shares held	Nos. of Shares Held	Percentage of Shares held
1	Swallow Associates LLP	69,546,616	27.05	69,546,616	27.05
2	Summit Securities Limited	27,602,945	10.74	26,974,152	10.49
3	HDFC Trustee Company Limited	23,110,249	8.99	23,110,249	8.99
4	Instant Holdings Limited	17,855,651	6.95	16,592,755	6.45

* Shares held in multiple folios have been combined.

2.3 3,750 fully paid up Equity Shares of ₹ 2 each were allotted to a trustee against 1,688 equity shares of the erstwhile RPG Transmission Limited (RPGT), since merged in the Company in 2007-08, where rights were kept in abeyance by RPGT. On settlement of the relevant court cases/issues, the Equity Shares issued to the trustee will be transferred.

2.4 The Company has only one class of Equity Shares having a face value of ₹ 2 each. Every member shall be entitled to be present, and to speak and vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company. The Company in General Meeting may declare dividends to be paid to members, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.

In the event of liquidation of the Company, the holders of Equity Shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

NOTES

forming part of the financial statements

NOTE 3 - RESERVES AND SURPLUS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Capital Reserve		
Balance as per last Balance Sheet	8,497.87	8,497.87
(b) Capital Redemption Reserve		
Balance as per last Balance Sheet	1,427.95	1,427.95
(c) Securities Premium Account		
Balance as per last Balance Sheet	8,674.89	8,674.89
(d) Debenture Redemption Reserve		
Balance as per last Balance Sheet	357.88	-
Add : Transferred from Surplus in Statement of Profit and Loss	584.75	357.88
	942.63	357.88
(e) Reserve for Amortisation of Brand Account [Note 1(F)(ii)(a)]		
Balance as per last Balance Sheet	-	157.00
Less : Transferred to Statement of Profit and Loss	-	157.00
	-	-
(f) Foreign Currency Translation Reserve [Note 1(I)(ii)]		
Balance as per last Balance Sheet	6.42	15.24
Add: Credited/(Debited) during the year on translation of financial statements of Non Integral jointly controlled operation (net)	18.90	(8.82)
	25.32	6.42
(g) General Reserve		
Balance as per last Balance Sheet	10,899.16	9,791.81
Add : Transferred from surplus in Statement of Profit and Loss	1,580.10	1,107.35
	12,479.26	10,899.16
(h) Hedging Reserve		
Balance as per last Balance Sheet	(116.92)	-
Less : Effect of foreign exchange rate variations on hedging instruments outstanding at the end of the year [(Net of deferred tax of ₹ 73.82 lacs (Previous Year - ₹ 60.20 lacs))	139.49	(116.92)
Add : Amount transferred to Statement of Profit and Loss [Net of deferred tax of ₹ 60.20 lacs (Previous Year - Nil)]	116.92	-
	139.49	(116.92)
(i) Surplus in Statement of Profit and Loss		
Opening Balance	76,199.79	69,513.25
Less : Pursuant to the Scheme of Amalgamation (Refer Note 42)	113.61	
Less : Depreciation on transition to Schedule II of the Companies Act, 2013 on tangible fixed assets with nil remaining useful life [Net of deferred tax Nil (Previous Year - ₹ 102.48 lacs) (Refer Note 47)	-	199.01
Add : Profit for the year	15,800.96	11,073.50
Less : Transferred to Debenture Redemption Reserve	584.75	357.88
Less : Transferred to General Reserve	1,580.10	1,107.35
Less : Interim Dividend on Equity Shares	2,570.88	-
Less : Proposed Dividend on Equity Shares	-	2,313.80
Less : Tax on distributed profits (*Net of write back of excess provision of ₹ 62.11 lacs pertaining to an earlier year)	517.86	*408.92
	86,633.55	76,199.79
	118,820.96	105,947.04

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NOTE 4 - LONG-TERM BORROWINGS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I - Debentures		
Secured (Refer Note 4.1)	7,500.00	7,500.00
II - Term loans		
(a) From banks		
Secured (Refer Note 4.2)	9,265.00	14,440.13
Less : Current maturities of long-term debt (Refer Note 9)	(2,937.50)	(5,175.13)
	6,327.50	9,265.00
(b) From others parties		
Secured (Refer Note 4.3)	4,595.65	6,968.56
Less : Current maturities of long-term debt (Refer Note 9)	(2,088.00)	(2,894.65)
	2,507.65	4,073.91
	16,335.15	20,838.91

4.1 750, 11.65% Privately Placed, Secured, Redeemable Non-Convertible Debentures of ₹ 10 lacs each aggregating ₹ 7,500 lacs (Previous Year - ₹ 7,500 lacs) are secured by an equitable mortgage on land situated at Cable factory, Mysore and hypothecation of all movable fixed assets situated at Cable factory, Mysore. 350 Debentures of ₹ 10 lacs each aggregating ₹ 3,500 lacs are repayable on June 15, 2018 and 400 Debentures of ₹ 10 lacs each aggregating to ₹ 4,000 lacs are repayable on June 14, 2017.

4.2 Term loans from banks :

- ₹ **NIL** (Previous Year ₹ 2,798.50 lacs) secured by first charge on movable assets of Telecom Division including Telecom Towers.
- ₹ **NIL** (Previous Year ₹ 564.13 lacs) secured by first charge on movable fixed assets i.e. construction equipment pertaining to the Transmission, Distribution and Railway business situated at various project sites in India.
- ₹ **5,015.00 lacs** (Previous Year ₹ 6,327.50 lacs) secured by first charge on land, building and plant & machinery at Jabalpur and Nagpur factories, both present and future. The term loan is repayable in remaining 10 quarterly structured installments by September 28, 2018 and the present interest rate is 10.60% p.a.
- ₹ **4,250.00 lacs** (Previous Year ₹ 4,750.00 lacs) secured by first charge on land, building and plant & machinery situated at Jaipur factory, both present and future. The term loan is repayable in remaining 12 quarterly structured installments by March 31, 2019 and the present interest rate is 11.20% p.a.

4.3 Term loans from other parties includes :

- ₹ **Nil** (Previous Year ₹ 807.69 Lacs) secured by first charge over the fixed assets pertaining to Tower Testing Station situated at Nagpur.
- ₹ **4,595.65 lacs** (Previous Year ₹ 6,160.87 lacs) secured by exclusive first charge on the project assets including immovable properties at Cable factory, Vadodara both present and future. The term loan is repayable in remaining 8 equal quarterly installments by March 20, 2018 and the present interest rate is 10.50% p.a.

NOTE 5 - OTHER LONG-TERM LIABILITIES

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Liability towards claims	1,000.00	1,000.00
	1,000.00	1,000.00

NOTE 6 - LONG-TERM PROVISIONS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Provision for employee benefits		
- Compensated absences	1,543.80	1,087.02
	1,543.80	1,087.02

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NOTE 7 - SHORT-TERM BORROWINGS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
I Loans repayable on demand				
From Banks				
-Secured (Refer Note 7.1)		110,752.72		68,869.11
II Other short term borrowings				
From Banks				
-Secured [Refer Note 7.2 (a)]	20,089.02		15,234.04	
-Unsecured [Refer Note 7.2 (b)]	7,947.16		-	
	28,036.18		15,234.04	
From other parties				
-Secured [Refer Note 7.2 (c)]	14,341.61		41,141.18	
		42,377.79		56,375.22
		153,130.51		125,244.33

7.1 Loans repayable on demand from banks :

- (a) ₹ 99,782.20 lacs (Previous Year ₹ 52,086.63 lacs) secured by first charge by hypothecation of all the present and future current assets excluding those covered under Note 4.2 (a) above and first charge on flat situated at Juhu, Mumbai and second charge created on fixed assets situated at Jaipur, Jabalpur & Nagpur factories. The present interest rates are in the range of 9.90% to 13.70% p.a.
- (b) ₹ 9,987.42 lacs (Previous Year ₹ 12,735.79 lacs) guaranteed by banks, which in turn is secured by security stated against Note 7.1 (a) above. The present interest rates are in the range of 2.41% to 3.48% p.a.
- (c) ₹ 983.10 lacs (Previous Year ₹ 4,046.69 lacs) secured by assignment of certain overseas book debts. The present interest rates are in the range of 3.50% to 6.00% p.a.

7.2 Other short-term borrowings

- (a) From Banks-secured
- (i) ₹ 16,776.52 lacs (Previous Year ₹ 12,109.29 lacs) secured by security stated against Note 7.1 (a) above. The present interest rates are in the range of 1.45% to 2.02% p.a.
- (ii) ₹ 3,312.50 lacs (Previous Year ₹ 3,124.75 lacs) secured by security stated against Note 7.1 (b) above. The present interest rate is 3.38% p.a.
- (b) From Banks-unsecured
- ₹ 7,947.16 lacs (Previous Year ₹ Nil) is repayable by December 2016 and carries interest rate of 1.93% p.a.
- (c) From other parties
- (i) ₹ 14,341.61 lacs (Previous Year ₹ 15,141.18 lacs) secured by security stated against Note 7.1 (a) above. The loans of ₹ 9,378.69 lacs carries interest of 3.91% p.a and loan of ₹ 4,962.92 lacs carries interest of 3.16% p.a.
- (ii) ₹ Nil (Previous Year ₹ 26,000.00 lacs) being commercial paper against standby facilities from certain banks which in turn is secured by security stated against Note 7.1 (a) above. Maximum balance outstanding anytime during the year is ₹ 80,000 lacs (Previous Year ₹ 31,000 lacs)

NOTE 8 - TRADE PAYABLES

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Trade payables (including acceptances)		
(A) Total outstanding dues of micro enterprises and small enterprises {Refer Note 41}	-	-
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	254,521.49	286,153.18
	254,521.49	286,153.18

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NOTE 9 - OTHER CURRENT LIABILITIES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Current maturities of long-term debt (Refer Note 4)		5,025.50		8,069.78
(b) Interest accrued but not due on borrowings		1,123.47		1,044.49
(c) Advances from customers		18,615.21		11,542.73
(d) Unpaid / unclaimed dividends #		321.80		202.31
(e) Other payables				
- Statutory remittances (contribution to PF and ESIC, withholding tax, Excise Duty, VAT, Service Tax, etc.)	5,541.14		4,520.12	
- Gross amount due to customers for long term contracts	41,052.19		22,694.59	
- Interest accrued on trade payables and customer advances	876.84		635.58	
- Payable on purchase of fixed assets {Refer Note 41}	784.74		1,200.33	
- Mark to market loss on forward and commodity contracts	66.11		53.10	
- Directors' commission	233.88		76.38	
- Advances against fixed assets held for sale	940.94		940.94	
- Others	134.34		61.22	
		49,630.18		30,182.26
		74,716.16		51,041.57

The figures reflect the position as at year end. The actual amount to be transferred to the Investor Education and Protection Fund in this respect shall be determined on the due dates.

NOTE 10 - SHORT-TERM PROVISIONS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Provision for employee benefits				
- Compensated absences	353.92		118.69	-
- Gratuity	168.93		-	
		522.85		118.69
(b) Provision - others :				
- Proposed equity dividend	-		2,313.80	
- Tax on distributed profits	-		471.03	
- Tax provisions less payments	2,519.75		1,208.72	
- Provision for expected loss on long term contracts	6,729.42		6,940.29	
		9,249.17		10,933.84
		9,772.02		11,052.53

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NOTE 11- FIXED ASSETS

Description	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT	
	As at April 01, 2015	Additions during the year	Deductions during the year	Reclassified as held for sale	Pursuant to the Scheme of Amalgamation (Refer Note 42)	As at March 31, 2016	As at April 01, 2015	Depreciation / Amortization for the year	Deductions during the year	Pursuant to the Scheme of Amalgamation (Refer Note 42)	Eliminated on reclassification as held for sale	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer Note 47)	As at March 31, 2016	As at March 31, 2015
Tangible Assets														
(a) Land [^]														
- Freehold [^]	6,589.87	-	-	-	-	6,589.87	-	-	-	-	-	-	6,589.87	6,589.87
Previous year [^]	6,589.87	-	-	-	-	6,589.87	-	-	-	-	-	-	6,589.87	6,589.87
- Leasehold [^]	4,999.43	8.61	-	-	-	5,008.04	729.22	77.50	-	-	-	-	806.72	4,270.21
Previous year [^]	4,975.37	24.06	-	-	-	4,999.43	651.75	77.47	-	-	-	-	729.22	4,323.62
Land (Total) [^]	11,589.30	8.61	-	-	-	11,597.91	729.22	77.50	-	-	-	-	806.72	10,860.08
Previous year [^]	11,565.24	24.06	-	-	-	11,589.30	651.75	77.47	-	-	-	-	729.22	10,913.49
(b) Buildings [^]	13,785.79	338.52	740.05	-	-	13,864.26	3,040.80	621.27	688.96	-	-	-	2,973.11	10,744.99
Previous year [^]	12,995.58	905.15	114.94	-	-	13,785.79	2,501.65	592.84	68.17	-	-	14.48	3,040.80	10,493.93
(c) Plant and Equipment	50,413.35	2,387.96	1,548.44	-	-	51,252.87	16,084.89	3,582.97	691.35	-	-	-	18,976.51	34,328.46
Previous year	58,505.07	3,602.82	741.92	10,952.62	-	50,413.35	15,601.92	4,203.59	389.32	-	3,390.66	59.36	16,084.89	42,903.15
(d) Furniture and Fixtures	1,416.02	614.23	377.60	-	-	1,652.65	595.85	180.67	222.14	-	-	-	554.38	820.17
Previous year	1,405.45	32.42	19.08	2.77	-	1,416.02	457.66	148.49	10.73	-	1.00	1.43	595.85	947.79
(e) Vehicles	3,442.96	586.19	273.76	-	-	3,755.39	1,471.77	520.34	222.41	-	-	-	1,769.70	1,971.19
Previous year	2,510.18	1,036.89	104.11	-	-	3,442.96	1,200.34	289.28	65.52	-	-	47.67	1,471.77	1,309.84
(f) Office Equipment	849.33	203.77	123.71	-	-	929.39	463.83	135.36	106.22	-	-	-	492.97	385.50
Previous year	709.77	165.09	23.56	1.97	-	849.33	220.17	160.91	14.55	-	1.77	99.07	463.83	489.60
(g) Computers	1,856.20	455.47	207.03	-	-	2,104.64	1,362.85	238.01	196.44	-	-	-	1,404.42	493.35
Previous year	1,713.44	165.54	20.83	1.95	-	1,856.20	1,016.43	287.97	19.16	-	1.87	79.48	1,362.85	697.01
Sub - Total	83,352.95	4,594.75	3,270.59	-	-	84,677.11	23,749.21	5,356.12	2,127.52	-	-	-	26,977.81	59,603.74
Previous Year (Tangible Assets)	89,404.73	5,931.97	1,024.44	10,959.31	-	83,352.95	21,649.92	5,760.55	567.45	-	3,395.30	301.49	23,749.21	67,754.81

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(₹ in Lacs)

Description	GROSS CARRYING AMOUNT						ACCUMULATED DEPRECIATION / AMORTISATION						NET CARRYING AMOUNT	
	As at April 01, 2015	Additions during the year	Deductions during the year	Reclassified as held for sale	Pursuant to the Scheme of Amalgamation (Refer Note 42)	As at March 31, 2016	As at April 01, 2015	Depreciation / Amortization for the year	Deductions during the year	Pursuant to the Scheme of Amalgamation (Refer Note 42)	Eliminated on reclassification as held for sale	Transition adjustment recorded against Surplus balance in Statement of Profit and Loss (Refer Note 47)	As at March 31, 2016	As at March 31, 2015
Intangible Assets (other than internally generated)														
(a) Brand	24,000.00	-	-	-	695.00	24,695.00	12,000.00	1,269.50	-	317.22	-	-	13,586.72	12,000.00
Previous year	24,000.00	-	-	-	-	24,000.00	10,800.00	1,200.00	-	-	-	-	12,000.00	13,200.00
(b) Computer Softwares	2,117.81	359.36	43.44	-	-	2,433.73	1,282.80	370.00	10.87	-	-	-	1,641.93	835.01
Previous year	1,781.42	336.39	-	-	-	2,117.81	1,046.01	236.79	-	-	-	-	1,282.80	735.41
Sub - Total	26,117.81	359.36	43.44	-	695.00	27,128.73	13,282.80	1,639.50	10.87	317.22	-	-	15,228.65	12,835.01
Previous Year (Intangible Assets)	25,781.42	336.39	-	-	-	26,117.81	11,846.01	1,436.79	-	-	-	-	13,282.80	13,935.41
Total	109,470.76	4,954.11	3,314.03	-	695.00	111,805.84	37,032.01	6,995.62	2,138.39	317.22	-	-	42,206.46	72,438.75
Previous Year (Total)	115,186.15	6,268.36	1,024.44	10,959.31	-	109,470.76	33,495.93	7,197.34	567.45	-	3,395.30	301.49	37,032.01	81,690.22
Capital work-in-progress (at cost)													664.29	1,241.69
Grand Total													70,263.67	73,680.44

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

^The title deeds/ leasehold right of Land and Buildings, having gross carrying amount aggregating ₹ 2,640.93 Lacs (Previous Year ₹ 2,640.93 Lacs) and net carrying amount aggregating ₹ 2,592.40 Lacs (Previous Year ₹ 2,596.85 Lacs), have been transferred to and vested in the Company, pursuant to the Schemes of Amalgamation/Arrangement in the earlier years and the procedural formalities for transfer in the name of the Company in the relevant documents is in process.

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NOTE 12 - NON-CURRENT INVESTMENTS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Trade		
(A) Investment in Equity Instruments (At cost) :		
Unquoted		
(a) Subsidiaries - wholly owned		
10,000,000 Fully paid Ordinary Shares of Naira 1 each of RPG Transmission Nigeria Limited	34.52	34.52
1,000 Fully paid Equity Shares of AED 1,000 each of KEC Global FZ-LLC-Ras UL Khaimah, United Arab Emirates	118.65	118.65
10,600,000 (Previous Year 600,000) Fully paid Ordinary Shares of US \$ 1 each of KEC Investment Holdings, Mauritius	6,922.65	272.27
Nil (Previous Year 1,000,000) Fully paid Equity Shares of ₹ 10 each of Jay Railway Projects Private Limited [Amalgamated with the Company during the year -Refer Note 42]	-	100.00
120,000 (Previous Year 80,000) Fully paid Ordinary Shares of US \$ 1.00 each of KEC Global, Mauritius	70.74	44.29
221,022 Fully paid Equity Shares of ₹ 10 each of KEC Power India Private Limited	86.29	86.29
Subsidiaries		
3,260,000 Fully paid Equity Shares of ₹ 10 each of KEC Bikaner Sikar Transmission Private Limited	326.00	-
KEC Bikaner Sikar Transmission Private Limited (Share application money pending allotment of 6,739,990 shares of ₹ 10 each fully paid)	674.00	-
	8,232.85	656.02
(b) Associates		
4,900 Fully paid Equity Shares of ₹ 10 each of RP Goenka Group of Companies Employees Welfare Association	0.49	0.49
(c) Joint Ventures		
147,000 Fully paid Shares of Saudi Riyal 10 each of Al-Sharif Group and KEC Ltd Company, Saudi Arabia @	-	-
(B) Investment in Equity Preference Shares (At cost) :		
Unquoted		
Subsidiaries		
KEC Bikaner Sikar Transmission Private Limited (Share application money pending allotment of 14,000,000 1% Fully paid Optionally Convertible Non-Cumulative Preference Shares of ₹ 10 each fully paid)	1,400.00	-
	9,633.34	656.51
Aggregate book value of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	9,633.34	656.51
Aggregate provision for diminution in value of investments	-	-

@ 'NIL' realisable value was considered by the Company for this investment when it was acquired as a part of the Power Transmission Business under the Composite Scheme of Arrangement, in an earlier year.

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NOTE 13 - LONG-TERM LOANS AND ADVANCES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Capital advances - Unsecured, considered good		94.10		125.29
(b) Security deposits - Unsecured				
(i) Considered good	954.96		770.39	
(ii) Doubtful	34.53		87.89	
	989.49		858.28	
Less: Allowance for bad and doubtful security deposits	34.53		87.89	
		954.96		770.39
(c) Loans and advances to related party - Unsecured, considered good				
- Jay Railway Projects Private Limited - subsidiary company (Refer Notes 13.1 and 42)		-		863.01
(d) Other loans and advances -				
(i) Unsecured, considered good				
- Excise duty recoverable from Government authorities	2,339.68		2,339.68	
- VAT Credit / WCT receivable	13,549.59		14,118.21	
- Tax payments less provisions	9,876.13		9,869.66	
- Prepaid expenses	573.58		377.83	
- Service tax cenvat receivable	626.32		758.84	
	26,965.30		27,464.22	
(ii) Doubtful - Service tax receivable	-		130.08	
Less: Allowance for bad and doubtful receivable	-		130.08	
	-		-	
		26,965.30		27,464.22
		28,014.36		29,222.91

13.1 Disclosure required by SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015:

- (i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

(₹ in lacs)

Name of Subsidiary	Loans (interest free) outstanding as on March 31, 2016	Maximum amount outstanding during the year
Jay Railway Projects Private Limited	-	863.01
Previous Year	863.01	1,130.30

- (ii) Jay Railway Projects Private Limited did not had investment in any Company.

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NOTE 14 - OTHER NON-CURRENT ASSETS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Long-term trade receivables - Unsecured				
(i) Considered good	4,891.32		7,501.75	
(ii) Doubtful	5,569.22		5,082.82	
	10,460.54		12,584.57	
Less: Allowance for bad and doubtful debts	5,569.22		5,082.82	
		4,891.32		7,501.75
(b) Others				
(i) Export benefits receivable	2,223.66		3,427.26	
(ii) Balances with banks held as margin money or security against the borrowings, guarantees and other commitments which have a maturity period of more than 12 months from the Balance Sheet date	135.49		64.92	
(iii) Other receivables [Also Refer Note 28(i)(a)(8)]	6,933.08		5,888.90	
		9,292.23		9,381.08
		14,183.55		16,882.83

NOTE 15 - INVENTORIES (AT LOWER OF COST AND NET REALISABLE VALUE)

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Raw materials				
(i) in stock	11,633.31		12,101.70	
(ii) goods-in-transit	1,350.18		1,762.11	
		12,983.49		13,863.81
(b) Work-in-progress (Refer Note 15.1)		5,985.81		5,079.73
(c) Finished goods		4,306.26		7,104.57
(d) Stores and spares		582.38		652.77
(e) Erection tools and spares		6,101.74		8,222.99
(f) Erection materials		140.10		978.97
(g) Scrap		1,237.69		1,295.87
		31,337.47		37,198.71

15.1 Details of inventory of work-in-progress :

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Towers and structurals	1,537.86	1,969.88
Cables	4,447.95	3,109.85
	5,985.81	5,079.73

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NOTE 16 - TRADE RECEIVABLES

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment - Unsecured, considered good	30,512.28	35,256.23
(b) Other trade receivables - Unsecured, considered good	344,118.45	287,400.59
	374,630.73	322,656.82

NOTE 17 - CASH AND CASH EQUIVALENTS

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Balances with banks				
(i) In current accounts		3,658.16		3,465.08
(ii) In deposit accounts (Refer Notes 17.1 and 17.2)		142.26		360.63
(iii) In earmarked accounts				
Unpaid dividend accounts	321.80		202.31	
Balances with banks held as margin money or security against the borrowings, guarantees and other commitments (Refer Note 17.1)	966.96		968.06	
		1,288.76		1,170.37
(b) Cheques on hand		232.55		698.03
(c) Cash on hand		205.47		221.18
(d) Others - Remittances in transit		-		6,698.04
		5,527.20		12,613.33
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is		4,238.44		11,442.96

17.1 Balances with banks includes deposits amounting to ₹ **115.92 lacs** (Previous Year ₹ 153.86 lacs) and margin money or security against the borrowings, guarantees and other commitments ₹ **222.01 lacs** (Previous Year ₹ 101.01 lacs) which have an original maturity of more than 12 months.

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

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NOTE 18 - SHORT-TERM LOANS AND ADVANCES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Loans and advances to related parties - Unsecured, considered good)				
Subsidiary :				
- KEC Investment Holdings Mauritius (Refer Note 18.1)	5,493.07		4,077.95	
Joint Venture :				
- EJP KEC Joint Venture, South Africa (Refer Note 44)	17,026.01		18,767.19	
Less: Allowance for doubtful loans and advances	6,027.79		5,744.22	
	10,998.22		13,022.97	
		16,491.29		17,100.92
(b) Others - Unsecured, considered good, unless otherwise stated				
- Advances to suppliers	6,752.67		13,268.83	
Less: Allowance for doubtful advances	-		1,250.00	
	6,752.67		12,018.83	
- Employee advances	405.06		526.01	
- Cenvat / Service tax input credit receivable	4,006.84		5,423.61	
- Amount due as refund of custom duty	1,448.64		-	
- Sales tax / excise duty / entry tax paid under protest	2,638.26		1,926.76	
- Excise duty recoverable from Government authorities	2,467.26		3,349.19	
- VAT Credit / WCT Receivable	4,968.11		4,206.36	
- Tax payments less provisions	875.13		1,232.76	
- Prepaid expenses	6,327.30		5,977.92	
- Sundry deposits	1,815.14		1,922.53	
- Others	214.97		154.05	
		31,919.38		36,738.02
		48,410.67		53,838.94

18.1 Disclosure required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

(i) Loans and advances in the nature of loans given to the wholly owned subsidiary.

(₹ in Lacs)

Name of Subsidiary	Loans (interest bearing) outstanding as on March 31, 2016	Maximum amount outstanding during the year
KEC Investment Holdings Mauritius	5,493.07	5,493.07
Previous Year	4,077.95	4,077.95

(ii) KEC Investment Holdings Mauritius has no investment in the Company. It has investment of 1 Ordinary Share of USD 50 in KEC International Holdings LLC, USA, its wholly owned subsidiary. During the year, KEC Investment Holdings Mauritius has made investment in SAE Towers Holdings LLC, its wholly owned step-down subsidiary, amounting to USD 10,000,000/-

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NOTE 19 - OTHER CURRENT ASSETS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Gross amount due from customers for long term contracts	15,575.40	13,381.90
Unbilled revenue	34,249.87	39,444.86
Interest receivable on income tax refund	-	302.33
Contractually reimbursable expenses	6,924.33	4,306.52
Export benefits	2,571.95	2,516.46
Insurance claims	12.89	12.39
Interest accrued on fixed deposits	18.14	18.54
Fixed assets held for sale (Refer Note 19.1)	245.00	7,809.01
	59,597.58	67,792.01

19.1 - Details of fixed assets held for sale

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Leasehold Land	245.00	245.00
Plant and Equipment (Refer Note 46)	-	7,561.96
Furniture and Fixtures	-	1.77
Office Equipment	-	0.20
Computers	-	0.08
	245.00	7,809.01

NOTE 20 - REVENUE FROM OPERATIONS

Particulars	Current Year ₹ in Lacs ₹ in Lacs		Previous Year ₹ in Lacs ₹ in Lacs	
(a) Sale of products				
- Towers and structurals	36,619.03		34,036.13	
- Cables	100,745.54		93,805.91	
		137,364.57		127,842.04
(b) Turnkey contracts revenue				
- Transmission and distribution	449,397.01		487,730.43	
- Others	57,331.00		39,726.10	
		506,728.01		527,456.53
(c) Sale of services				
- Telecom - erection and management service	311.71		2,211.15	
- Tower testing and design revenue	7,142.40		5,518.65	
- Others	82.71		135.42	
		7,536.82		7,865.22
(d) Other operating revenue				
- Scrap sales	7,064.46		8,124.78	
- Export incentives	2,677.83		4,155.80	
- Others	4,171.73		2,715.21	
		13,914.02		14,995.79
		665,543.42		678,159.58
Less: Excise duty		19,182.01		18,950.57
		646,361.41		659,209.01

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NOTE 21 - OTHER INCOME

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
(a) Interest income		370.81		549.72
(b) Dividend income from long term investments				
- in Subsidiaries	27.06		365.45	
- in Jointly Controlled Entity	9,901.85		3,145.50	
		9,928.91		3,510.95
(c) Other non-operating income				
- Guarantee charges	135.86		118.98	
- Profit on fixed assets sold (net)	551.52		*13,495.18	
- Miscellaneous income	215.76		66.17	
		903.14		13,680.33
		11,202.86		17,741.00

*includes profit on sale of land at Thane of ₹ 13,465 lacs.

NOTE 22 - COST MATERIAL CONSUMED

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Cost of materials consumed (Refer Note 22.1)	322,487.12	354,516.78
	322,487.12	354,516.78

22.1 - Material consumed comprise :

Particulars	Current Year ₹ in Lacs		Previous Year ₹ in Lacs	
Tower and structurals		5,457.14		4,973.47
Steel		71,712.07		96,450.60
Zinc		10,426.90		14,450.60
Bolts and nuts		8,172.42		10,139.59
Copper		23,830.38		28,842.34
Conductors		40,345.86		53,982.72
Others		162,542.35		145,677.46
		322,487.12		354,516.78
	%		%	
Indigenous	77	247,725.40	78	275,364.26
Imported @	23	74,761.72	22	79,152.52
	100	322,487.12	100	354,516.78

@ Include items procured outside India for overseas projects/orders.

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NOTE 23 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SCRAP

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Opening Stock		
Finished goods	7,104.57	5,997.72
Work-in-progress	5,079.73	5,879.21
Scrap	1,295.87	1,324.12
	13,480.17	13,201.05
Less: Closing Stock		
Finished goods	4,306.26	7,104.57
Work-in-progress	5,985.81	5,079.73
Scrap	1,237.69	1,295.87
	11,529.76	13,480.17
	1,950.41	(279.12)

NOTE 24- ERECTION & SUB-CONTRACTING EXPENSES

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Erection / construction materials consumed	28,714.53	29,874.18
Stores consumed	7,481.68	7,346.28
Sub-contracting expenses	96,209.95	95,093.81
Power, fuel and water charges	2,675.32	4,114.57
Construction transport	11,584.48	13,828.54
Others	9,992.24	10,854.12
	156,658.20	161,111.50

NOTE 25 - EMPLOYEE BENEFITS EXPENSE

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Salaries and wages	36,567.12	32,519.22
Contribution to provident fund and other funds (Refer Note 33)	2,010.18	1,650.92
Staff welfare expenses	1,422.65	1,514.95
Workmen's compensation	78.03	37.48
	40,077.98	35,722.57

NOTE 26 - FINANCE COSTS

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Interest expense	22,516.95	24,793.83
Other borrowing costs	608.58	419.43
	23,125.53	25,213.26

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NOTE 27 - OTHER EXPENSES

Particulars	Current Year		Previous Year	
	₹ in Lacs	₹ in Lacs	₹ in Lacs	₹ in Lacs
Tools, non-erection stores and maintenance spares		1,417.89		1,509.48
Power and fuel		3,294.90		3,944.26
Rent		3,352.26		3,512.96
Rates and taxes, excluding taxes on income (net)		15,118.44		11,161.84
Excise duty (Refer Note 27.1)		(47.25)		331.61
Insurance		3,339.40		2,921.67
Bank (guarantee, letter of credit and other) charges		6,675.32		6,104.41
Commission		1,883.19		2,792.82
Freight and forwarding (net)		7,228.08		7,434.36
Repairs to buildings		258.78		234.68
Repairs to plant and equipment		996.09		818.54
Repairs to other fixed assets		892.20		765.67
Travelling and conveyance		5,353.51		4,980.01
Payment to statutory auditors (net of service tax input credit, where applicable)				
- as auditors (for audit, limited reviews and audit of consolidated financial statements)	156.10		153.60	
- for taxation matters	22.00		22.00	
- for other services	24.49		18.10	
- for reimbursement of expenses	2.52		1.42	
		205.11		195.12
Professional fees		5,222.51		5,376.28
Bad debts, loans and advances written off	16,323.59		5,295.52	
Less: Adjusted against allowance for bad and doubtful debts, loans and advances	2,273.45		96.34	
		14,050.14		5,199.18
Allowance for bad and doubtful debts, loans and advances (net)		1,609.98		3,429.66
Directors' fees		44.00		39.60
Loss on fixed assets discarded		385.67		-
Net (gain)/loss on foreign currency transactions and translation		1,368.21		5,755.47
Corporate Social Responsibility (Refer Note 45)		93.00		39.50
Miscellaneous expenses (Refer Note 27.3)		7,615.38		8,843.48
		80,356.81		75,390.60

27.1: Excise duty shown above includes ₹ (371.98) lacs (Previous Year ₹ 79.94 lacs) being excise duty related to the difference between the closing stock and opening stock of finished goods.

27.2: Other expenses shown above include fees of ₹ 164.54 lacs (Previous Year ₹ 154.41 lacs) paid to branch auditors and fees of ₹ 7.00 Lacs (Previous Year ₹ 9.00 Lacs) paid to the cost auditors.

27.3: Miscellaneous expenses shown above includes ₹ Nil (Previous Year ₹ 133.00 lacs) being contribution made for political party through an Electoral Trust.

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

(i) Contingent Liabilities

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

Sr. No.	Particulars	Relating to various years comprise in the period	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Sales Tax /Value Added Tax* (Tax/Penalty/Interest)	1994-2014	9,929.41	
		1993-2013		9,093.46
2	Excise Duty * (Tax/Penalty/Interest)	1994-2016	5,234.92	
		1994-2014		3,992.58
3	Service Tax * (Tax/Penalty/ Interest)	2003-2013	28,684.71	
		1998-2013		16,822.00
4	Entry Tax* (Tax/Penalty/Interest)	2001-2016	1,252.99	
		2001-2015		2,158.28
5	(i) Income Tax matters mainly on account of disallowance of depreciation / tax levied on guarantees given to Associated Enterprises, etc.	A.Y 2007-08 A.Y 2011-12 A.Y 2012-13 A.Y 2006-07	1,918.46	2,416.10
	(ii) Income Tax matters at overseas unit/s	2002-2008 2002-2013	3,136.61	5,903.96
6	Customs Duty	1995-1996 1995-1996	60.14	60.14
7	Civil Suits	1993-2004 1993-2004	67.02	67.02
8	Claims including amounts withheld by the Customers of the Company		19,657.71	20,827.09
9	Demands of employees/subcontractors		Amount not determinable	

*These claims mainly relate to the issues of applicability, issue of disallowance of cervat / VAT credit and in case of Sales Tax / Value Added Tax, also relate to the issue of submission of relevant forms and the Company's claim of exemption for MVAT on export sales and services.

(b) Guarantees :

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	(i) Guarantees given by the Company/ bankers of the Company on behalf of the subsidiary companies / a joint venture for credit facilities extended/ loans given by the banks, etc. ₹ 251,746.08 lacs (Previous Year ₹ 180,510.32 lacs).		
	(ii) Amount outstanding in respect of (i) above as at year end.	89,395.20	51,450.82
2	Performance guarantee provided by the bank to the customer of the wholly owned subsidiary company by utilising the Company's credit facilities with the bank.	-	229.30

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(c) Other money for which the Company is contingently liable:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Bills discounted / Purchased/ Financing by the banks	20,146.78	10,966.56
2	Contingent liability of Income tax taken over by the Company in terms of the Composite Scheme of Arrangement under which the Power Transmission Business was acquired by the Company	188.01	596.25

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

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

(ii) Commitments

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of capital advances.)	892.83	1,246.42
2	Other Commitments:		
i)	Amount of future minimum lease payments under non-cancellable operating leases [Refer Note 36 (3) below]	-	259.65
ii)	Derivative related commitments	Refer Note 29 (a) and (b) below	

NOTE 29 - THE DERIVATIVE INSTRUMENTS, WHICH ARE NOT INTENDED FOR TRADING OR SPECULATIVE PURPOSE, OUTSTANDING AS AT MARCH 31, 2016 ARE AS FOLLOWS:

(a) Forward Exchange Contracts:

Currency	Buy/ Sell	Cross Currency	Foreign Currency (in Lacs)	
			As at March 31, 2016	As at March 31, 2015
USD	Buy	INR	-	136.76
EUR	Buy	USD	15.13	123.85
USD	Sell	INR	102.08	-
JPY	Sell	USD	785.33	-

(b) Hedging Commodity related risks:

Commodity	Buy/ Sell	Quantity in MT	
		As at March 31, 2016	As at March 31, 2015
Copper	Buy	1,450	2,825
Aluminum	Buy	6,635	2,725
Zinc	Buy	375	-

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

Receivables:

Currency	As at March 31, 2016		As at March 31, 2015	
	FC in Lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
AED	56.14	1,012.60	-	-
AFA	16.54	15.97	3.08	3.35
AUD	0.50	25.49	3.32	157.71
BDT	-	-	772.47	620.53
CAD	123.60	6,327.36	118.92	5,818.59
CDF	17,874.25	1,256.56	24,115.03	1,663.94
DZD	1,160.21	708.66	993.02	637.02
EGP	79.37	592.17	146.52	1,208.27
ETB	88.60	270.93	293.04	907.00
EUR	28.21	2,128.72	129.78	8,714.26
GEL	-	-	4.20	118.03
GHC	5.94	102.22	27.21	446.40
IDR	182,502.98	912.51	159,207.30	764.20
JPY	-	-	1,214.14	632.69
KES	-	-	4,109.87	2,784.44
KWD	1.34	293.98	6.23	1,294.80
KZT	1,244.73	238.99	588.10	197.84
LAK	68,187.80	552.32	16,091.47	123.90
SLR	249.16	112.47	367.67	172.84
MYR	25.44	431.23	67.02	1,131.43
NGN	10,074.79	3,345.84	17,199.74	5,400.72
NPR	375.56	234.72	482.38	304.19
OMR	16.23	2,792.98	-	-
PHP	257.51	371.56	367.87	514.90
SR	694.29	12,259.78	283.41	4,722.00
SYP	0.24	0.07	0.24	0.07
TZS	169,065.30	5,105.77	-	-
UGX	-	-	2,452.44	51.50
ZAR	2,588.41	11,642.94	2,587.32	13,246.02
ZMW	76.54	458.91	-	-

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Payables@:

Currency	As at March 31, 2016		As at March 31, 2015	
	FC in Lacs	₹ in Lacs	FC in Lacs	₹ in Lacs
AED	-	-	103.26	1,757.08
BDT	97.81	82.57	-	-
BTN	1,029.53	1,029.53	105.67	105.67
CHF	2.93	202.45	6.18	396.96
GEL	40.64	1,163.13	-	-
JPY	94.75	55.88	-	-
KES	614.41	400.84	-	-
LBP	7,705.72	338.28	7,467.47	308.41
LYD	8.37	402.69	6.04	273.63
NAD	-	-	2.63	13.46
OMR	-	-	3.17	513.82
TND	68.01	2,233.62	114.94	3,671.28
TZS	-	-	94,977.15	3,314.70
UGX	143,725.93	2,874.52	-	-
USD	1,031.53	68,338.66	734.19	45,883.57
CAF	1,010.27	112.75	9,756.37	998.08
ZMW	-	-	299.09	2,462.85

@ excludes term loan taken in foreign currency ₹ Nil (Previous Year ₹ 2,798.50 lacs) which was swapped with Rupee Currency fixed interest rate loan.

NOTE 30 - VALUE OF IMPORTS CALCULATED ON C.I.F. BASIS:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Raw Materials and components	52,627.82	29,912.08
Spares parts / Erection tools and spares	109.30	155.82
Purchase of capital goods	661.90	431.09

NOTE 31 - EARNINGS IN FOREIGN EXCHANGE AND EXPENDITURE IN FOREIGN CURRENCY:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
A.	Earnings :		
	Export of goods calculated on F.O.B. basis	125,354.58	1,16,082.44
	Freight recovered on sales	2,813.38	1,628.45
	Tower testing charges and design charges	6,898.10	4,572.19
	Sales & Services : overseas projects	93,059.06	1,26,877.37
	Interest income	203.48	40.40
	Dividend income from wholly owned subsidiaries/ jointly controlled entity	9,928.90	3,510.95
	Share of Profit from Joint Venture	4,123.46	2,618.18
	Guarantee Charges received from a wholly owned subsidiary/joint venture	135.86	118.98
	Others (Insurance claims, etc.)	37.47	116.27

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Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
B.	Expenditure :		
	Expenses of overseas projects (including foreign taxes)	117,821.22	1,37,069.56
	Freight	1,766.04	285.59
	Commission	296.00	1,020.89
	Interest paid to Indian Financial Institution's/Banks	1,565.17	1,304.05
	Professional fees	862.93	269.11
	Bank guarantee charges and other charges paid to Indian banks	377.56	383.94
	Charges in respect of letter of credit issued by banks to foreign customers	208.80	105.42
	Bank guarantee charges and other charges paid to foreign banks	146.90	60.78
	Others (travelling, taxes etc.)	573.65	392.85
	Loss on Foreign Exchange (net)	1,368.21	5,755.47

NOTE 32 - DISCLOSURE UNDER ACCOUNTING STANDARD - 7 "CONSTRUCTION CONTRACTS":

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
(a)	(i) Contract Revenue (net of excise) recognised during the year	496,371.79	516,723.40
	(ii) Method used to determine the contract revenue recognised and the stage of completion of contracts in progress	Refer Note 1(C) (ii) above	Refer Note 1(C) (ii) above
(b)	Disclosure in respect of contracts in progress as at the year end		
	(i) Aggregate amount of costs incurred and recognised profits (less recognised losses)	1,900,394.83	1,564,834.92
	* (ii) Advances received	13,319.42	7,275.32
	* (iii) Retentions receivable	84,776.64	97,894.73
	(iv) Gross amount due from customers (including unbilled revenue)	49,825.27	52,826.76
	(v) Gross amount due to customers	41,052.19	22,694.59

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

NOTE 33 - DETAILS OF EMPLOYEE BENEFITS AS REQUIRED BY ACCOUNTING STANDARD-15 "EMPLOYEE BENEFITS" ARE AS FOLLOWS:

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
1	Defined contribution plans		
	The Company has recognised the following amounts in the Statement of Profit and Loss:		
	- Contribution to Provident Fund and Family Pension Fund	838.92	808.86
	- Contribution to Superannuation Fund	107.02	144.63
	The above amount is included in 'Contribution to provident and other funds' under 'Employee benefits expense' in Note 25.		

2 Defined Benefit Plan (Funded)

a. A general description of the Employee Benefit Plan:

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

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

Sr. No.	Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I	Components of employer expense		
1	Current service cost	358.08	284.82
2	Interest cost	195.23	205.32
3	Expected return on Plan Assets	(252.90)	(242.11)
4	Actuarial Losses / (Gains)	358.55	107.72
5	Total expense recognised in the Statement of Profit and Loss (included in 'Contribution to provident and other funds' under 'Employee benefits expense' in Note 25)	658.96	355.75
II	Actual Contribution and Benefits Payments for the year		
1	Actual Benefits Payments	(506.20)	(410.26)
2	Actual Contributions	411.22	283.71
III	Net asset/(liability) recognised in the Balance Sheet		
1	Present Value of Defined Benefit Obligation	3,005.79	2,659.11
2	Fair Value of Plan Assets	2,836.86	2,737.92
3	Funded Status [Surplus/(Deficit)]	(168.93)	78.81
4	Net asset/(liability) recognised in the Balance Sheet	(168.93)	78.81
IV	Change in Defined Benefit Obligation during the year		
1	Present Value of Defined Benefit Obligation as at the beginning of the year	2,659.11	2,476.35
2	Current Service Cost	358.08	284.82
3	Interest Cost	195.23	205.32
4	Actuarial Losses/ (Gains)	299.57	102.88
5	Benefits paid	(506.20)	(410.26)
6	Present Value of Defined Benefit Obligations as at the end of the year	3,005.79	2,659.11
V	Change in Fair Value of Plan Assets during the year		
1	Plan Assets as at the beginning of the year	2,737.92	2,627.20
2	Expected return on Plan Assets	252.90	242.11
3	Actuarial Gains/ (Losses)	(58.98)	(4.84)
4	Actual Company Contributions	411.22	283.71
5	Benefits paid	(506.20)	(410.26)
6	Plan Assets as at the end of the year	2,836.86	2,737.92
VI	Actuarial Assumptions		
1	Discount Rate	7.80%	7.80%
2	Expected Return on plan assets	8.35%	9.40%
3	Salary escalation Rate	8.00%	6.00%
VII	The expected rate of return on the plan assets is based on the average long term rate of return expected on investments of the Fund during the estimated term of the obligations. The actual return on plan assets is ₹ 193.92 lacs (Previous Year ₹ 237.27 lacs)		
VIII	The assumption of the future salary increases, considered in actuarial valuation, takes into account the inflation, seniority, promotion and other relevant factors.		
IX	The major categories of Plan Assets as a percentage of the total plan assets		
	Insurer Managed Funds	100%	100%

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

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(₹ In Lacs)

X	Experience Adjustments	2015-16	2014-15	2013-14	2012-13	2011-12
1	Present Value of Defined Benefit Obligation as at the end of the year	3,005.79	2,659.11	2,476.35	2,797.55	2,566.78
2	Fair Value of Plan Assets as at the end of the year	2,836.86	2,737.92	2,627.20	2,560.46	2,319.34
3	Funded Status [Surplus/(Deficit)]	(168.93)	78.81	150.85	(237.09)	(247.44)
4	Experience adjustment on Plan Liabilities	(121.49)	139.47	285.95	(21.06)	(443.30)
5	Experience adjustment on Plan Assets	58.98	4.84	22.01	(15.20)	-

XI Contribution expected to be paid to the Plan during the year ending March 31, 2017 – ₹ 452.47 lacs.

NOTE 34 - The Company is primarily engaged in Engineering, Procurement and Construction business (EPC) relating to products, projects and systems for power transmission, distribution and related activities. Further, the Company's business is managed across multiple geographies on a worldwide basis and the same is monitored on individual project basis. Accordingly, there is no other separate reportable segment as defined by Accounting Standard (AS) 17 "Segment Reporting". However, in the Consolidated Financial Statements, for the purpose of geographical segments, the consolidated revenue from operations are broadly divided into two segments- India and Outside India and disclosed accordingly.

NOTE 35 - RELATED PARTY DISCLOSURES

(a) Name and nature of relationship of the party where Control exists:

Subsidiaries:

- (i) RPG Transmission Nigeria Limited, Nigeria
- (ii) KEC Global FZ – LLC, Ras UL Khaimah
- (iii) KEC Investment Holdings, Mauritius
- (iv) KEC Global Mauritius, Mauritius
- (v) Jay Railway Projects Private Limited
(Amalgamated with the Company w.e.f. April 01, 2014 - Refer Note 42)
- (vi) KEC Power India Private Limited
- (vii) KEC International Holdings LLC, USA
- (viii) KEC Brazil LLC, USA
- (ix) KEC Mexico LLC, USA
- (x) KEC Transmission LLC, USA
- (xi) KEC US LLC, USA

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- (xii) SAE Towers Holdings LLC, USA
- (xiii) SAE Towers Brazil Subsidiary Company LLC, USA
- (xiv) SAE Towers Mexico Subsidiary Holding Company LLC, USA
- (xv) SAE Towers Mexico S de RL de CV, Mexico
- (xvi) SAE Towers Brazil Torres de Transmission Ltda, Brazil
- (xvii) SAE Prestadora de Servicios Mexico, S de RL de CV, Mexico
- (xviii) SAE Towers Ltd, USA
- (xix) SAE Towers Panama Holdings LLC, USA (Liquidated on August 06, 2015)
- (xx) SAE Towers Panama S de RL, Panama (Liquidated on July 01, 2015)
- (xxi) SAE Engenharia E Constucao Ltda, Brazil
- (xxii) SAE Engineering & Construction Services, S de RL de CV, Mexico
- (xxiii) KEC International (Malaysia) SDN BHD, Malaysia
- (xxiv) KEC Bikaner Sikar Transmission Private Limited (Incorporated on September 03, 2015)

Associate:

RP Goenka Group of Companies Employees Welfare Association

Key Management Personnel

- (i) Mr. Vimal Kejriwal – Managing Director & CEO
- (ii) Mr. R. D. Chandak - Managing Director (Up to April 01,2015)

(b) Parties with whom transactions have taken place:

Subsidiaries:

- (i) RPG Transmission Nigeria Limited, Nigeria
- (ii) KEC Global FZ – LLC, Ras UL Khaimah
- (iii) KEC Investment Holdings, Mauritius
- (iv) KEC Power India Private Limited
- (v) KEC Transmission LLC, USA
- (vi) KEC US LLC, USA
- (vii) SAE Towers Mexico S de RL de CV, Mexico
- (viii) SAE Towers Ltd, USA
- (ix) KEC Global Mauritius, Mauritius
- (x) KEC Bikaner Sikar Transmission Private Limited

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Joint Ventures:

- (i) Al-Sharif Group and KEC Ltd. Company, Saudi Arabia
- (ii) EJP KEC Joint Venture, South Africa
- (iii) KEC – ASSB JV, Malaysia
- (iv) KEC – ASIAKOM – UB JV
- (v) KEC – ASIAKOM JV
- (vi) KEC – DELCO – VARAHA JV
- (vii) KEC – VARAHA – KHAZANA JV
- (viii) KEC – VALECHA – DELCO JV
- (ix) KEC – SIDHARTH JV
- (x) KEC – TRIVENI – KPIPL JV
- (xi) KEC – UNIVERSAL JV
- (xii) KEC – DELCO – DUSTAN JV
- (xiii) KEC – ANPR – KPIPL JV
- (xiv) KEC – PLR – KPIPL JV
- (xv) KEC – BJCL JV
- (xvi) KEC – KIEL JV
- (xvii) KEC-ABEPL JV
- (xviii) KEC-TNR INFRA JV
- (xix) KEC-SMC JV
- (xx) KEC-WATERLEAU JV
- (xxi) KEC - SIL JV (Formed on May 19, 2015)

Associate:

RP Goenka Group of Companies Employees Welfare Association

Key Management Personnel:

- (i) Mr. Vimal Kejriwal – Managing Director & CEO
- (ii) Mr. R. D. Chandak - Managing Director (Up to April 01,2015)

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(c) Transactions with the Related Parties

(₹ in Lacs)

Transactions	Current Year					Previous Year				
	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Total	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Total
Sale of Products	-	28,162.42	-	-	28,162.42	-	23,477.49	-	-	23,477.49
Sale under Turnkey Contracts	-	17,845.54	-	-	17,845.54	349.86	18,036.40	-	-	18,386.26
Freight and Service tax recovery	36.89	2,783.53	-	-	2,820.42	-	1,290.07	-	-	1,290.07
Services rendered	308.53	2,067.15	-	-	2,375.68	55.47	2,000.82	-	-	2,056.29
Services received	133.83	-	-	-	133.83	-	-	-	-	-
Dividend Income	27.06	9,901.85	-	-	9,928.91	365.45	3,145.50	-	-	3,510.95
Guarantees charges recovered	-	135.86	-	-	135.86	-	118.98	-	-	118.98
Purchase of goods	-	-	-	-	-	1,485.40	-	-	-	1,485.40
Interest on loan	188.16	-	-	-	188.16	31.65	-	-	-	31.65
Remuneration	-	-	-	433.81	433.81	-	-	-	395.63	395.63
Sale of Fixed Assets	-	625.71	-	-	625.71	-	339.62	-	-	339.62
Purchase of Fixed Assets	-	0.69	-	-	0.69	-	460.54	-	-	460.54
Allowances for Bad and Doubtful Debts, Loans and Advances	283.57	-	-	-	283.57	-	1,226.93	-	-	1,226.93
Payments made/expenses incurred on behalf of related party	98.24	1,679.15	-	-	1,777.39	123.57	1,344.60	-	-	1,468.17
Amount recovered / recoverable towards non-fund based credit limit of the company utilised by the related party	-	27,082.39	-	-	27,082.39	-	26,910.74	-	-	26,910.74
Credit facilities of the Company utilised by the related party (net)	-	7,886.12	-	-	7,886.12	-	-	-	-	-
Expenses incurred by Related Party	-	17.85	-	-	17.85	-	48.41	-	-	48.41
Expenses recovered	-	-	-	-	-	10.00	-	-	-	10.00
Advance / Loan given	4,364.90	-	-	-	4,364.90	4,623.20	3,796.04	-	-	8,419.24
Advance / Loan recovered	3,223.55	140.50	-	-	3,364.05	881.94	-	-	-	881.94
Guarantees given/renewed on behalf of related party	27,501.25	114,437.76	-	-	141,939.01	50,183.48	78,711.90	-	-	128,895.38
Advance received towards project execution	1,995.00	-	-	-	1,995.00	-	2,709.04	-	-	2,709.04
Investment made	9,076.83	-	-	-	9,076.83	18.55	-	-	-	18.55
Dividend paid	-	-	22.32	-	22.32	-	-	7.05	-	7.05

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(d) Balances outstanding as at the year end

(₹ in Lacs)

	Current Year					Previous Year				
	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Total	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Total
Receivable	5,493.07	*48,323.08	-	-	*53,816.15	5,494.10	*39,621.62	-	-	*45,115.72
Payable	2,293.49	-	-	-	2,293.49	247.76	1,279.75	-	-	1,527.51
Investment	9,632.85	-	0.49	-	9,633.34	656.02	-	0.49	-	656.51
Guarantees given on behalf of the related parties	80,700.00	171,046.08	-	-	251,746.08	50,445.92	130,064.40	-	-	180,510.31

* Net of provision for doubtful debts, loans and advances of ₹ 9,710.50 lacs (Previous Year ₹ 9,426.93 lacs)

Except as disclosed above no other amount has been written off /provided for or written back in respect of amounts receivable from or payable to the related parties

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

(₹ in Lacs)

Transactions	Current Year				Previous Year			
	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Subsidiaries	Joint Ventures	Associates	Key Management Personnel
Sale of Products								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	28,162.42	-	-	-	23,477.49	-	-
Sale under Turnkey Contracts								
KEC - KIEL JV	-	2,881.45	-	-	-	6,290.35	-	-
KEC-Delco-Varaha JV	-	(2,738.59)	-	-	-	425.92	-	-
KEC - ABEPL JV	-	5,743.83	-	-	-	1,059.92	-	-
KEC - SIL JV	-	3,356.77	-	-	-	-	-	-
KEC-TNR INFRA JV	-	2,213.38	-	-	-	5,843.23	-	-
KEC - SMC JV	-	3,072.78	-	-	-	1,379.37	-	-
KEC - WATERLEAU JV	-	3,274.74	-	-	-	504.67	-	-
Jay Railway Projects Private Limited	-	-	-	-	349.86	-	-	-
Freight and Service tax recovered on sales	-	-	-	-	-	-	-	-
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	2,783.53	-	-	-	1,290.07	-	-
Services rendered								
SAE Towers Mexico S de RL de CV, Mexico	308.53	-	-	-	55.47	-	-	-
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	2,067.15	-	-	-	2,000.82	-	-
Services received								
SAE Towers Mexico S de RL de CV, Mexico	133.83	-	-	-	-	-	-	-
Dividend Income								
KEC Global FZ-LLC, Ras UL Khaimah	27.06	-	-	-	365.45	-	-	-
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	9,901.85	-	-	-	3,145.50	-	-

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(₹ in Lacs)

Transactions	Current Year				Previous Year			
	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Subsidiaries	Joint Ventures	Associates	Key Management Personnel
Guarantees charges recovered								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	135.86	-	-	-	118.98	-	-
Purchase of goods								
SAE Towers Mexico S de RL de CV, Mexico	-	-	-	-	1,485.40	-	-	-
Interest on loan								
KEC Investment Holdings, Mauritius	188.16	-	-	-	31.65	-	-	-
Remuneration								
Mr.R.D. Chandak - Managing Director	-	-	-	@85.45	-	-	-	#340.50
Mr.Vimal Kejriwal - Managing Director & CEO	-	-	-	#348.36	-	-	-	#55.13
Sale of Fixed Assets								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	625.71	-	-	-	339.62	-	-
Purchase of Fixed Assets								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	0.69	-	-	-	460.54	-	-
Allowances for Bad and Doubtful Debts, Loans and Advances								
EJP KEC Joint Venture, South Africa	283.57	-	-	-	-	1,226.93	-	-
Payments made/expenses incurred on behalf of related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	1,338.41	-	-	-	913.49	-	-
Jay Railway Projects Private Limited	-	-	-	-	78.51	-	-	-
EJP KEC Joint Venture, South Africa	-	340.74	-	-	-	431.11	-	-
Amount recovered /recoverable towards non-fund based credit limit of the company utilised by the related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	27,082.39	-	-	-	26,910.74	-	-
Credit facilities of the Company utilised by the related party (net)								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	7,886.12	-	-	-	-	-	-
Expenses incurred by Related Party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	17.85	-	-	-	48.41	-	-
Expenses recovered								
Jay Railway Projects Private Limited	-	-	-	-	10.00	-	-	-
Advance / Loan given								
KEC Investment Holdings, Mauritius	4,364.90	-	-	-	4,623.20	-	-	-
EJP KEC Joint Venture, South Africa	-	-	-	-	-	3,483.35	-	-
Advance / Loan recovered								
KEC Investment Holdings, Mauritius	3,223.55	-	-	-	614.65	-	-	-
Jay Railway Projects Private Limited	-	-	-	-	267.29	-	-	-

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(₹ in Lacs)

Transactions	Current Year				Previous Year			
	Subsidiaries	Joint Ventures	Associates	Key Management Personnel	Subsidiaries	Joint Ventures	Associates	Key Management Personnel
Guarantees given/renewed on behalf of related party								
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	114,437.76	-	-	-	78,711.90	-	-
KEC Bikaner Sikar Transmission Private Limited	17,100.00	-	-	-	-	-	-	-
KEC Transmission LLC	-	-	-	-	30,110.09	-	-	-
KEC US LLSC	-	-	-	-	20,073.39	-	-	-
Advance received towards project execution								
KEC Bikaner Sikar Transmission Private Limited	1,995.00	-	-	-	-	-	-	-
Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	-	-	-	-	-	532.08	-	-
KEC - ABEPL JV	-	-	-	-	-	1,093.82	-	-
KEC - WATERLEAU JV	-	-	-	-	-	1,083.14	-	-
Investment made								
KEC Bikaner Sikar Transmission Private Limited	2,400.00	-	-	-	-	-	-	-
KEC Investment Holdings, Mauritius	6,650.38	-	-	-	-	-	-	-
Dividend paid								
R.P. Goenka Group of Companies Welfare Association	-	-	22.32	-	-	-	7.05	-

@ excludes gratuity paid of ₹ 175.06 Lacs

excludes provision for gratuity and compensated absences, which is determined on the basis of actuarial valuation done on overall basis for the Company

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NOTE 36 - DISCLOSURE FOR OPERATING LEASES UNDER ACCOUNTING STANDARD 19 – “LEASES”

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Disclosure in respect of the agreements entered into for taking on leave and license/under operating leases the residential/office premises and warehouses, including furniture and fittings therein and machinery, etc. is given below:		
1 Lease payments recognised in the Statement of Profit and Loss for the year [includes minimum lease payment ₹ 259.65 lacs (Previous Year ₹ 494.33 lacs)]	3,242.66	3,444.39
2 (i) Under some of the agreements, refundable interest free deposits have been given.		
(ii) Some of the agreements provide for increase in rent.		
(iii) Some of the agreements provide for early termination by either party with a specified notice period.		
(iv) Some of the agreements contain a provision for its renewal.		
3 Future minimum lease payments under the agreements, which are non-cancellable are as follows:		
(i) Not later than one year	-	259.65
(ii) Later than one year and not later than five years	-	-
(iii) Later than five year	-	-

NOTE 37 - Basic / diluted earnings per share has been calculated by dividing the profit for the year after tax of ₹ 15,800.96 lacs (Previous Year ₹ 11,073.50 lacs), by 25,70,88,370 (Previous Year 25,70,88,370) being the weighted average number of equity shares (having face value of ₹2/- each) outstanding during the year.

NOTE 38 - THE COMPONENTS OF DEFERRED TAX LIABILITIES (NET) ARE AS UNDER:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Deferred Tax Liabilities		
Depreciation	10,631.39	10,619.11
Others	73.82	-
(A)	10,705.21	10,619.11
Deferred Tax Assets		
Provision for doubtful debts, loans and advances	1,939.35	2,204.95
Amalgamation expenses	67.78	66.57
VRS Expenditure u/s 35 DDA	252.41	378.96
Expenses debited to the Statement of Profit and Loss allowable in subsequent year/s u/s 43B / 40(a) of the Income Tax Act, 1961.	1,136.80	872.28
Others	692.16	60.20
(B)	4088.50	3,582.96
Deferred Tax Liabilities (net)	(A-B) 6,616.71	7,036.15

NOTE 39 - RESEARCH AND DEVELOPMENT EXPENSES:

Particulars	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
Revenue expenses charged to the Statement of Profit and Loss (including depreciation on fixed assets)	1,662.75	1,582.97
Expenditure capitalised during the year	-	487.04

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NOTE 40 - DISCLOSURE IN RESPECT OF JOINT VENTURES UNDER ACCOUNTING STANDARD 27 - "FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURES":

Sr. No.	Particulars	Ownership Interest	
		Current Year	Previous Year
a)	Jointly Controlled Entities		
i.	Al-Sharif Group and KEC Ltd. Company, Saudi Arabia	49.00%	49.00%
ii.	EJP KEC Joint Venture, South Africa	50.00%	50.00%
iii.	KEC - ASSB JV, Malaysia	67.00%	67.00%
iv.	KEC - ASIACOM - UB JV	60.00%	60.00%
v.	KEC - ASIACOM JV	51.00%	51.00%
vi.	KEC - JEI JV	-	60.00%
vii.	KEC - DELCO - VARAHA JV	80.00%	80.00%
viii.	KEC - VARAHA - KHAZANA JV	80.00%	80.00%
ix.	KEC - VALECHA - DELCO JV	51.00%	51.00%
x.	KEC - SIDHARTH JV	80.00%	80.00%
xi.	KEC - TRIVENI - KPIPL JV	55.00%	55.00%
xii.	KEC - UNIVERSAL JV	80.00%	80.00%
xiii.	KEC - DELCO - DUSTAN JV	51.00%	51.00%
xiv.	KEC - ANPR - KPIPL JV	60.00%	60.00%
xv.	KEC - PLR - KPIPL JV	55.00%	55.00%
xvi.	KEC - KIEL JV	90.00%	90.00%
xvii.	KEC - ABEPL JV	90.00%	90.00%
xviii.	KEC-SIL JV (Formed on May 19, 2015)	83.72%	NA
xix.	KEC - BJCL JV	51.00%	51.00%
xx.	KEC - TNR Infra JV	51.00%	51.00%
xxi.	KEC - SMC JV	51.00%	51.00%
xxii.	KEC - WATERLEAU JV	51.00%	51.00%
b)	Aggregate amount of assets, liabilities, income and expenditure related to the Company's interests in jointly controlled entities in terms of the substance and economic reality of the arrangement entered into with the other venturer/s:	Current Year ₹ in Lacs	Previous Year ₹ in Lacs
I	Liabilities*		
	(a) Non-current Liabilities		
	- Tax provisions less payments	38.79	25.98
	- Long term maturities of finance lease obligation	299.03	203.58
	(b) Current Liabilities		
	- Short-term borrowings	18,542.17	10,150.85
	- Trade payables (Including Acceptances)	45,969.72	44,668.52
	- Other current liabilities	25,543.67	19,556.24
	- Tax provisions less payments	-	13.89
	Total Liabilities	90,393.38	74,619.06
II	Assets*		
	(a) Non-current Assets		
	- Fixed assets		
	Tangible assets	2,077.95	1,009.18
	- Long-term loans and advances	2,308.75	1,513.44

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Sr. No.	Particulars	Current Year	Previous Year
	(b) Current Assets		
	- Inventories	897.86	400.22
	- Trade receivables	71,707.67	52,349.36
	- Cash and cash equivalents	1,398.42	3,713.79
	- Short-term loans and advances	4,166.94	5,439.88
	- Other current assets	22,646.97	17,438.71
	Total Assets	105,204.56	81,864.58
III	Income*	165,052.02	1,43,979.19
IV	Expenditure*		
	Cost of materials consumed	63,114.31	70,733.63
	Erection & sub-contracting expenses	67,603.71	43,895.51
	Employee benefits expense	5,207.10	3,976.20
	Other expenditure	6,213.68	3,624.19
	Depreciation	481.56	193.37
	Finance costs	668.88	184.20
	Tax expense	2,962.91	2,490.39
V	Company's share of Contingent Liability	10,835.75	3,280.68
VI	Company's share of Capital Commitment	14.84	-

* Excludes Assets, Liabilities, Income and Expenditure disclosed in Note 40 (c) below

- c) In respect of contracts as referred to in Note 1(C) (iii), the Company has recognised revenue from operations ₹ **64.18 lacs** (Previous Year ₹ (63.19) lacs), total expenditure ₹ **357.90 lacs** (Previous Year 713.35 lacs), total assets aggregating ₹ 7,331.97 lacs (Previous Year ₹ 5,642.40 lacs) and total liabilities aggregating ₹ **7606.77 lacs** (Previous Year ₹ 6,427.76 lacs).

NOTE 41 - Based on the details regarding the status of the supplier obtained by the Company, there is no supplier covered under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act). This has been relied upon by the auditors.

NOTE 42 - SCHEME OF AMALGAMATION:

1. A Scheme of Amalgamation (the Scheme) between Jay Railway Projects Private Limited (Jay Railway) (engaged in EPC business relating to railways signaling automation systems and technology) and the Company and their respective shareholders under Section 391 to 394 of the Companies Act, 1956 was sanctioned by the Hon'ble High Court of Judicature at Bombay on December 30, 2015. The Scheme, which has become operative from December 30, 2015 upon filing of the certified copy of the Order of the Hon'ble High Court of Judicature at Bombay with the Registrar of Company in the Maharashtra, is effective from April 01, 2014 (The Appointed date).
2. Pursuant to the Scheme, with effect from the appointed date Jay Railway (Transferor Company) is amalgamated in the Company, as a going concern, with all its assets, liabilities, properties, rights, benefits and interest therein.
3. Upon the Scheme being effective, the shares held by the Company and its nominees in the Transferor Company have been cancelled and extinguished and no share was issued by the Company in consideration for the Scheme of Amalgamation. Further intercompany loans and balances between the Transferor Company and the Company have been cancelled.

The Company recorded all the assets and liabilities of Jay Railway and transferred to and vested in the Company at their respective book values. Further, the debit balance in Statement of Profit and Loss of the Transferor Company as on the appointed date i.e. April 01, 2014 of ₹ 90.63 lacs and for the financial year 2014-15 of ₹ 22.98 lacs has been adjusted against the Surplus in Statement of Profit and Loss of the Company.

4. The amalgamation being "Amalgamation in the nature of merger" has been accounted for under the pooling of interest method as prescribed in the Accounting Standard (AS-14) - "Accounting for Amalgamations".

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NOTE 43 - The execution of the construction works under contracts of the Company with General Electric Company Libya (a Government of Libya undertaking) is disrupted since February, 2011 due to civil/political unrest in that country. The net assets [including fixed assets, trade receivables etc.] as at March 31, 2016 of the Company relating to these contracts aggregate **₹ 3,134.86 lacs** (Previous Year ₹ 5,125.96 lacs) The Company has been receiving time extension from the client, from time to time, for completion of the contracts. The Company is confident of completing these projects.

NOTE 44 - In terms of the agreement entered into, in an earlier year, by the Company with the joint venture partner, the Company has funded EJP KEC Joint Venture, South Africa (JV) (including for the other venturer's share) for smooth execution of the transmission line project at South Africa referred to in the said agreement, which was ultimately completed by the JV in April, 2014.

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

During the previous year, the JV lodged various claims (viz. compensation and damages claims) on the client to recover additional costs incurred/ damages suffered by the JV during the execution of the project. During the year, the adjudication proceedings have commenced. Based on the claim expert/ legal advice received, the Company is confident that the JV will ultimately succeed in getting these claims from the client and thereby the Company will realise its dues from the JV. Accordingly, amount recoverable (net of provision) from the JV aggregating **₹ 10,998.22 lacs** (Previous Year ₹ 13,022.97 lacs) as appearing under 'Short-term loans and advances' - Note 18, has been considered good and recoverable by the management.

NOTE 45 - The Corporate Social Responsibility (CSR) obligation for the year as computed by the Company and relied upon by the auditors is **₹ Nil** (Previous Year ₹ Nil). CSR amount spent during the year is **₹ 93.00 Lacs** (Previous Year ₹ 39.50 Lacs).

NOTE 46 - The transaction for sale of telecom tower assets at 381 sites in the states of Chhattisgarh, Meghalaya and Mizoram to ATC Telecom Tower Corporation Private Limited has been completed at a total consideration of ₹ 8,230 Lacs on July 22, 2015. Profit on sale of these assets (net of related expenses) of ₹ 536.06 lacs is included under "Other Income" Note 21.

NOTE 47 - During the previous year, pursuant to the notification of Schedule II to the Companies Act, 2013 (the Act) with effect from April 1, 2014, the Company revised the estimated useful life of its assets as mentioned in Note 1(F)(i). Pursuant to the transition provisions prescribed in Schedule II to the Act, the Company had fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and adjusted an amount of ₹ 199.01 lacs (net of deferred tax of ₹ 102.48 lacs) against the opening Surplus balance in the Statement of Profit and Loss as at March 31, 2014 under Reserves and Surplus. The depreciation expense in the Statement of Profit and Loss for the previous year was higher by ₹ 395.51 lacs consequent to the change in the useful life of the assets.

NOTE 48 - Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Signatures to Notes 1 to 48 which form an integral part of the Financial Statements.

For and on behalf of the Board of Directors

H.V.GOENKA

Chairman
DIN - 00026726

VIMAL KEJRIWAL

Managing Director & CEO
DIN - 00026981

A.T.VASWANI

Director
DIN - 00057953

RAJEEV AGGARWAL
Chief Financial Officer

CH.V.JAGANNADHA RAO
Company Secretary

Place : Mumbai
Date : May 06, 2016



115 kV GIS Substation Project in Saudi Arabia



Railway Overhead Electrification Work at Daund Station of Pune-Daund Section, Maharashtra



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