

KONSTELEC  
ENGINEERS  
LIMITED

ANNUAL  
REPORT  
2023-24

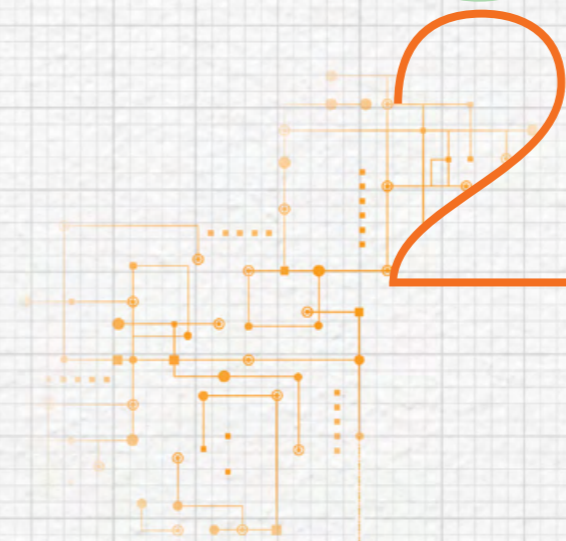


KEPL



# Powering Progress

# Year 2024...



Witnessing the emergence of the Fourth Industrial Revolution, or 4IR, characterised by a fusion of the physical, digital and biological worlds, is set to fundamentally alter the way we live, work and relate to one another.



A blend of manufacturing with smart technologies, cyber-physical systems or intelligent computers, AI and IoT seamlessly creating interconnected, intelligent factories.



## CORPORATE OVERVIEW

- 01 Powering Progress
- 10 Chairman & Managing Director's Statement
- 12 About us
- 14 Key Performance Indicators
- 16 Competitive Advantage

## STATUTORY REPORTS

- 20 Management Discussion & Analysis
- 33 Corporate Information
- 43 Board's Report

## FINANCIAL STATEMENTS

- 70 Standalone Financial Statements
- 106 Consolidated Financial Statements

- 34 Notice





Over the next decade, consumption in fast-growth consumer markets such as **Asia-Pacific** will be reshaped by this Industrial Revolution and more than one billion first-time consumers.

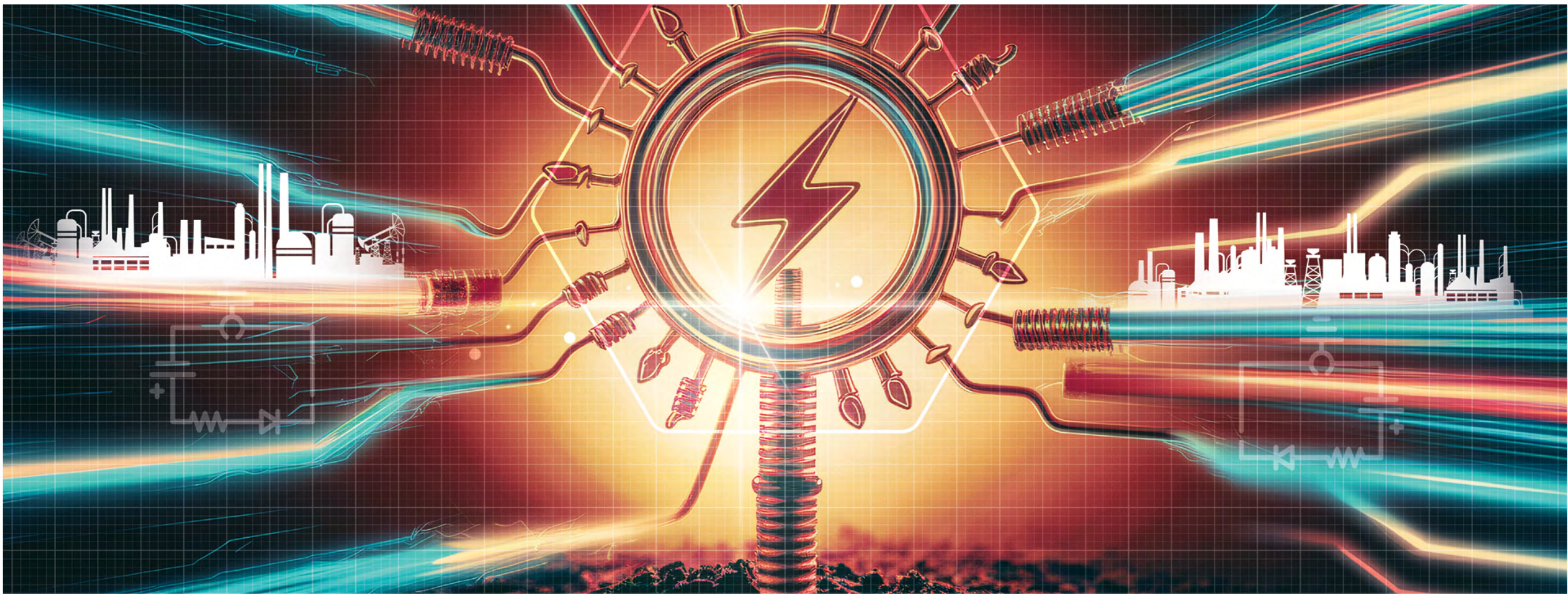
Within this cohort, **India holds a special place.**

Because, India wants to materialise the grand vision of being a developed nation in 2047, **industrialisation** stands as the most significant factor in realising the goal.

With robust systems like UPI and Aadhar, ambitious government reforms and incentives to boost manufacturing, thriving young population, world-class education, vibrant entrepreneurial spirit and other important pieces already in play India stands at a critical juncture in history.

The Fourth Industrial Revolution presents a unique opportunity for the country to leapfrog its development and establish itself as a global leader in technology and innovation.

Thus, India will not just participate, **India will lead the change** and will reap the benefits of 4IR that extends far beyond its borders.



However, for India, a country that is resource-crunched, power will be the most critical component in driving these new-age smart and interconnected factories.

Naturally, **Robust electrical systems** will be structural necessities for such a revolution.

As an integrated **industrial electrical EPC company** we play a pivotal role in building and maintaining such electrical systems.

**But our job is not just in Volts & Watts.**

More than a job, it is an enduring passion for us. A passion that drives the engines of the industries, a passion that fuels productivity and growth,

a passion that contributes to nation-building profoundly. And with each connection, our passion ignites the spark for the future.

Thus, as silent architects of development, we illuminate the aspirations of a nation with wires of resilience and innovation.

We are **Konstelec Engineers...**

And we are **Powering Progress**

Specialised in providing end-to-end solutions for electrical infrastructure to multiple industrial sectors.

# And

A proven track record of completing over 200 projects successfully for many top-of-the-line public and private enterprises.

With total order book of about ₹650 crore\*, Konstelec Engineers has become one of the fastest-growing industrial electrical infrastructure companies in India.

\*As of 20th March, 2024



And this is the outcome...

Compared to FY23

Our revenue jumped **40.36%** in FY24

Our EBITDA improved **26.77%** in FY24

Our Profit after Tax (PAT) rises **24.18%** in FY24

Total assets enhanced by **40.83%** in FY24





“India is experiencing an exciting phase in its history, presenting our Company with unprecedented opportunities.”

CHAIRMAN & MANAGING DIRECTOR'S STATEMENT





**MR. BIHARILAL SHAH**  
CHAIRMAN & MANAGING DIRECTOR

DEAR  
**ESTEEMED  
SHAREHOLDERS**

As the Chairman & Managing Director, I am very happy and proud to share our Company's 29<sup>th</sup> Annual Report. We play a crucial role in India's power infrastructure sector, and I feel privileged today that our work at the company allows us to shape a brighter future for our nation. Thus, by focusing on improving the sector and working on diverse projects, we strive to bring lasting benefits to all the stakeholders.

**Performance overview in the last fiscal**

In the fiscal year 2023-24, Konstelec Engineers Limited achieved remarkable success, surpassing various milestones and overcoming challenges. We completed diverse projects across sectors, contributing significantly to our nation's progress. Our commitment to excellence and innovation has positioned us as a leading entity in the infrastructure industry.

We are proud to report that our total order book has exceeded ₹650 crores for the first time in our Company's history, reflecting the trust of our esteemed clients while laying a strong foundation for future growth. With consolidated revenue reaching ₹215.32 crores, we achieved an impressive 40.36% growth compared to the previous year. Consolidated Net Profit jumped to ₹8.92 crores, recording a 24.18% improvement from the previous year.

Despite the growth in absolute numbers, profitability dipped marginally from 10.42% in FY23 to 9.41% in FY24. This slip was owing to

elevated inflation that spiked input prices of procured material.

Return on Capital Employed was recorded at 17.90%. At the same time, Return on Equity stood at 9.49%, and consolidated EPS stood at ₹7.62, reflecting strong financial performance across operational and investment metrics while underscoring our commitment to enhancing profitability and efficiency as key priorities moving forward.

The business's overall improvement stemmed from focusing on long-term goals: specialising in niche markets protected the company from intense competition, achieving economies of scale by handling larger contracts, investing in advanced equipment for better efficiency, and maintaining strict control over working capital.

**Outlook**

India is experiencing an exciting phase in its history, presenting our Company with unprecedented opportunities. The country is undergoing significant changes focused on growth and modernisation, especially in infrastructure development. This shift, coupled with the country's robust consumption story, is encouraging substantial investments from existing players in the infrastructure and manufacturing sectors.

Our company is part of this larger growth story, benefiting from India's economic direction, which supports our accelerated growth. As the world increasingly looks towards India alongside China, it opens up new opportunities for companies involved in shaping India's future.

Looking ahead, Konstelec Engineers Limited is poised to capitalise on several transformative trends shaping India's economic landscape. With initiatives like Make in India and Atmanirbhar Bharat driving local manufacturing, our focus remains steadfast on contributing to a robust manufacturing-led economy. The shift towards a \$10 trillion economy vision and the China+1 strategy further underscores our commitment to expanding our market presence and enhancing our competitiveness.

As we navigate these dynamics, we aim to enhance our focus on more high-value contracts through improved pre-qualification processes. Expanding our integrated business offerings will likely drive revenue growth and margin improvement.

We are intensifying our leadership in the petroleum products sector, particularly in refineries and storage terminals. Embracing automation across shopfloors and venturing into the renewable energy market will diversify our EPC contracts, emphasising higher O&M segment shares.

We plan to expand into new states, increase our industrial footprint, and strengthen our presence in international markets like Nigeria, Africa, and the MENA region. Additionally, we're bolstering our portfolio with high-margin projects in the chemical, pharmaceutical, and FMCG industries while investing in recruiting, training, and retaining top talent to sustain leadership across all segments.

We are also strategically aligning with global and local imperatives. Our global strategy, thus, emphasises cost efficiency and high-quality implementation, ensuring that we meet international standards while catering to local needs. Sustainability and renewable energy will be integral to our operations, reflecting our dedication to environmental stewardship and leveraging clean energy solutions.

Moreover, with expectations for increased private sector capital expenditure (capex), we anticipate greater opportunities to partner on critical infrastructure projects across the nation.

Thus, by leveraging our expertise in power infrastructure and staying ahead with technological advancements, we are well-positioned to drive growth, foster innovation, and contribute meaningfully to India's economic trajectory.

In closing, I would like to extend my sincerest appreciation to all our stakeholders who have been instrumental in our success. My heartfelt thanks go to our Board, team members, and colleagues who have worked tirelessly throughout the year. Their dedication, hard work, and valuable contributions have been crucial to our progress.

Together, we have achieved significant milestones, and I am grateful for the collective effort and commitment that has driven our success this year.

**WARM  
REGARDS.**



We are one of the few integrated EPC companies for **Electrical, Instrumentation & Automation systems**



**Incorporated** in 1995 as a design engineering company, Konstelec Engineers Limited has evolved into a leading integrated EPC company for Electrical, Instrumentation and Automation systems



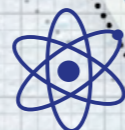
**The** Company's core competency includes full-scale project management, procurement support, and detailed engineering services for various kinds of electrical infrastructure projects, and it is well-renowned both domestically and internationally



**With** an order book of more than 60 projects valued at ₹650 crore as of March 31, 2024, Konstelec is poised to capitalise on India's **Make in India** initiative, aiming for sustained growth and excellence in every endeavour



**Led** by a visionary first-generation techpreneur with over 40 years of industry insights, the Company now benefits from second-generation support, fostering a strong team of talented and skilled professionals



**In** merely three decades, the Company enhanced its expertise in the EPC business with a robust track record of managing and executing over 200 diverse projects across various industries like Oil & Gas, Refinery, Space, Pharmaceuticals and more

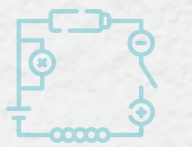


**Headquartered** in Mumbai, the Company's strategic location enhances its access to diverse talent and connectivity





# Key Performance Indicators



Revenue from operations  
(₹ Lakhs)



EBITDA  
(₹ Lakhs)



EBITDA Margin  
(%)



PAT  
(₹ Lakhs)



PAT Margin  
(%)



Return on Equity  
(%)



Return on Capital Employed  
(%)



Debt-Equity  
(x)



1

**Transparency and clarity in project acquisition**

The Company executes projects that are either awarded through tenders or directly ordered by clients. This approach ensures high clarity on revenue generation and realisation. By adhering to this method, Konstelec maintains transparency and efficiency in its financial operations, providing a clear pathway from project acquisition to revenue recognition.

2

**A competent and motivated team of professionals**

The Company boasts a diverse and skilled workforce of professionals, encompassing engineers, technicians and other skilled and unskilled personnel. Their varied skills and motivations drive the organisation to successfully undertake projects across various regions and industries, adeptly meeting client-specific requirements. The strong work ethics of the team and regular talent development programmes ensure seamless growth across the organisation and the projects.

3

**Full range of service offerings with strong project management capability**

The Company offers a comprehensive suite of project management, engineering, procurement and construction services. Handling every phase from conceptualisation to commissioning, they provide a seamless experience to clients. Through the use of advanced planning tools and processes, they develop detailed project plans and ensure flawless execution.

4

**Sustainability in the ethos**

The Company is committed to sustainable growth and environmental responsibility, integrating sustainable practices across its operations. This philosophy ensures their projects positively impact communities and environments, aligning business success with societal well-being. It also underscores their role as a forward-thinking organisation dedicated to exceptional service delivery and sustainable development.

# Competitive

# Advantage

5

**Long industry experience and rapport with clients**

With around 30 years in the EPC industry, Konstelec has built expertise across a wide spectrum of projects. This factor helps the Company nurture long-standing relationships with clients thanks to its consistent track record of delivering projects on schedule and within budget. This reliability has instilled confidence in clients, fostering recurring partnerships and sustained business growth.

6

**Customer-centric approach**

At Konstelec, customer-centricity is a guiding principle and the cornerstone of their business ethos. The Company prioritises understanding each client's unique needs to deliver tailored solutions that effectively address their challenges and objectives. This focus on the clients has fostered strong and enduring relationships and earned their trust and loyalty.

7

**Utilising sophisticated in-house technology**

In this fast-changing technological landscape, prioritising innovation is crucial for the Company to maintain industry leadership. The Company has established a sophisticated in-house design setup and equipped itself with the latest technological advancements. This strategic initiative allows them to maintain a leading position in innovation and consistently deliver cutting-edge solutions to their clients, ensuring they remain at the forefront of the industry. Further, they also consistently invest in researching and adopting new technologies.

8

**Adherence to the strict quality control and regulatory standards**

Konstelec takes a proactive stance towards identifying cost-effective alternatives and strictly adheres to Quality, Health, Safety and Environment (QHSE) policies, as well as necessary regulatory compliances to ensure the successful delivery of projects. By consistently delivering exceptional solutions, they enhance their reputation for excellence while strengthening market positioning.



## Business Strategies

### Increased focus on executing high-value contracts

Konstelec prioritises enhancing its eligibility and readiness to secure and successfully complete large and valuable contracts. It involves refining internal processes, capabilities and credentials to meet the stringent requirements set by clients or regulatory bodies. Thus, by improving pre-qualification standards, such as financial stability, technical expertise and past performance, the Company aims to position itself more competitively in the market.

### Diversifying the revenue stream

Strengthening leadership in refinery and storage terminals for petroleum products, entering the renewable energy market and expanding into various sectors of EPC contracts marks the Company's strategic direction. Further, expanding the portfolio with high-margin projects tailored to the chemical, pharmaceutical, and FMCG industries is also pivotal. Enhancing the revenue mix to prioritise the O&M segment underscores their commitment to sustainable growth and operational excellence. These initiatives aim to diversify Konstelec's portfolio, capture new market opportunities and solidify its position as a versatile and competitive player in the industry.

### Pursuing organic and strategic expansion

At Konstelec, growth is pursued through a dual strategy. Firstly, they aim for organic expansion by enhancing capabilities and market presence through innovation, technology adoption and workforce

development. Secondly, they pursue inorganic growth through strategic partnerships and joint ventures to access new markets and technologies. These collaborations enable Konstelec to diversify its project portfolio effectively, minimise risks, and capitalise on emerging opportunities in the industry.

### Effective marketing to capitalise on established relationships

The Company utilises its established market relationships to pursue new opportunities, cultivate strategic partnerships, and extend its presence into new markets and client segments. Modern and impactful marketing strategies promote its services and enhance accessibility to prospective clients. These robust marketing initiatives and continuous efforts to bolster the brand's reputation effectively convey the Company's unique value proposition, distinguishing it as a preferred choice among clients.

### Increasing geographical footprint

The geographical presence of the Company spans across multiple regions, encompassing Andhra Pradesh, Assam, Bihar, Karnataka, Kerala, Gujarat, Odisha, Madhya Pradesh, Maharashtra, Punjab, Rajasthan, Tamil Nadu, Uttar Pradesh and West Bengal in India, and Nigeria in Africa. This extensive footprint strategically positions them to access diverse markets and expand their business reach effectively. Konstelec is extending its presence in new markets in India and the MENA region.



## Risk Management

### Customer concentration

Konstelec earns a high percentage of its revenue from its top 10 clients. The loss of any of these clients may impact the revenue and profit of the Company.

Through their innovative marketing and high brand recall value, they consistently add new clients every year. Further, their long presence in the industry and established relationships also help them enhance their client base while strengthening their reputation as a trusted leader in their field.

### Working capital shortage

In an extremely capital-intensive industry, the Company occasionally faces a working capital crunch, which may materially and adversely affect its business.

To effectively handle any shortfall in working capital, the Company focuses on enhancing financial management by monitoring credit terms, payment schedules and contracts to mitigate risks. Strategic financial planning and strong relationships with financial institutions are crucial in efficient working capital management.

### Compliance issues

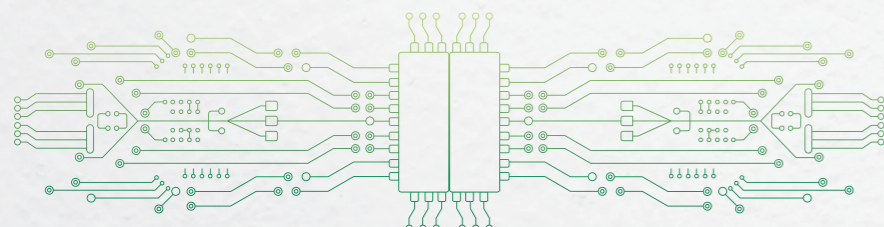
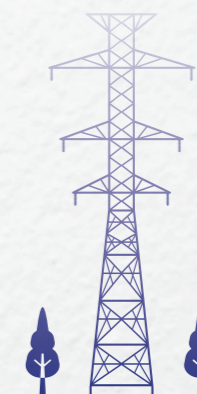
Non-compliance with increasingly stringent safety, health, environmental and labour laws and other applicable regulations may adversely affect the Company's business.

As a stringent policy requirement, the Company acquires all the necessary registrations and approvals, government or otherwise. They adhere strictly to all relevant regulatory requirements and industry standards. This approach helps Konstelec mitigate its risks, maintain compliance, and ensure the safety and reliability of the business.

### Unsatisfied clients

Dissatisfied customers can significantly impact the Company's business operations and prospects.

Konstelec maintains good cordial relationships with customers and strategic partners, which is crucial for its business continuity. To uphold this trend, the Company engages in diligent reputation management and focuses on maintaining a consistent track record of successful project execution.





# Management Discussion & Analysis



# Global Economy

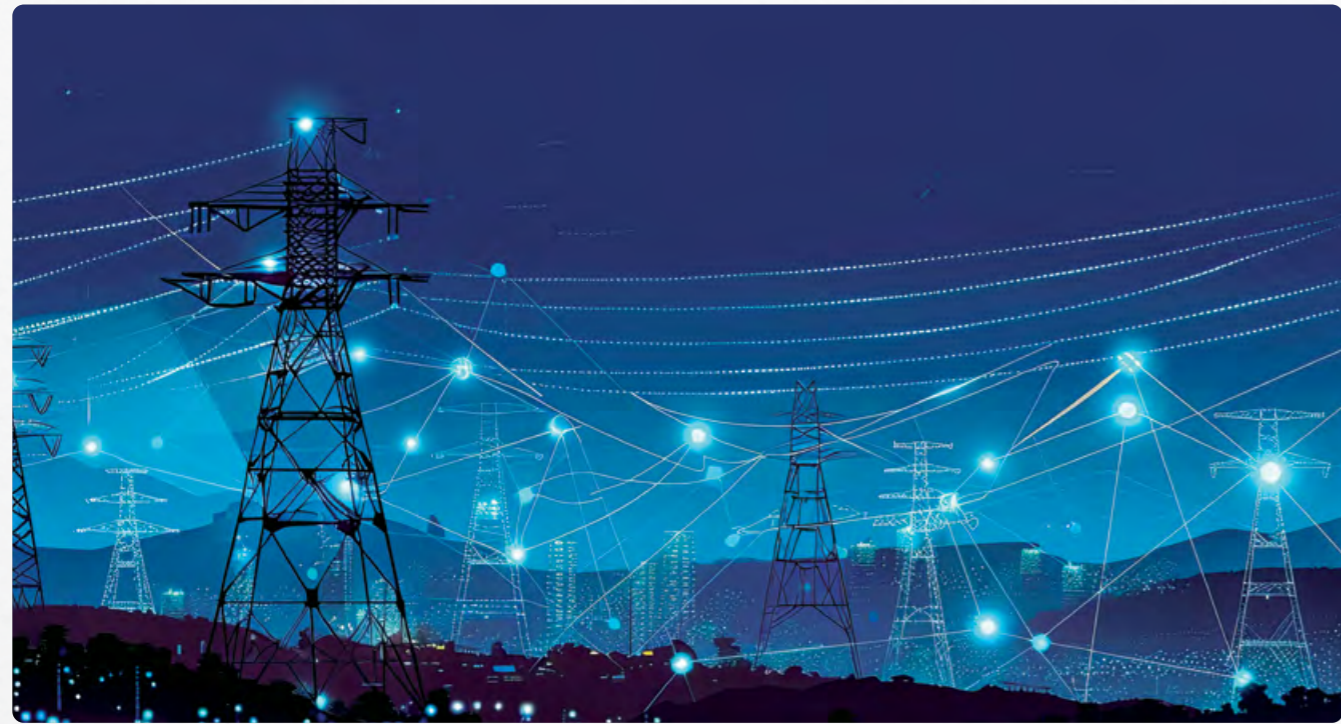


**The** global economy proved more resilient than expected compared to 2023, with a stable growth outlook amidst the risk of prevailing geopolitical stress. A flurry of business activities was witnessed, with a reopening rebound and progress in reducing inflation from last year's peaks. Inflation fell faster than expected in most regions amid unwinding supply-side issues and restrictive monetary policy.

With disinflation and consistent growth, the possibility of a severe economic downturn has diminished, and the risks to global economic expansion are broadly balanced now. Due to robust domestic demand, less reliance on exports and a resilient manufacturing sector, emerging economies achieved higher growth rates than developed economies. Estimates suggest growth of 4.0% to 4.4% for emerging economies.

Global energy prices in 2023 remained a roller coaster ride for the most part. Despite supply headwinds and an uncertain economic environment, the manufacturing industry surpassed previous years' expectations. Global growth, estimated at 3.2% for 2023, is expected to maintain this rate throughout 2024 and 2025. Inflation may persist longer than expected, with potential disruptions in energy and food markets.

SOURCE: <https://www.imf.org/en/Publications/WEO/Issues/2024/04/16/world-economic-outlook-april-2024>  
<https://unctad.org/publication/global-trade-update-march-2024#:~:text=2023%20A%20challenging%20year%20for,tourism%20and%20travel%2Drelated%20services>



# Indian Economy



**The** Indian economy continued to surprise analysts amid global uncertainties. In a demonstration of strength and resilience, it grew by 8.2% for FY24 beating analysts estimates. The sector-wise analysis revealed that the real gross value added (GVA), a more accurate measure of actual economic growth, grew at 7.2% in 2023-24, compared to the 6.7% growth observed in 2022-23. The growth propelled the Indian economy to US\$3.5 trillion and set the stage for achieving the US\$ 5 trillion target in the next few years. Deflation, robust growth in the manufacturing sector, a rebound in consumer expansion, the upside in

tax collections, lower-than-budgeted subsidy payouts and increasing government spending on capital expenditure are presumably the reasons behind this uptick. The core sector, comprising coal output, crude oil, refinery products, natural gas, fertilisers, steel, cement and electricity, grew by 7.51%. Factory output increased by 5.8%, slightly up from 5.2% in the previous year, driven by growth in manufacturing and production of construction goods. India's mining sector grew by 7.5% in FY24, with significant growth in iron ore and limestone production.

Gross GST collections in FY24 exceeded ₹20 lakh crore and reached ₹20.18 lakh crore, while on a net basis, it was ₹18.1 lakh crore, up 13.4% on a year-on-year basis. In its latest monetary policy review, the Reserve Bank of India (RBI) raised India's GDP growth projection to 7.2% for FY25 from 7% estimated earlier. Experts suggest India will remain the fastest-growing of the world's largest economies for some time, although its pace of expansion is expected to moderate. However, investment growth is still expected to be stronger than previously envisaged and remain robust with strong public and private investment.

SOURCE: <https://www.indiaonline.com/blog/march-2024-core-sector-growth-tapers-to-5-2-despite-low-base-effect>  
<https://indianexpress.com/article/business/economy/india-iiip-factory-output-march-fy24-gdp-9320854/#:~:text=Manufacturing%2C%20which%20accounts%20for%2077.6,cent%20in%20the%20previous%20year>  
<https://economictimes.indiatimes.com/news/economy/indicators/march-gst-collection-up-11-5-yoy-at-rs-1-78-lakh-cr-fy24-mop-up-crosses-rs-20-lakh-crore/articleshow/108943100.cms?from=mdr>



## Infrastructure sector in India



**India's** journey towards becoming a developed nation hinges significantly on enhancing its infrastructure, a pivot for fostering liveable, climate-resilient and inclusive cities that drive economic growth. Given the initiatives launched in the last couple of years, the government's focus on building such an infrastructure for the future has been evident.

The steady growth over the last four years in the infrastructure sector has significantly bolstered economic expansion, with investments in infrastructure playing a pivotal role in spawning associated industries, stimulating job creation and attracting private investments.

Some notable government initiatives for infrastructure developments fuelling growth in the sector are listed below:

- National Infrastructure Pipeline (NIP): Launched in 2019, a programme with massive

investment for social and infrastructure projects across energy, transportation and urban development

- PM Gati Shakti National Master Plan: Launched in 2021, aims to improve logistics infrastructure by creating a multi-modal network for efficient movement of cargo and people
- Bharatmala Pariyojana: Focuses on developing a network of highways and expressways to improve national and regional connectivity
- Sagarmala Project: Aims to develop India's coastal infrastructure, including ports, waterways and logistics facilities, to boost maritime trade
- Smart Cities Mission: Aims to develop smart and sustainable cities with improved infrastructure, services and governance

- Increased Focus on Public-Private Partnerships (PPP): Encourages private sector participation to meet ambitious infrastructure goals

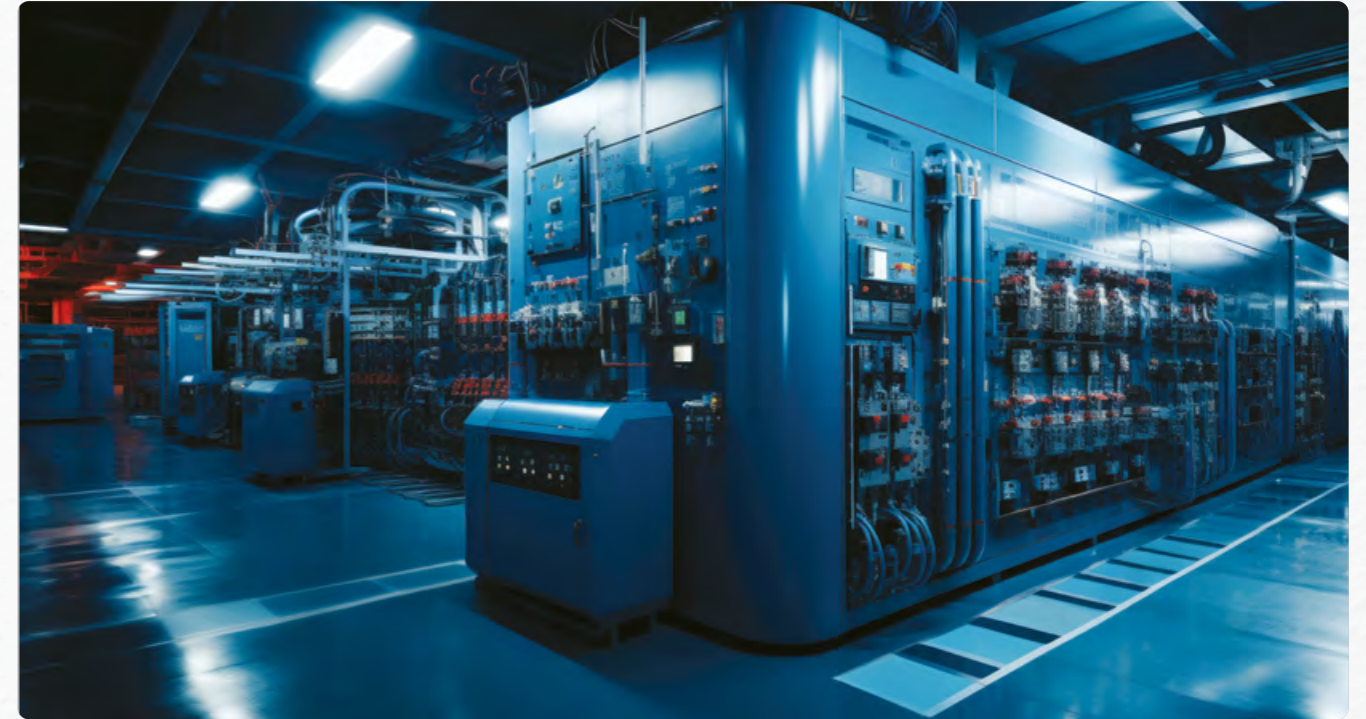
India's infrastructure sector is poised for strong growth, with planned investments amounting to ₹111 lakh crore by 2025 under the National Infrastructure Pipeline. The planned capital expenditure for this fiscal year stands at ₹11.11 lakh crore, reflecting an 11.1% increase from the previous year.

Morgan Stanley, the investment banking firm, forecasts a CAGR of 15.3% in infrastructure investments, expecting total spending in India to reach US\$ 1.45 trillion over the next five years.

The firm also predicts that infrastructure investment will rise from 5.3% of GDP in fiscal year FY224 to 6.5% by FY29.

SOURCE: <https://www.ibef.org/industry/infrastructure-sector-india>  
<https://www.livemint.com/industry/infrastructure/morgan-stanley-forecasts-15-3-cagr-in-indian-infrastructure-investments-over-next-five-years-11719151982125.html>

## Power EPC sector in India



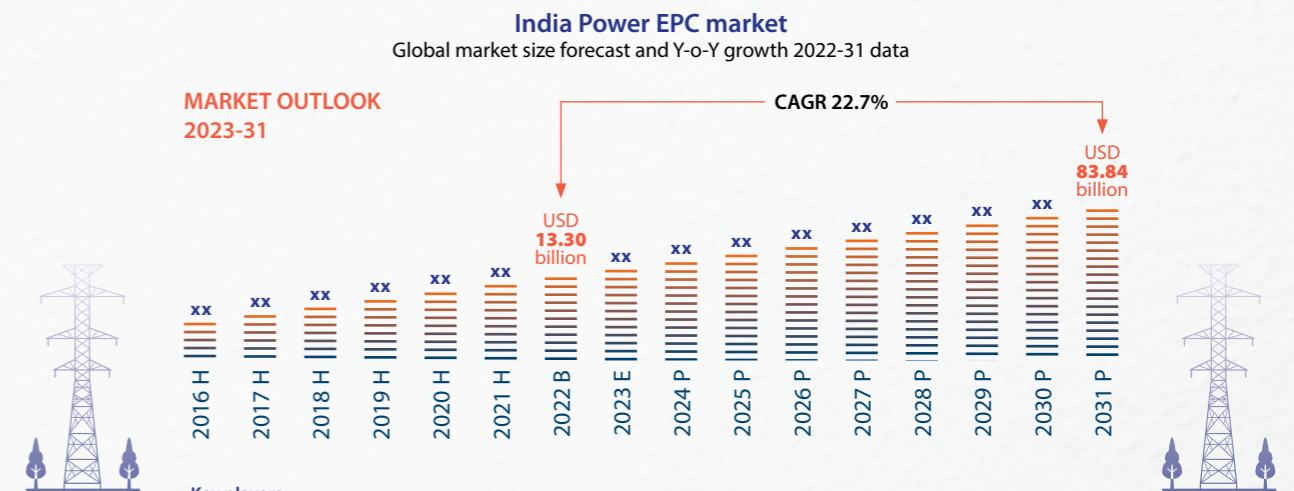
**India's** power EPC market is poised for transformative growth, reaching US\$ 13.30 billion in 2022 and is projected to soar to US\$ 83.84 billion by 2031, reflecting a robust CAGR of 22.7% from 2023 to 2031.

This expansion is fuelled by burgeoning industrial activities across

diverse sectors, sustained economic progress and government initiatives like 'Power for All'.

The sector has also witnessed substantial foreign direct investments exceeding US\$ 15 billion, constituting 3% of the total FDI inflow.

Government efforts to bolster industrial growth and transition to clean energy, alongside a rising number of solar and wind power projects are set to propel market growth significantly in the foreseeable future.



**Key players:**

- Figure represents the **global market size** and forecast from **2023-31**
- Year 2016 to 2021 are historic years, 2022 is the base/actual and forecast is provided from **2023-31**

SOURCE: Growth Market Reports Analysis



## Manufacturing sector in India



**Manufacturing** has emerged as an integral pillar in the country's economic growth, owing to the stellar performance of key sectors such as automotive, engineering, chemicals, pharmaceuticals, and consumer durables.

With the manufacturing sector contributing around 17% to the GDP, projections indicate a growth potential of 21% over the next 6-7 years.

This growth trajectory of the manufacturing industry underscores India's capacity to fortify its position within global supply chains. Additionally, with the implementation of different programmes and policies, the government expects manufacturing to constitute 25% of the economic output by 2025.

Here are some government initiatives for driving growth in the manufacturing sector:

**Make in India initiative:** Launched in 2014, this government programme promotes manufacturing within India and attracts foreign investment. It aims to boost industrial growth, enhance job opportunities and facilitate skill development by encouraging global companies to set shop in India.

**Production Linked Incentive (PLI) initiative:** Introduced in 2021, it is a government scheme designed to promote domestic manufacturing and reduce import dependence across various sectors in India. It offers financial incentives to eligible companies based on their incremental sales of manufactured goods.

The objective is to attract investments, boost production capacities, create employment opportunities and enhance India's competitiveness in global markets.

The manufacturing sector is experiencing a surge in investments, marking a significant milestone in the nation's economic landscape. According to a report by Colliers, it is poised to reach US\$1 trillion by 2025-26.



SOURCE: <https://www.linkedin.com/pulse/manufacturing-industry-growth-india-hiring-trends-teamlease-xxibc/>  
<https://www.ibef.org/industry/manufacturing-sector-india>

## Oil & Gas sector in India



**India's** oil and gas sector plays a major role in influencing the economy's decision-making. The country's economic growth is closely related to its energy demand; therefore, the need for hydrocarbon products will increase, making the sector conducive to investment. India is the world's third-largest energy and oil consumer and fourth-largest importer of liquefied natural gas (LNG). India's energy demand is expected to grow at about 3% per annum by 2040, against a global rate of 1%. By 2040, around 25% of the global energy growth is anticipated from India due to its fast-growing economy and demographic dividend.

India's refining capacity stands at 256.8 MMTPA as of Apr. 2024, comprising 23 refineries. India aims to increase its refining capacity to 450 MMTPA by 2030.

India's oil and gas production is expected to achieve a mid-decade peak between 2023 and 2032 (probably around 2027), driven by the KG-Basin projects.

The Government is steadfast in increasing domestic production and has taken definitive steps in that direction:

- The Ministry of Petroleum and Natural Gas (MoPNG) signed contracts for ten blocks in January 2024. Three coal bed methane

(CBM) blocks were also awarded under Special CBM Bid Round-SCBM 2022

- Vast offshore acreage of more than 1 Million Sq. Km. that were restricted areas earlier has been made available recently for E&P (Exploration and Production) operations
- It is estimated that after the award of blocks under the forthcoming OALP-IX and X Bid Rounds, about 5,60,000 Sq. Km. Area. This 16% of India's sedimentary basin will come under exploration by the end of 2024 (from 10% earlier)



SOURCE: <https://www.investindia.gov.in/sector/oil-gas>  
<https://www.ibef.org/industry/oil-gas-india/infographic>  
<https://pib.gov.in/PressReleaseFramePage.aspx?PRID=1992839>



## Cement industry in India



**The** cement industry plays a pivotal role in India's infrastructure development. India is the world's second-largest cement producer, contributing more than 8% to the global installed capacity. In recent years, cement demand has been rising due to the government's push for infrastructure development and affordable housing. Another significant factor that aids this growth is the ready availability of raw materials such as limestone and coal.

Aided by suitable government foreign policies, several foreign players have invested in the country in the recent past. Cement demand grew 8% in 2022 and 12% in 2023. In 2023, the market size of India's cement industry reached 3.96 billion tonnes and is expected to touch 5.99 billion tonnes by 2032, exhibiting a CAGR of 4.7% during 2024-32.

The cement industry is on course to add a capacity of around 150-160 million tonnes from FY25 to FY28. The past five fiscals witnessed a capacity expansion of only 119 million tonnes to reach 595 million tonnes.



SOURCE: <https://www.ibef.org/industry/cement-india>

## Paint sector in India



**The** growth of the paint industry largely depends on the growth of the real estate sector, which accounts for about 70% of the total paint demand in India. Rising demand for residential and non-residential properties and government initiatives for affordable housing are fuelling the growth in the paint industry. Repainting is also a major cause for expansion in the sector.

A post-pandemic boom of investments and infrastructure development has also resulted in a demand spike from the real estate sector. As a result, the sector experienced two consecutive years of remarkable growth in FY22 and FY23. The sector, which a few key players initially dominated, is now seeing more new entrants backed by conglomerates, reflecting optimism.

Thus, the industry is gearing up for intense competition as a war for market share is waiting to unravel. The India Paints and Coatings Market size is estimated at US\$9.60 billion in 2024. It is expected to reach US\$15.04 billion by 2029, growing at a CAGR of 9.38% between 2024 and 2029.



SOURCE: <https://www.icidirect.com/research/equity/finance/is-the-indian-paint-industry-going-to-change#:~:text=The%20size%20of%20the%20India,repaint%20cycle%20may%20further%20compress>





## Operational performance



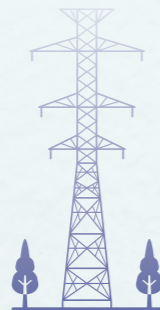
During the financial year under review, our Company has achieved exceptional operational performance across a diverse array of significant projects throughout India. We have effectively managed operations in 22 states, handling major projects such as the upcoming HPCL refinery in Rajasthan, the Tata Memorial Cancer Hospital in Mumbai, and SSKM Hospital in Kolkata.

Our portfolio also includes the ethanol plant in Bhatinda managed by HPCL, as well as the Aluminum Capacity Expansion project at NALCO's Damanjodi site in Orissa, where we built facilities in a remote, open-cast mining location. We are additionally involved in another ethanol plant in Bhatinda for HMEL.

Among our notable achievements is the Assam bio-refinery project, where we are conducting Electrical and Instrumentation (E&I) works for India's first bamboo-based ethanol refinery, reflecting our commitment to advancing sustainable technologies. We are also engaged in critical E&I work for Prodair's N2 and H2 plant, developed on a Build-Own-Operate-Transfer (BOOT) basis, demonstrating our expertise in managing complex and high-impact energy projects.

Our work includes completing the Ammonia Storage (Critical Tank Project) for FACT in Kochi through Toyo and finishing the electrical work

for the LNG terminal in Chhara for HPCL, also through Toyo—marking one of the first such projects in India. We have also achieved significant milestones with the IOCL-Dindori Cryogenic Equipment manufacturing plant, the first of its kind in India, used across various sectors including animal husbandry, oil and gas industries, chemicals, aviation, and lubricants. Additionally, we completed Electrical and Instrumentation work, including shutdowns, for PX/PTA at IOCL Panipat, and executed the first EPC contract for a 132KV switchyard with GIS and PLC integration at IOCL Guwahati.



## Human resource

The Company's HR strategy emphasises fostering a performance-driven culture that nurtures innovation, rewards achievement, and motivates employees to achieve the

Company's objectives. Collaborating closely with senior management and the Board, the HR department co-creates all HR strategies to drive organisational change, attract talent

and enhance capabilities. The HR department plays a pivotal role in cultivating a strategic advantage through its workforce by addressing diverse human resource requirements.



## Information technology

**Information Technology** serves as the cornerstone of our business transformation. Leveraging advanced technology, the Company has evolved into a leading industry player. Konstelec continuously invests in IT architecture to boost process efficiency, service delivery

and competitive edge. Remaining proactive, we constantly innovate to maintain a cutting-edge IT infrastructure that enhances capacity, flexibility and availability. This modernisation has delivered

faster performance and operational efficiency through reduced data footprint, seamless business mobilisation with mobile applications, and embedded analytics for real-time insights into transaction data, enabling smarter business decisions.



## Financial performance

In FY24, our revenue from operations soared to ₹21,531.53 Lakhs, representing a substantial increase of 40.36% from the previous year owing to increasing business activity in the infrastructure and manufacturing sector.

Our EBITDA also saw a remarkable rise, growing from ₹1,598.35 Lakhs last year to ₹2,026.28 Lakhs. Furthermore, our Profit After Tax (PAT) surged by 24.18% to reach ₹892.07 Lakhs, demonstrating robust financial performance.

However, our operating cash flows experienced a decline in FY24 due to an increase in accounts receivables. On a positive note, we achieved a significant reduction in long-term borrowings during the last financial year, showcasing our commitment to improving our financial health.

Particulars	For the year ended March 31, 2023 (₹ in Lakhs)	For the year ended March 31, 2024 (₹ in Lakhs)	Change (%)
Revenue from Operations (₹ in Lakhs)	15,340.50	<b>21,531.53</b>	40.36
EBITDA (₹ in Lakhs)	1,598.35	<b>2,026.28</b>	26.77
EBITDA Margin (%)	10.42	<b>9.41</b>	-9.68
Profit After Tax (₹ in Lakhs)	718.39	<b>892.07</b>	24.18
PAT Margin (%)	4.68	<b>4.14</b>	-11.53
RoE (%)	11.58	<b>9.49</b>	-2.09
RoCE (%)	20.27	<b>17.90</b>	-2.37
Net Capital Turnover Ratio (in Times)	2.77	<b>2.61</b>	-5.82
Operating Cash Flows (₹ in Lakhs)	(457.08)	<b>(2,069.18)</b>	-1612.12





## Internal control & Adequacy

**The** Company maintains an internal control system tailored to its business nature, size, and complexity, ensuring transactions are authorised, recorded, and reported accurately. External professionals conduct continuous internal audits supported by respective teams. The audit plan undergoes review with the Audit

Committee to ensure robust checks across significant operational areas. The Committee also consults with Statutory Auditors on financial statements, reporting systems, and compliance. Findings from internal audits, including process enhancements and implementation

status, are presented to and reviewed by the Audit Committee and Board. The Company documents comprehensive controls in manuals covering payroll, procurement, asset management, and other processes to ensure reliable financial information, statutory compliance, asset protection, transaction authorisation, and policy adherence.



## Risk management

**The** Company identifies major risk areas, including input cost pressures, rising wages, skilled manpower availability, pandemic-related delays in contract execution and stretched cash flows. To safeguard stakeholder interests, it employs a robust project

risk management framework to assess and mitigate risks before committing financially. The Contract Management Committee oversees potential risks affecting project costs and timelines, while the Operations

and Business Development teams prudently bid on tenders, clarifying business terms upfront with clients. The Project Review Committee of the Board regularly monitors and evaluates strategies to reduce risks in collaboration with relevant departments.



### CAUTIONARY STATEMENT

THE STATEMENTS IN THIS MANAGEMENT DISCUSSION AND ANALYSIS OUTLINING THE COMPANY'S GOALS, FORECASTS, ASSESSMENTS AND ANTICIPATIONS MAY CONSTITUTE 'FORWARD-LOOKING STATEMENTS' UNDER RELEVANT LAWS AND REGULATIONS. ACTUAL OUTCOMES COULD SIGNIFICANTLY DIFFER FROM THOSE EXPRESSED OR IMPLIED. KEY DEVELOPMENTS THAT COULD IMPACT THE COMPANY'S OPERATIONS INCLUDE DECLINES IN THE INFRASTRUCTURE SECTOR, SUBSTANTIAL SHIFTS IN INDIA'S POLITICAL AND ECONOMIC LANDSCAPE, FLUCTUATIONS IN EXCHANGE RATES, CHANGES IN TAX REGULATIONS, LEGAL DISPUTES, LABOUR RELATIONS AND FLUCTUATIONS IN INTEREST RATES.

# Corporate Information

<b>CIN</b>	L45203MH1995PLC095011
<b>REGISTERED OFFICE</b>	308, Creative Industrial Estate, Sunder Nagar Lane No. 2, Kalina, Santacruz East, Mumbai-400098, Maharashtra, India
<b>WEBSITE</b>	<a href="https://konstelec.com/">https://konstelec.com/</a>
<b>E-MAIL</b>	<a href="mailto:compliance@konstelec.com">compliance@konstelec.com</a>
<b>NAME OF THE STOCK EXCHANGE</b>	NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE")
<b>SYMBOL</b>	KONSTELEC
<b>ISIN NO</b>	INEQQEI01011

### BOARD OF DIRECTORS

**Chairman cum Managing Director**  
Mr. Biharilal Ravilal Shah

**Executive Directors**  
Mr. Amish Biharilal Shah- *Wholetime Director*  
Mr. Jigar Dhiresh Shah- *Wholetime Director*

**Independent Directors**  
Ms. Manisha Abhay Lalan  
Mr. Ranjan Mathur  
Mrs. Amita Sachin Karia

**KMP OTHER THAN DIRECTORS**  
Mrs. Molly Antony-*Chief Financial Officer (CFO)*  
Ms. Shatabdi Sudam Salve-*Company Secretary & Compliance Officer*

### BANKERS

Bank of Baroda  
HDFC Bank  
ICICI Bank  
Yes Bank

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Skyline Financial Services Private Limited.,  
D-153a, First Floor Okhla Industrial Area, Phase-I,  
New Delhi- 110020, Delhi, India.

### STATUTORY AUDITOR

M/s Shah P M and Associates  
Chartered Accountants

### SECRETARIAL AUDITOR

M/s. K. C. Suthar & Co.,  
Practicing Company Secretary



## NOTICE OF THE 29<sup>TH</sup> ANNUAL GENERAL MEETING

NOTICE is hereby given that the 29<sup>th</sup> Annual General Meeting (AGM) of the Members of Konstelec Engineers Limited will be held on Monday, September 16, 2024, at 11.00 A.M. (IST) through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) facility to transact the following business

### Ordinary Businesses:

- To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2024, Reports of the Board of Directors and Auditors thereon.

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

**“RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended on March 31, 2024 comprising of statements of Balance sheet, profit and loss and cash flow statement for the Financial Year ended on that date, together with the notes thereto, and the Reports of the Board of Directors and Auditors thereon, as circulated to the members and laid before this meeting, be and are hereby considered and adopted.”

- To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2024 and Report of the Auditors thereon.

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

**“RESOLVED THAT** the Audited Consolidated Financial Statements of the Company for the Financial Year ended on March 31, 2024 comprising of statements of Balance sheet, profit and loss and cash flow statement for the Financial Year ended on that date, together with the notes thereto, and the Report of the Auditors thereon, as circulated to the members and laid before this meeting, be and are hereby considered and adopted.”

- To appoint a director in place of Mr. Amish Biharil Shah (DIN: 01415766), Whole Time Director, who retires by rotation and has confirmed his eligibility and willingness to accept the office, if re-appointed.

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

**RESOLVED THAT** pursuant to the provisions of Section 152 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, Mr. Amish Biharil Shah (DIN: 01415766), Whole Time Director, who retires by rotation at this meeting, being eligible for re-appointment, has confirmed his eligibility and willingness to accept the office, be and is hereby re-appointed as a Whole Time Director of the Company on the same terms and conditions as approved by the Members.”

For and on behalf of  
For **Konstelec Engineers Limited**

**Biharil Ravil Shah**  
Chairman Cum Managing Director  
DIN:00337318

23<sup>rd</sup> August, 2024

Place: Mumbai

### Registered Office:

308, Creative Industrial Estate, Sunder Nagar Lane No. 2, Kalina,

Santacruz East, Mumbai-400098, Maharashtra, India.

Tel.:022-43421500

E-mail: [compliance@konstelec.com](mailto:compliance@konstelec.com)

Website: [www.konstelec.com](http://www.konstelec.com)

### Notes to Notice:

- As there is no special business to be transacted at the AGM, Explanatory Statement pursuant to Section 102(1) of the Act read with SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meeting issued by Institute of Company Secretaries of India, in respect of the special business is not annexed to this notice.
- The Ministry of Corporate Affairs (“MCA”) and Securities and Exchange Board of India (“SEBI”) have vide various circulars, allowed companies:
  - To send the annual reports to shareholders who have registered their email ID with the Company / Depositories only on email; and
  - To hold Annual General Meeting (“AGM”) through VC or OAVM without the physical presence of members at a common venue.

Hence, in accordance with these Circulars, the 29<sup>th</sup> AGM of the Members of the Company is being held through VC/ OAVM. The venue of the Meeting shall be deemed to be the registered office of the Company. The detailed procedure for participating in the meeting through VC/ OAVM is given below herewith and available at the Company’s website [www.konstelec.com](http://www.konstelec.com).

- Since this AGM is being held through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.**
- In case of joint holders attending the Meeting, the member whose name appears as the first holder in the order of names as per Register of Members will be entitled to vote.
- Institutional/Corporate Shareholders (i.e. other than individuals/HUF/NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/ authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said resolution / authorization shall be sent to the Scrutinizer by email through its registered email address to [sutharkc@gmail.com](mailto:sutharkc@gmail.com) at least 48 hours before the commencement of AGM.
- The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection

without any fee by the members from the date of circulation of this Notice up to the date of AGM, i.e. **September 16, 2024** on the website of the company at [www.konstelec.com](http://www.konstelec.com). Members seeking to inspect such documents can send an email to [compliance@konstelec.com](mailto:compliance@konstelec.com)

- Pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings issued by The Institute of Company Secretaries of India, details of Directors seeking re-appointment and proposal for continuation of directorship of **Mr. Amish Biharil Shah (DIN:01415766), Wholetime Director** forms part of this notice and is appended to the notice.
- Members are requested to address all correspondence in connection with shares held by them, to the Company’s Registrar & Transfer Agent (“RTA”) at viz., Skyline Financial Services Private Limited, D-153A, First Floor Okhla Industrial Area, Phase-I, New Delhi-110020, Delhi India, Telephone No-011-40450193-97/26812682-83, Email id-[contact@skylinerta.com](mailto:contact@skylinerta.com) by quoting their Folio number or their DPID and Client ID number, as the case may be.
- To support the green initiative and as per relaxation given by the Government, only electronic copy of the Annual report for the year ended March 31, 2024 and notice of the 29<sup>th</sup> AGM are being sent to the members whose mail IDs are available with your Company/DP(s). Physical copy of the report is not sent to anyone. Annual Report and the notice of the 29<sup>th</sup> Annual General Meeting are also posted on the website [www.konstelec.com](http://www.konstelec.com) for download. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com). The AGM Notice is also disseminated on the website of National Securities Depository Limited (NSDL) (agency for providing the remote e-voting facility and e-voting system during the AGM) i.e. [www.nsdl.com](http://www.nsdl.com).  
  
However, in terms of Regulation 36 (1) (c) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the hard copy of full annual report will be sent to those shareholders who request for the same. Members seeking for hard copy of an annual report can send an email to the Company at [compliance@konstelec.com](mailto:compliance@konstelec.com).
- To disseminate all the communications promptly, members who have not registered their email IDs so far, are requested to register the same with DP/RTA for receiving all the communications including Annual Reports, Notices etc. electronically.
- Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map is not attached to this Notice.

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulation (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, January 13, 2021, December 08, 2021, December 14, 2021, May 05, 2022, December 28, 2022 and September 25, 2023, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL) for facilitating voting through electronic means, as the authorised e-voting platform. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NATIONAL SECURITIES DEPOSITORY LIMITED (NSDL).
13. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
15. The Registrar of Members and Share Transfer Books of the Company will remain closed **from September 10, 2024 to September 16, 2024** (both days inclusive) for the purpose of 29<sup>th</sup> Annual General Meeting of the Company.
16. The Company has fixed **September 09, 2024** as the Cut-off date for the purpose of Remote E-voting for ascertaining the name of the Shareholders holding shares both in physical form or dematerialization form who will be entitled to cast their votes electronically in respect of the business to be transacted at the 29<sup>th</sup> AGM of the Company.
17. Instructions for Shareholders for Remote e-voting and for Shareholders joining the AGM through VC/OAVM & e-voting during Meeting are given as **Annexure-I**.
18. M/s. K C Suthar & Co., a Practicing Company Secretary, Mumbai (Membership No. F5191 & Certificate of Practice No. 4075) has been appointed as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
19. The Scrutinizer will submit his report to the Chairman of the Company or to any other person authorised by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the Stock Exchanges, and RTA and will also be displayed on your Company's website, <https://www.konstelec.com>

For and on behalf of  
For **Konstelec Engineers Limited**

**Biharilal Ravilal Shah**  
Chairman Cum Managing Director  
DIN:00337318

23<sup>rd</sup> August, 2024  
Place: Mumbai

**Registered Office:**  
308, Creative Industrial Estate, Sunder Nagar Lane No. 2, Kalina, Santacruz East, Mumbai-400098, Maharashtra, India.  
Tel.:022-43421500  
E-mail: [compliance@konstelec.com](mailto:compliance@konstelec.com)  
Website: [www.konstelec.com](http://www.konstelec.com)

## Annexure -I

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at <https://konstelec.com/>. The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

### THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

**The remote e-voting period begins on Friday, 13<sup>th</sup> September, 2024 at 09:00 A.M. (IST) and ends on Sunday, 15<sup>th</sup> September, 2024 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 9<sup>th</sup> September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 9<sup>th</sup> September, 2024.**

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL</b>	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDEAS'</b> section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select <b>"Register Online for IDEAS Portal"</b> or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

**NSDL Mobile App available on**



<b>Individual Shareholders holding securities in demat mode with CDSL</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<b>Individual Shareholders (holding securities in demat mode) login through their depository participants</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
- A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID FFor example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for shareholders other than Individual shareholders are given below:
  - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “Initial password” or have forgotten your password:
  - a) Click on **“Forgot User Details/Password?”**(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?”** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically on NSDL e-Voting system.

### How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [sutharkc@gmail.com](mailto:sutharkc@gmail.com), with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on.: 022 - 4886 7000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com)

### Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [compliance@konstelec.com](mailto:compliance@konstelec.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [compliance@konstelec.com](mailto:compliance@konstelec.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

3. Alternatively shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM” placed under **“Join meeting”** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [compliance@konstelec.com](mailto:compliance@konstelec.com). The same will be replied by the company suitably.



## Annexure to the Notice:

Details of the Director seeking re-appointment at this Annual General Meeting (pursuant to Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings).

<b>Name of Director</b>	<b>Mr. Amish Biharil Shah</b>
<b>Date of Birth</b>	November 21, 1979
<b>DIN No</b>	01415766
<b>Date of Appointment</b>	2 <sup>nd</sup> April, 2016
<b>Qualifications</b>	B.E. (Electronics Engineering) from University of Mumbai and Master of Science (Electrical Engineering) from Syracuse University and Post Graduate Program in Management (Family Managed Business) from S.P Jain Institute of Management and Research.
<b>Experience in Years</b>	More than 16 years
<b>No. of equity shares held in your Company</b>	20,34,318
<b>No. of Board meetings attended during F.Y. 2023-24</b>	18 (100%)
<b>Relationship with other Directors and Key Managerial Personnel:</b>	Son of Mr. Biharil Ravilal Shah, Chairman cum Managing Director Brother-in-law of Mr. Jigar Dhires Shah, Whole Time Director
<b>Terms and conditions of appointment</b>	5 (Five) Years w.e.f. July 01, 2023 Liable to retire by rotation
<b>Other Directorships in Companies:</b>	1. CES Automation Engineers Private Limited 2. KEPL EPC Nigeria Limited (Entity Incorporated Outside India) 3. Konstelec Hitech Engineers Private Limited
<b>Details of remuneration paid</b>	83.469 Lacs p.a.
<b>Skills, expertise, knowledge and competencies of Director</b>	He has vast experience and expertise over Marketing and operations of the company of more than 16 years.

# Board's Report

Dear Members,

Your Directors take great pleasure in presenting the 29<sup>th</sup> Annual Report of **KONSTELEC ENGINEERS LIMITED** ("the Company") in business and operations along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March, 2024.

## COMPANY OVERVIEW

Konstelec Engineers Limited [formerly known as "Konstelec Engineers Private Limited"], a leading Engineering, Procurement, and Construction/Commissioning (EPC) service provider, delivering excellent services for electrical, instrumentation, and automation systems across the nation. We offer comprehensive engineering design services, ensuring efficient and reliable solutions for electrical and instrumentation systems. We bring concepts into reality. We handle the procurement process, sourcing quality materials and components for seamless project execution. We provide ongoing support for system maintenance and optimization. With over 29 years of experience and a team of 700 plus expert engineers, Konstelec excels in project management across various industries. Konstelec oversees commissioning phases, ensuring successful project delivery. Konstelec Engineers Limited delivers reliable and efficient solutions for electrical and automation needs.

## FINANCIAL HIGHLIGHTS

The financial performance of the Company for the financial year ended 31<sup>st</sup> March, 2024 is summarized below:

(₹In Lakhs except per share)

Particulars	Consolidated		Standalone	
	2023-24	2022-23	2023-24	2022-23
Revenue from Operations	21,531.53	15,340.50	21,531.53	15,340.50
Other Income	208.80	172.39	208.80	172.39
Total Income	21,740.33	15,512.89	21,740.33	15,512.89
Operating Expenses	10,115.63	7,398.65	10,115.63	7,398.65
Employees Benefit expenses	3,209.50	2,360.82	3,209.50	2,360.82
Finance Cost	711.40	486.55	711.40	486.55
Depreciation and Amortization expenses	98.71	81.49	98.71	81.49
Other Expenses	6,388.92	4,155.06	6,357.33	4,154.91
Total Expenses	20,524.16	14,482.57	20,492.57	14,482.42
Profit/ (Loss) Before Tax	1,216.17	1,030.32	1,247.76	1,030.47
Tax Expenses	324.1	311.93	324.1	311.93
Profit/ (Loss) for the period	892.07	718.39	923.66	718.54
Paid Up Equity Share Capital (Face Value ₹ 10 each fully paid up)	1,510.00	100.00	1,510.00	100.00
Other Equity	7,891.68	6,089.54	7,937.65	6,103.92
Earnings Per Share (Basic/Diluted)	7.62	6.53	7.89	6.53

## FINANCIAL PERFORMANCE

During the year under review, the Company has recorded total income of ₹21,740.33 Lakhs against ₹15,512.89 Lakhs in previous year which is 40.14 % more in the current year when compared. The Profit before tax for the year is ₹1247.76 Lakhs and profit after tax is ₹923.66 Lakhs.

Revenue from operations for the financial year 2023-24 is ₹21,513.53 Lakhs as against ₹15,340.50 Lakhs in the previous year. Since in the current year the Company has increased the revenue upto 40.24% and net profit upto 28.55%. Your directors are hopeful that the Company may be able to show better performance in coming years.

The earnings per share for the year ended March 31, 2024 is at ₹7.89/-. The net-worth of the Company is now standing at ₹9447.65 Lakhs, which is also increased in line with the increase in the other factors affecting it.

### TRANSFER TO RESERVES

The Board of Directors do not propose any amount to be transferred to General Reserves for the Financial Year 2023-24.

As per the financials, the net movement in the reserves of the Company as at 31<sup>st</sup> March, 2024 and previous year ended 31<sup>st</sup> March, 2023 is as follows:

Particulars	(₹ in Lakhs)	
	Financial Year 2023-24	Financial Year 2022-23
Surplus in Statement of Profit and Loss	5700.00	5776.34
General Reserve	327.58	356.30
Securities Premium	2460.00	-
Less: Share Issue Expenses	(549.93)	-
Total Reserves & Surplus	7937.65	6103.92

The members are advised to refer Note No. 4 as given in the financial statements which forms part of the Annual Report for detailed information.

### DIVIDEND

The dividend is not recommended for this year as the Board of Directors is in favor of retaining earnings in order to finance new growth opportunities and expand its Business operations with a focus on reinvesting its earnings.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUNDS (IEPF)

The provision of Section 125 of Companies Act, 2013 is not applicable to the company as the company has paid dividend to all its shareholders within a prescribed time limit in previous years.

### CONVERSION FROM PRIVATE LIMITED TO PUBLIC LIMITED COMPANY.

During the year, the Company has converted from Private Limited Company to Public Limited Company for which the Company had

sought approval of the Board and Members vide their meetings dated 06<sup>th</sup> June, 2023 and 30<sup>th</sup> June, 2023 respectively.

Pursuant to this conversion, New Certificate of Incorporation dated 25<sup>th</sup> August, 2023 was duly received from the Registrar of the Companies, Mumbai Maharashtra.

### CHANGE IN NATURE OF BUSINESS

During the Year under review, there was no change in the nature of business of the Company or in the nature of activities carried out by the Company.

### MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments have occurred after the closure of Financial Year till the date of this report which may affect the financial position of the Company.

### SHARE CAPITAL

#### Authorized Share Capital

As on 31<sup>st</sup> March, 2024, the Authorized Share capital of the company stood at ₹20,00,00,000/- (Rupees Twenty Crores Only) divided into 2,00,00,000 (Two Crores) Equity shares of ₹10/- (Rupees Ten) each.

#### • Increase in Authorised Share Capital

During the year, the Authorised share capital of the company is increased from ₹1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lakhs) Equity Share of ₹10/- (Rupees Ten) Each to ₹20,00,00,000/- (Rupees Twenty Crores only) divided into 2,00,00,000 (Two Crores) Equity Shares of ₹10/- (Rupees Ten) each by creating Additional Capital of ₹19,00,00,000/- (Rupees Nineteen Crores only) divided into 1,90,00,000 (One Crore Ninety Lakhs) Equity Shares of ₹10/- (Rupees Ten) each for which the Company had sought approval of the Board and Members vide their meetings dated 06<sup>th</sup> June, 2023 and 30<sup>th</sup> June, 2023 respectively.

#### Paid up Share Capital

As on 31<sup>st</sup> March, 2024, the issued, subscribed and paid up equity capital of the company stood at ₹15,10,00,000/- (Rupees Fifteen Crores Ten Lacs Rupees Only) divided into 1,51,00,000 (One Crore Fifty-One lacs) Equity shares of ₹10/- (Rupees Ten) each.

#### • Increase in Paid up Share Capital

(i) Pursuant to Bonus issue by the Company, the paid up share capital of the Company is increased from ₹1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lacs) Equity Shares of ₹10/- (Rupees Ten) each to ₹11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lacs) Equity Shares of ₹10/- (Rupees Ten) each by creation of Additional Capital of ₹10,00,00,000/- (Rupees Ten Crores only) divided into 1,00,00,000 (One Crores) Equity Shares of ₹10/- (Rupees Ten) each.

(ii) Pursuant to Initial Public Offer by the Company, the paid up share capital of the Company is increased from ₹11,00,00,000/- (Rupees Eleven Crores only) divided into 1,10,00,000 (One Crore Ten Lacs) Equity Shares of ₹10/- (Rupees Ten) each to ₹15,10,00,000/- (Rupees Fifteen Crores Ten Lakhs only) divided into 1,51,00,000 (One Crore Fifty-One Lacs) Equity Shares of ₹10/- (Rupees Ten) each by creation of Additional Capital of ₹4,10,00,000/- (Rupees Four Crores Ten Lacs only) divided into 41,00,000 (Fourty One Lacs) Equity Shares of ₹10/- (Rupees Ten) each.

### BONUS ISSUE

During the Financial year, the Company has issued 1,00,00,000 (One Crore) equity shares of ₹10/- each amounting ₹10,00,00,000/- (Rupees Ten Crores Only) by way of Bonus issue in the ratio 10:1 i.e., 10 New equity shares of ₹10/- each fully paid up for every 1 equity shares of ₹10/- each capitalizing free reserves of the company to the existing shareholders of the company, the approval for Bonus issue had sought approval of the Board and Members vide their meetings dated 06<sup>th</sup> June, 2023 and 30<sup>th</sup> June, 2023 respectively.

### SWEAT EQUITY SHARES

As per the provisions of Section 54(1)(d) of the Companies Act, 2013 and in terms of Rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued any Sweat Equity Shares during the period under review.

### DIFFERENTIAL VOTING RIGHTS

As per the provisions of Section 43(a)(ii) of the Companies Act, 2013 and in terms of Rule 4(4) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any shares with Differential Voting Rights during the period under review.

#### Details of utilization of fund as on 31<sup>st</sup> March 2024 are as under:

(All amounts in Lakhs)					
Sr. No.	Original Object	Original Allocation (₹ In Lakhs)	Funds Utilized	Amount of Deviation/ Variation according to applicable object	Remarks
1.	Funding working capital requirements	₹1800/-	₹1800/-	NIL	Not Applicable
2.	General Corporate Purpose	₹700/-	₹500/-	NIL	₹200/- (Amount Unutilised)- Refer Note
3.	IPO Related Expenses	₹370/-	₹370/-	NIL	Not Applicable
Total		₹2870/-	₹2670/-		

Note: As on 31<sup>st</sup> March, 2024, the company had unutilised proceeds which had been temporarily invested/parked in bank accounts/ deposits. And the company is in process to utilise remaining funds fully for the stated General Corporate Purposes only.

#### • Statement of Deviation or Variation

Pursuant to Regulation 32 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, there is no deviation or variation in the use of funds raised through public issue of equity shares from the objects stated in the prospectus of the Company.

### EMPLOYEE STOCK OPTIONS

As per the provisions of Section 62(1)(b) of the Companies Act, 2013 and in terms of Rule 12(9) of Companies (Share Capital and Debenture Rules, 2014), the Company has not issued any Employee Stock Options during the period under review.

### DEBENTURES/BONDS/WARRANTS OR ANY NON-CONVERTIBLE SECURITIES

During the year under review, the Company has not issued any debentures, bonds, warrants or any non-convertible securities. As on date, the Company does not have any outstanding debentures, bonds, warrants or any non-convertible securities.

### INITIAL PUBLIC OFFER (IPO) AND CONSEQUENT LISTING OF SHARES ON SME EXCHANGE OF NSE

During the Financial Year, the Company has launched Initial Public Offer (IPO) by way of Fresh Issue of 41,00,000 Equity Shares, Face value of ₹10/- each for a cash price of ₹70/- per equity share including share premium of ₹60/- each on SME (Small and Medium Exchange) Platform of National Stock Exchange of India Limited (NSE Emerge) and accordingly the shares of the Company got listed w.e.f. 30<sup>th</sup> January 2024. The approval for IPO had sought from the members of the Company at their meeting held on 18<sup>th</sup> September, 2023.

#### • Details of Utilization of Funds Raised Through Initial Public Offer (IPO)

During the Financial year, the Company raised funds aggregating to ₹2870.00 Lakhs from Initial Public Offer (IPO) on SME Platform. The Company has utilized funds raised through issue for the purpose as stated in the Letter of Offer.



A statement to that effect has also been duly filed with the Stock Exchange within the stipulated time.

## DEPOSITS

Your Company has not accepted any deposits from the public falling within the purview of Section 73 and 74 of the Companies Act, 2013 read together with the Companies (Acceptance of Deposits) Rules, 2014 and therefore, there was no principal or interest outstanding as on the date of the Balance Sheet.

## DETAILS OF SUBSIDIARY, JOINT VENTURES, ASSOCIATE COMPANIES

The Company does not have any subsidiary company at the beginning or any time during the year or at the end of the financial year 2023-24. However, the details of the Joint Venture are disclosed in AOC-1 which is forming a part of board's report as an **Annexure-I**

## SECRETARIAL STANDARDS

The Company has complied with all the applicable provisions of Secretarial Standards on Meetings of Board of Directors (SS-1), Revised Secretarial Standards on General Meetings (SS-2) issued by Institute of Company Secretaries of India.

## RELATED PARTY TRANSACTIONS

All contracts or arrangements or transactions with related parties during the year under review as referred to in Section 188(1) of the Companies Act, 2013, were in the ordinary course of business and on arms' length basis. Details of such material contracts/ arrangement/ transactions with related parties which may have potential conflict with the interest of the Company. Hence details of such transactions has been disclosed in terms of Section 134 of the Act in AOC-2 which is forming part of board's report as an **Annexure-II**

As per the provisions of Section 188 of the Companies Act, 2013, approval of the Board of Directors is obtained for entering into related party transactions by the Company.

During the financial year under review, all the Related party transactions are disclosed in the notes provided in the financial statements which forms part of this Annual Report.

## PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the year under review, your Company has not made any investment, given any loan or guarantee or security falling within the meaning of Section 186 of the Companies Act, 2013 and the rules made thereunder.

However, the company has following investment as on 31<sup>st</sup> March, 2024 in its Joint Venture Company:

Sr. No.	Name of the Body Corporate	Investment Value
1.	Konstelec Hitech Engineers Private Limited (CIN: U31908MH2010PTC199051)	47.00 Lakhs (4,70,000 Equity Shares of ₹10 each)

## DEMATERIALIZATION OF EQUITY SHARES

During the year under review all the existing shares in Physical mode were dematerialized and entire shareholdings of the Company is in demat mode only.

## LISTING AND DEPOSITORY FEE

The Equity Shares of the Company are listed on SME Platform of National Stock Exchange of India Limited (NSE Emerge). The Company has paid Listing fees for the financial years 2023-24 and 2024-25 according to the prescribed norms & regulations.

The Company has also paid Annual Custody Fees to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year 2023-24 & 2024-25.

## DIRECTORS & KEY MANAGERIAL PERSONNEL(S)

### Executive Directors

Mr. Biharilal Ravilal Shah - Chairman & Managing Director  
Mr. Amish Biharilal Shah - Executive Whole Time Director  
Mr. Jigar Dhires Shah - Executive Whole Time Director

### Non- Executive Directors

Mr. Ranjan Mathur - Independent Director  
Manisha Abhay Lalan - Independent Director  
Mrs. Amita Sachin Karia - Independent Director

### Key Managerial Personnel(s)

Mrs. Molly Antony - Chief Financial Officer (CFO)  
Ms. Shatabdi Sudam Salve - Company Secretary & Compliance Officer

### Changes in Directors & Key Managerial Personnel

During the Financial year 2023-24, changes took place in the Board Composition as follows.

And Pursuant to provisions of Section 203 of the Companies Act, 2013 and rules made thereunder and in adherence to Regulation 6(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Key Managerial Personnel (s) are appointed as follows:

Sr. no	Name	Designation	Appointment/ Reappointment/ Change in Designation /Cessation	Term	Date
<b>Key Managerial Personnel(s)</b>					
1.	Mr. Biharilal Ravilal Shah (DIN: 00337318)	Chairman cum Managing Director	Re-appointment	5 years (till 30 <sup>th</sup> June 2028)	30-06-2023
2.	Mr. Amish Biharilal Shah (DIN: 01415766)	Whole Time Director	Change in Designation	5 years (till 30 <sup>th</sup> June 2028)	30-06-2023
3.	Mr. Jigar Dhires Shah (DIN: 10082070)	Whole Time Director	Change in Designation	5 years (till 30 <sup>th</sup> June 2028)	30-06-2023
4.	Mrs. Molly Antony	Chief Financial Officer (CFO)	Appointment	NA	01-08-2023
5.	Ms. Shatabdi Sudam Salve	Compliance Officer and Company Secretary	Appointment	NA	01-08-2023
<b>Independent Directors</b>					
6.	Ms. Manisha Abhay Lalan (DIN: 10259129)	Additional Director [to be appointed as Non-Executive Independent Woman Director]	Appointment	5 years (till 31 <sup>st</sup> July 2028)	01-08-2023
		Director [Non-Executive Independent Woman Director]	Change in Designation		18-09-2023
8.	Mr. Ranjan Mathur (DIN: 02842552)	Additional Director [to be appointed as Non-Executive Independent Director]	Appointment	5 years (till 31 <sup>st</sup> July 2028)	01-08-2023
		Director [Non-Executive Independent Director]	Change in Designation		18-09-2023
10.	Mr. Ritesh Veera (DIN: 07919959)	Additional Director [to be appointed as Non-Executive Independent Director]	Appointment	5 years (till 31 <sup>st</sup> July 2028)	01-08-2023
		As Additional Non-Executive Independent Director	Cessation		25-08-2023
12.	Mrs. Amita Sachin Karia (DIN: 07068393)	Non-Executive Independent Director	Appointment	5 years (till 31 <sup>st</sup> July 2028)	18-09-2023

## RETIREMENT BY ROTATION

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms of the Articles of Association of the Company, Mr. Amish Biharilal Shah (DIN:01415766), Whole Time Director of the Company is liable to retire by rotation and being eligible, seeks re-appointment at the ensuing Annual General Meeting of the Company. Mr. Amish Biharilal Shah is not disqualified under Section 164(2) of the Companies Act, 2013. The Board of Directors recommends his re-appointment in the best interest of the Company.

Notice convening ensuing Annual General Meeting includes the proposal for re-appointment of aforesaid Director along with brief details of the Director as per Regulation 36 of the Listing Regulations and Clause 1.2.5 of Secretarial Standard on General Meetings.

#### BOARD DIVERSITY

The Board of Directors of the Company has adopted the policy on Board Diversity. The Board comprises of adequate combination of executive, non-executive and independent directors in accordance with the requirements of the Companies Act, SEBI Listing Regulations and other statutory, regulatory and contractual obligations of the Company.

The policy on Board diversity has been disclosed on the website of the Company at [www.konstelec.com](http://www.konstelec.com).

The Board has taken into consideration the versatility of knowledge, experience, financial literacy/expertise, global market awareness and other relevant factors as may be considered appropriate and the Board has formulated with mix of members to maintain high level of ethical standards.

#### FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

On appointment, the concerned Director is issued a Letter of appointment setting out in detail, the terms of appointment, duties, responsibilities and expected time commitments. Each newly appointed Independent Director is taken through an induction and familiarization program including the presentation and interactive session with the Committee Members and other Functional Heads on the Company's finance and other important aspects. The Familiarization Programme was arranged for Independent Directors as per the policy disclosed on the website of the Company at [www.konstelec.com](http://www.konstelec.com).

#### DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the following declarations from all the Independent Directors confirming that:

1. They meet the criteria of independence as prescribed under the provisions of the Companies Act, read with the Schedules and Rules issued thereunder, and the Listing Regulations. There has been no change in the circumstances affecting their status as Independent Directors of the Company; and
2. They have registered themselves with the Independent Director's Database maintained by the IICA.

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164(2) of the Act and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

#### CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

The Company has also placed the Code of Conduct for Independent Directors. This Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and Companies in the institution of Independent Directors.

#### ANNUAL EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and individual Directors pursuant to the provisions of Sections 134, 178 and Schedule IV of the Companies Act, 2013. Evaluation was done after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, performance of specific duties, independence, ethics and values, attendance and contribution at meetings etc.

The performance of the Independent Directors was evaluated individually by the Board after seeking inputs from all the directors on the effectiveness and contribution of the Independent Directors.

The performance of the Committees was evaluated by the Board after seeking comments from the Committee members based on the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board reviewed the performance of the individual Directors on the basis of the contribution of the individual Director during Board and Committee meetings.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, and the performance of the Chairman was evaluated, taking into account the views of executive directors and non-executive directors. The Independent Directors also assessed the quality, frequency and timeliness of flow of information between the Board and the management that is necessary for effective performance.

#### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 134 (3)(c) of the Companies Act, 2013 the Board of Directors hereby confirms that:

- i. In the preparation of the annual accounts of the Company for the year ended March 31, 2024, the applicable Accounting Standards had been followed and there are no departures from the same;
- ii. Accounting policies have been selected and applied consistently and judgments and estimates made that are

reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the financial year March 31, 2024 and of the profit of the Company for that year ended on that date;

- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and detecting fraud and other irregularities;
- iv. Annual accounts for the year ended March 31, 2024 have been prepared on a going concern basis.
- v. Internal Financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi. Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Financial Year 2023-24.

#### BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. The Directors of the Company duly met Eighteen (18) times during the year, all the Board Meetings were conducted in due compliance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on Board Meeting.

The following Meetings of the Board of Directors were held during the Financial Year 2023-24:

Sr. No.	Date of Board Meeting	Board Strength	Number of Directors present	% of Attendance
1.	11-04-2023	03	03	100.00
2.	08-06-2023	03	03	100.00
3.	20-06-2023	03	03	100.00
4.	01-07-2023	03	03	100.00
5.	07-07-2023	03	03	100.00
6.	20-07-2023	03	03	100.00
7.	24-07-2023	03	03	100.00
8.	01-08-2023	03	03	100.00
9.	25-08-2023	05	05	100.00
10.	18-09-2023	06	06	100.00
11.	30-09-2023	06	04	66.67
12.	16-10-2023	06	04	66.67
13.	20-10-2024	06	04	66.67
14.	10-01-2024	06	03	50.00
15.	25-01-2024	06	03	50.00
16.	05-03-2024	06	03	50.00
17.	21-03-2024	06	03	50.00
18.	26-03-2024	06	03	50.00

## BOARD COMMITTEES

The Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

## AUDIT COMMITTEE

The Company has duly constituted the Audit Committee pursuant to the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following Directors are members of Audit Committee:

Sr. No.	Name	Designation	Nature of Directorship
1.	Ms. Manisha Abhay Lalan (DIN: 10259129)	Chairperson	Non- Executive Independent Woman Director
2.	Mr. Ranjan Mathur (DIN: 02842552)	Member	Non-Executive Independent Director
3.	Mr. Amish Biharilal Shah (DIN: 01415766)	Member	Whole Time Director

The following Meetings of the Audit Committee were held during the Financial Year 2023-24:

Sr. No.	Date of Committee Meeting	Committee Strength	Number of Members present	% of Attendance
1.	16.10.2023	3	3	100.00
2.	15.12.2023	3	3	100.00
3.	20.03.2024	3	3	100.00

Maximum members of the Committee are Non-Executive Directors of the Company. The Company Secretary of the Company acts as the Secretary to the Committee.

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the Listing Regulations and Section 177 of the Act as applicable along with other terms as referred by the Board. The role of the audit committee includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - o matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - o changes, if any, in accounting policies and practices and reasons for the same;
  - o major accounting entries involving estimates based on the exercise of judgment by management;
  - o significant adjustments made in the financial statements arising out of audit findings;
  - o compliance with listing and other legal requirements relating to financial statements;
  - o disclosure of any related party transactions;
  - o modified opinion(s) in the draft audit report;
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the draft prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up thereon;

- 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 material nature and reporting the matter to the board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Approval of the appointment of a chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Monitoring the end use of funds raised through public offers and related matters.
- Carrying out any other function as is mentioned in the terms of reference of the audit committee.

The Audit Committee shall mandatorily review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters/letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;
- The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- Statement of deviations: (a) half-yearly statement of deviation(s) including the report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1); (b) annual statement of funds utilized for purposes other than those stated in the draft prospectus/ notice in terms of Regulation 32(7).

## NOMINATION AND REMUNERATION COMMITTEE

The Company has duly constituted the Nomination and Remuneration Committee pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following Directors are members of Nomination and Remuneration Committee:

Name	Designation	Nature of Directorship
Mr. Ranjan Mathur (DIN: 02842552)	Chairperson	Non-Executive Independent Director
Ms. Manisha Abhay Lalan (DIN: 10259129)	Member	Non- Executive Independent Woman Director
Mrs. Amita Sachin Karia (DIN: 07068393)	Member	Non- Executive Independent Director

The following Meetings of the Nomination and Remuneration Committee were held during the Financial Year 2023-24:

Sr. No.	Date of Committee Meeting	Committee Strength	Number of Members present	% of Attendance
1.	16.10.2023	3	3	100.00
2.	20.03.2024	3	3	100.00

All members of the Committee are Non-Executive Directors of the Company. The Company Secretary of the Company acts as the Secretary to the Committee.

The terms of reference of the Nomination & Remuneration Committee are:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of the performance of independent directors and the board of directors;
- Devising a policy on diversity the of the board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
- To extend or continue the term of appointment of the independent director based on the report of performance evaluation of independent directors.
- To recommend to the Board all remuneration, in whatever form, payable to senior management.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has duly constituted the Stakeholders Relationship Committee pursuant to the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The following Directors are members of Stakeholders Relationship Committee:

Name	Designation	Nature of Directorship
Mrs. Amita Sachin Karia (DIN: 07068393)	Chairperson	Non-Executive Independent Director
Ms. Manisha Abhay Lalan (DIN: 10259129)	Member	Non- Executive Independent Woman Director
Mr. Biharilal Ravilal Shah (DIN: 00337318)	Member	Non- Executive Independent Director

The following Meetings of the Stakeholders Relationship Committee were held during the Financial Year 2023-24:

Sr. No.	Date of Committee Meeting	Committee Strength	Number of Members present	% of Attendance
1.	20.03.2024	3	3	100.00

Maximum members of the Committee are Non-Executive Directors of the Company. The Company Secretary of the Company acts as the Secretary to the Committee.

The terms of reference of the Stakeholders Relationship Committee are:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc;
- Review of measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the company; and
- To carry out any other function as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as and when amended from time to time.

As on 31<sup>st</sup> March 2024 there are no Complaints of investors are pending to be resolved.

### SEPARATE MEETING OF INDEPENDENT DIRECTORS

In accordance with Schedule IV of Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on Wednesday, 20<sup>th</sup> March, 2024 to;

- Review the performance of non-independent Directors and the Board as a whole;
- Review the performance of the Chairperson of the company taking into account the views of executive Directors and Non-executive Directors;
- Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors were present to the meeting.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

In accordance with the Section 135 of the Companies Act, 2013 Company has duly constituted the Corporate Social Responsibility Committee to review and administer Policy and Expenditures of Corporate Social Responsibility.

The members of the Corporate Social Responsibility Committee are as follows:

Name	Designation	Nature of Directorship
Mr. Biharilal Ravilal Shah (DIN: 00337318)	Chairperson	Chairman cum Managing Director
Mr. Amish Biharilal Shah (DIN: 01415766)	Member	Whole Time Director
Ms. Manisha Abhay Lalan (DIN: 10259129)	Member	Non-Executive Independent Woman Director

The following Meetings of the Corporate Social Responsibility Committee were held during the Financial Year 2023-24:

Sr. No.	Date of Committee Meeting	Committee Strength	Number of Members present	% of Attendance
1.	20.06.2023	2	2	100.00
2.	16.10.2023	3	3	100.00
3.	20.10.2023	3	3	100.00
4.	10.01.2024	3	3	100.00

### GENERAL MEETINGS

During the year under review, the following General meetings were held and convened.

Sr. No.	Type of Meeting	Date of Meeting	Total Number of Members entitled to attend meeting	Number of Members present	% of Attendance
1.	Extra-Ordinary General Meeting	30 <sup>th</sup> June, 2023	7	7	100.00
2.	Annual General Meeting	18 <sup>th</sup> September, 2023	10	9	90.00
3.	Extra-Ordinary General Meeting	18 <sup>th</sup> December, 2023	11	10	90.91

### STATUTORY AUDITORS

M/s. Shah P. M. And Associates., Chartered Accountants (Firm Registration number 131576W) a peer reviewed firm were appointed as statutory Auditors of the Company by the members at their Annual General Meeting held on 18<sup>th</sup> September, 2023, for a term of 2 years for the Financial years 2023-24 to 2024-25 for conducting audit in terms of section 139 and 141 of the Companies Act, 2013, and Rule 4 of the Companies (Audit and Auditors) Rules, 2014.

### AUDITORS REPORT

The Board has duly reviewed the Statutory Auditors' Report on the Standalone and Consolidated Financial Statements of the Company. The notes forming part of the Financial Statements referred to in the Auditors Report are self-explanatory and do not call for any further explanations under Section 134 of the Companies Act, 2013. The Report given by the Auditor on the financial statement of the Company is part of this Annual Report and it does not contain any qualification, reservation, adverse remark or disclaimer.

### SECRETARIAL AUDITOR AND SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s K C Suthar & Co., Company Secretaries, Mumbai, a peer reviewed firm (holding Certificate of Practice bearing No. 4075), to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2024 is annexed herewith marked as "Annexure – III" in 'Form No. MR-3' and forms an integral part of this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark which needs any explanation or comments of the Board.

### INTERNAL AUDITOR

Company has in place an adequate internal audit framework to monitor the efficacy of internal controls with the objective of providing to the Audit Committee and the Board of Directors, an independent and reasonable assurance on the adequacy and effectiveness of the organization's risk management, internal control and governance processes.

The framework is commensurate with the nature of the business, size, scale and complexity of its operations with a risk based internal audit approach.

The Company has appointed M/s SMCA Advisors and Consultants Private Limited (CIN: U741110MH1995PTC092719) as the Internal Auditor of the Company for the financial year 2023-24 for conducting Internal audit of systems and processes, providing of observations, impact and recommendation to strengthen the internal control framework and advise on internal control process gaps of the company.

### INTERNAL FINANCIAL CONTROLS

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost cutting measures, efficiency of operation and protecting assets from their unauthorized use. The Company also ensures that internal controls are operating effectively. The Company has also in place adequate internal financial controls with reference to financial statement. Such controls are tested from time to time to have an internal control system in place.

Your Company ensures adequacy, commensurate with its current size, scale and complexity of its operations to ensure proper recording of financial and operational information & compliance of various internal controls, statutory compliances and other regulatory compliances. It is supported by the internal audit process and will be enlarged to be adequate with the growth in the business activity. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

### MAINTENANCE OF COST RECORDS

Pursuant to Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 related to maintenance of cost records is not applicable to the Company for the Financial Year 2023-24.

## RISK MANAGEMENT AND GOVERNANCE

The Company has clearly defined systems to manage its risks within acceptable limits by using risk mitigating techniques and have framed a mechanism for timely addressing key business challenges and leveraging of business opportunities.

A robust internal financial control system forms the backbone of our risk management and governance. In line with our commitment to provide sustainable returns to our stakeholders, risks identified by the business and functions are systematically addressed through mitigating actions on a continuing basis.

### DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY:

During the Year under review the Board has made the total expenditure under CSR of ₹12.96 Lakhs for F.Y. 2023-24 whereas the total Amount required to be spent was ₹12.56 Lakhs for the financial year 2023-24.

The detailed Report on CSR Activities as per **Annexure-IV**.

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the financial year 2023-24, as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is presented in a separate section forming part of this Annual Report.

### THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO:

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014, is given below:

#### A. Conservation of energy

The Company is making all efforts to conserve energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance/upgradation of energy saving devices.

The Companies (Disclosure of Particulars in Report of Board of Directors) Rules 1988 require the disclosure of particulars regarding Conservation of Energy in Form-A and Technology Absorption in Form-B as prescribed by the Rules.

#### A. Conservation of energy

##### i. The steps taken or impact on conservation of energy:

- Shutting off the lights and systems when not in use.
- Minimizing the usage of papers.

##### ii. Steps taken by company for utilizing alternate source of energy:

The Company is not utilizing any alternate source of energy.

##### iii. The Capital Investment on energy conservation equipment:

The Company has not made any Capital Investment on energy conservation equipments.

#### B. Technology absorption:

The Company does not undertake any activities relating to technology absorption.

#### C. Foreign Exchange earnings and outgo:

- Foreign Exchange Earnings: ₹48.84/- (In Lakhs)
- Foreign Exchange Outgo: ₹0.54/- (In Lakhs)
- Advance to Supplier: NIL

## CORPORATE GOVERNANCE

The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in creation of value for all its stakeholders. The Company has been listed on SME Emerge Platform of NSE and by virtue of Regulation 15 of SEBI (Listing obligations and disclosure requirements) Regulations, 2015 ("LODR") the compliance with the corporate governance provisions as specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V are not applicable to the Company. Hence, the Corporate Governance Report does not form part of this Annual Report.

### ANNUAL RETURN

The extracts of Annual Return [MGT-9] pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 has been placed on the website of the company and can be accessed at [www.konstelec.com](http://www.konstelec.com)

### ESTABLISHMENT OF VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Board has adopted Vigil Mechanism/Whistle Blower Policy pursuant to the provisions of Section 177(9) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides for a framework and process whereby concerns can be raised by its Employees and Directors to the management about unethical behaviour, actual or suspected fraud or violation of the Code of conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements. The policy provides for adequate safeguards against victimization of employees and Directors of the Company.

The Vigil Mechanism/Whistle Blower Policy is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

### CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

The Board has adopted Code of conduct for board of directors and senior management personnel as per the provisions of

Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The policy provides code of conduct for the board of directors of the Company ("Board") and the senior management personnel of the Company (i.e. one level below, the executive directors, and functional heads) ("Senior Management Personnel") for conduct the business of the Company with integrity, fairness and transparency and meet the expectations of statutory and regulatory authorities, and progressively enhance the scope of this Code to align the conduct with the expectations of shareholders, other stakeholders and the society at large.

The Code of conduct for board of directors and senior management personnel is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

### POLICY FOR DETERMINATION OF MATERIALITY

The board has adopted a policy to determine materiality of event and information based on criteria specified under clause (i) of sub-regulation (4) of Regulation 30 of the Listing Regulations and to ensure that the Company shall make disclosure of events/information specified in para A and B of Part A of Schedule III of the Listing Regulations to the Stock Exchange and to ensure that such information is adequately disseminated in pursuance with the Regulations and to provide an overall governance framework for such determination of materiality.

The policy for determination of materiality is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

### NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and in compliance of Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Employees of the Company in order to pay equitable remuneration to Directors, KMPs and other Employees of the Company and it includes the criteria for determining qualifications, positive attributes, independence of a Director.

The Company's remuneration policy is directed towards rewarding performance based on review of achievements periodically. The remuneration policy is in consonance with the existing industry practice. The Remuneration policy is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

### POLICY ON PRESERVATION AND ARCHIVAL OF DOCUMENTS

Your Company has formulated a policy on Preservation and Archival of Documents in accordance with Regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Policy ensures that the Company complies with the applicable document retention laws, preservation of various statutory documents and also lays down minimum retention period for the documents and records in respect of which no retention period has been specified by any law/ rule/regulation.

It provides for the authority under which the disposal/destruction of documents and records after their minimum retention period can be carried out. The policy also deals with the retention and archival of corporate records of the Company. The policy provides guidelines for archiving of corporate records and documents as statutorily required by the Company.

The policy on Preservation and Archival of Documents is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

### CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

Your Company has in place a Code for Prohibition of Insider Trading, under the SEBI (Prohibition of Insider Trading) Regulations, 2015, which lays down the process of trading in securities of the Company by the employees, designated persons and connected persons and to regulate, monitor and report trading by such employees and connected persons of the Company either on his/her own behalf or on behalf of any other person, on the basis of unpublished price sensitive information.

The Code of conduct for Prevention of Insider Trading is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

### CODE OF PRACTICES & PROCEDURES FOR FAIR DISCLOSURE OF UNPUBLISHED PRICE SENSITIVE INFORMATION

Pursuant to Regulation 8(1) of SEBI (Prohibition of Insider Trading) Regulations, 2015, Company has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, with a view to lay down practices and procedures for fair disclosure of Unpublished Price Sensitive Information.

The Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information is available on the Company's website at [www.konstelec.com](http://www.konstelec.com)

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

Your Company has always provided a safe and harassment free workplace for every individual especially for women in its premises through various policies and practices. Your Company has been actively involved in ensuring that the clients and all the employees are aware of the provisions of the POSH Act and rights thereunder. There was no complaint received by the Company during the financial year 2023-24 under the aforesaid Act.

### SYSTEM DRIVEN DISCLOSURE

SEBI, vide circular dated 1<sup>st</sup> December, 2015 had introduced System Driven Disclosures in securities market detailing the procedure to be adopted for its implementation with effect from 1<sup>st</sup> January, 2016. As specified in SEBI circular dated 1<sup>st</sup> December, 2015 the system is being implemented in phases and in the first phase, the disclosures of promoter/promoter group under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations,

2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015 have been implemented.

The Company has duly appointed National Securities Depository Limited (NSDL) as Designated Depository to maintain the details as required by SEBI.

### STRUCTURED DIGITAL DATABASE

SEBI, vide SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018, introduced the concept of Structured Digital Database which came into effect from 1<sup>st</sup> April, 2019. As per Regulation 3(5) of SEBI (PIT) Regulations, 2015, the Board of Directors or head(s) of the organisation required to maintain Structured Digital Database.

As per Regulation 3(2A) of the PIT Regulations, 2015, an intermediary/ fiduciary /other entity shall maintain a separate Structured Digital Database internally, for recording details of:

- The UPSI shared and persons with whom such UPSI is shared;
- The UPSI shared and the persons who have shared such UPSI with the intermediary/ fiduciary / entity.

The company is maintaining the Structural Digital Database (SDD) internally with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database in compliance with SEBI (PIT) Regulations, 2015.

### PARTICULARS OF REMUNERATION TO EMPLOYEES

The Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 read Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as **Annexure V**.

### GENERAL NOTICE AND DISCLOSURES

<b>Date, Time and Venue of the AGM</b>	Monday, 16 <sup>th</sup> September, 2024. at 11:00 AM (IST) through VC / OAVM mode. The venue of the Meeting shall be deemed to be the Registered office of the Company
<b>Registrar &amp; Share Transfer Agent</b>	Skyline Financial Services Private Limited (CIN: U74899DL1995PTC071324) D-153A, First Floor Okhla Industrial Area, Phase-I, New Delhi-110020, Delhi India
<b>Financial Year</b>	2023-24
<b>Date of Book Closure</b>	10 <sup>th</sup> September 2024 to 16 <sup>th</sup> September, 2024 (both days inclusive)
<b>Listing on Stock Exchange</b>	National Stock Exchange of India Limited – SME Platform
<b>Symbol</b>	KONSTELEC
<b>ISIN</b>	INE0QEI01011

### HUMAN RESOURCE DEVELOPMENT

Our Company believe that our employees are key contributors to our business success and its ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for its kind of business. As on March 31, 2024 our Company has 1569 employees on payroll.

Our manpower is a prudent mix of the experienced and youth which gives us the dual advantage of stability and growth. Our work processes and skilled resources together with our strong management team have enabled us to successfully implement our growth plans. Also we hire contract labour at our site as per the requirement. The Company has tie ups with skilled and semi-skilled manpower suppliers across the country.

A continuous effort is being made by the management to make the Company a great place of work by providing a platform to employees where they feel empowered and engaged. We always strive for continuous improvement and believe in our strong foundation which gets reflected in our values and systems.

### REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013.

### SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/TRIBUNAL

During the financial year 2023-24, there were no significant or material orders passed by the Regulators or Courts or Tribunals which affect the going concern status of the Company and its operations in future.

### PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

### ENVIRONMENT AND SAFETY

The Company is conscious of the importance of environmentally clean and safe operations. The Company's policy required to conduct operations in such a manner, so as to ensure safety of all concerned compliances, environmental regulations and preservation of natural resources.

### APPRECIATION & ACKNOWLEDGEMENT

Your Directors wish to place on record their gratitude to Shareholders for the confidence reposed by them and thank all the Clients, Dealers, and other business associates, regulatory and Government authorities for their continued support and contribution to the Company's growth. The Directors also wish to express their appreciation for the efficient and loyal services rendered by each and every employee, without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. Your Board appreciates the precious support provided by the Auditors and Consultants. The Company will make every effort to meet the aspirations of its Shareholders. For and on behalf of

For and on behalf of  
**M/s Konstelec Engineers Limited**

**Biharilal Ravilal Shah**  
Chairman cum Managing Director  
DIN: 00337318

**Amish Biharilal Shah**  
Wholetime Director  
DIN: 01415766

Date:27/06/2024  
Place: Mumbai

**Annexure- I**
**FormAOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part B-Joint Venture Company**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture Company

[All Amounts are in ₹]

Name of Associates	KONSTELEC HITECH ENGINEERS PRIVATE LIMITED
1. Latest audited Balance Sheet Date	31/03/2024
2. Date on which the Associate or Joint Venture was associated or acquired	19/01/2010
3. Shares of Joint Venture held by the company on the year end	
No. of shares	4,70,000 Equity Shares [Four lacs seventy thousand].
Amount of Investment in Joint Venture	₹47,00,000.00 [Rupees Forty-Seven lacs only]
Extent of Holding (in percentage)	47%
4. Description of how there is significant influence	Holding more than 20% Shares as per given u/s 2(6) of the Companies Act-2013
5. Reason why the Joint venture is not consolidated	N.A
6. Net worth attributable to shareholding as per latest audited Balance Sheet	₹1,03,927.81
7. Profit or Loss for the year	(67,20,413)
i. Considered in Consolidation	Yes
ii. Not Considered in Consolidation	N.A.

 For and on behalf of  
**M/s Konstelec Engineers Limited**
**Biharilal Ravilal Shah**  
 Chairman cum Managing Director  
 DIN: 00337318

**Amish Biharilal Shah**  
 Wholetime Director  
 DIN: 01415766

 Date:27/06/2024  
 Place: Mumbai

**Form No. AOC -2**

{Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

- Details of contracts or arrangements or transactions not at arm's length basis – Not Applicable
- Details of material contracts or arrangement or transactions at arm's length basis: -

[All Amounts are in Lakhs]

	Name(s) of the related party AND Nature of relationship	Amish Biharilal Shah Whole Time Director	Rajul Shah Wife of Whole Time Director
(a)	Nature of contracts/ arrangements/ transactions	Office Rent	Remuneration
(b)	Duration of the contracts / arrangements/transactions	Yearly	Yearly
(c)	Salient terms of the contracts or arrangements or transactions including the value, if any	₹2.16 Lakhs	₹23.90 Lakhs
(d)	Date(s) of approval by the Board	11-04-2023	11-04-2023
(e)	Amount paid as advances, if any:	-	-

 For and on behalf of  
**M/s Konstelec Engineers Limited**
**Biharilal Ravilal Shah**  
 Chairman cum Managing Director  
 DIN: 00337318

**Amish Biharilal Shah**  
 Wholetime Director  
 DIN: 01415766

 Date:27/06/2024  
 Place: Mumbai

## ANNEXURE – III

[FORM NO MR -3]  
**SECRETARIAL AUDIT REPORT**

[For The Financial Year Ended 31<sup>st</sup> March 2024]

**KONSTELEC ENGINEERS LIMITED.**

(CIN: L45203MH1995PLC095011)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

The Members,  
**Konstelec Engineers Limited.**

308, Creative Industrial Estate,  
 Sunder Nagar Lane No. 2, Kalina,  
 Santacruz East, Mumbai-400098,  
 Maharashtra, India.

Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

The Company has complied with provisions of the Act to the extent of the provisions of the Act.

- v. During the Financial Year under review, the Company M/s Konstelec Engineers Limited having CIN: L45203MH1995PLC095011 has launched Initial Public Offer (IPO) by way of Fresh Issue of Equity Shares on SME (Small and Medium Exchange) Platform of National Stock Exchange of India Limited (NSE Emerge) and accordingly the shares of the Company got listed **w.e.f. 30<sup>th</sup> January 2024**. The Company has paid Listing processing along with initial fees for IPO during the financial year 2023-24 according to the prescribed norms & regulations.

The following Regulations and Guidelines prescribed under Securities Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the company.

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **[Not applicable as there was no reportable event during the financial year under review except below.]**

The Promoters of the Company has made disclosure under Regulation 31(4) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 in respect of non-encumbrance of shares of Promoters and Promoters group during the Financial Year ended 31<sup>st</sup> March, 2024.

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

The Company is maintaining the Structured Digital Database (SDD) internally to record every event of the UPSI and there were 3 (Three) number of events during the year which has been captured in the database along with date and time and necessary disclosure is made to National Stock Exchange Limited.

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

The Company has complied with all the applicable regulations in respect of Initial Public offer (Fresh Issue-

IPO) of 41,00,000 Equity Shares, Face value of ₹10/- each for a cash price of ₹70/- per equity share including share premium of ₹60/-each during the period from January 19, 2024 (Bid/Issue opened on) to January 24, 2024 (Bid/ Issue closed on).

- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations 2021; **[Not applicable as there was no reportable event during the financial year under review.]**

- e. The Securities and Exchange Board of India (Issue and Listing of Securitised Debt Instruments and Security Receipts) Regulations, 2008; **[Not applicable as there was no reportable event during the financial year under review.]**

- 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 as the company is not an RTA.]**

- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **[Not applicable as there was no reportable event during the financial year under review.]**

- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 2018; **[Not applicable as there was no reportable event during the financial year under review.]**

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

During the Financial Year under review, the Company has complied with the applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent of its applicability.

- j. The Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations 2021 **[Not applicable as there was no reportable event during the financial year under review.]**

- k. Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

During the Financial Year under review, the Company has complied with the applicable Regulations of SEBI (Depositories and Participants), Regulations, 2018 to the extent of its applicability.

**vi. Management has identified and confirmed the following laws as being specifically applicable to the Company:**

**1. Financial and Other Laws applicable to the Company:**

- a) The Income Tax Act, 1961;  
 b) The Goods and Service Tax Act ("GST")

- c) Central Excise Act, 1944  
 d) Trade Marks Act, 1999  
 e) The Customs Act, 1962  
 f) Customs Tariff Act, 1975  
 g) Imports and Exports (Control) Act, 1947  
 h) Consumer Protection Act, 2019  
 i) The MSME Act  
 j) Foreign Exchange Management Act, 1999 ("FEMA")  
 k) Competition Act, 2002  
 l) Indian Contract Act, 1872  
 m) Specific Relief Act, 1963  
 n) Sale of Goods Act, 1930

**2. Labour Law and Regulations applicable on the Company;**

- a) Contract Labour (Regulation & Abolition) Act, 1970  
 b) Industrial Employment (standing orders) Act, 1946  
 c) POSH Act- Prevention of sexual harassment of women at work place (Prevention, Prohibition and Redressal) Act, 2013  
 d) Industrial (Development and Regulation) Act, 1951  
 e) Minimum wages Act, 1948  
 f) The payment of wages Act, 1936  
 g) Employees' provident funds Act, 1952  
 h) Employees state insurance Act, 1948  
 i) Payment of Bonus Act, 1965  
 j) Payment of Gratuity Act, 1976  
 k) Equal Remuneration Act, 1976  
 l) Professional tax Act.  
 m) National and festival holidays Act  
 n) Maternity Benefit Act, 1961.  
 o) The Child and Adolescent Labour (prohibition & regulation) Act, 1986  
 p) The Employees' Compensation Act, 1923  
 q) Inter State Migrant Workmen Act, 1979  
 r) Labour Laws (simplification of procedure for furnishing returns & maintaining registers by certain establishments) Act, 1988  
 s) Industrial Disputes Act, 1947  
 t) Workmen's Compensation Act, 1923  
 u) Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979



- v) Trade Union Act, 1926 and Trade Union (Amendment) Act, 2001

**3. Industry Specific Laws and Regulations applicable to the Company:**

- Electricity Act, 2003
- Prevention of Black Marketing and Maintenance of Supplies Act, 1980
- Maharashtra Industrial Policy 2019
- Bombay Shops and Establishments Act, 1948
- Bombay Stamp Act, 1958 ("Stamp Act")
- Maharashtra State Tax on Professions, Trades, Callings and Employments Act, 1975
- Apprentices Act, 1961
- The Energy Conservation (Amendment) Act, 2022

**4. Environmental Laws and Regulations applicable to the Company:**

- Environment Protection Act, 1986
- Environment (Protection) Rules, 1986
- National Environmental Policy, 2006
- The Pollution Control Act, 1986
- Air (Prevention and control of Pollution) Act, 1981
- Public liability insurance act, 1991
- Plastic Waste Management (PWM) Rules, 2016

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India (ICSI).

- (ii) The Company has duly executed a Listing Agreement with National Stock Exchange of India Limited on 25<sup>th</sup> January, 2024.

- (iii) The company has constituted various committees as required under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 and complied with the necessary composition of the Committees.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above to the extent of its applicability. Also the Company has not received any notice (including penalty notices) from the NSE (National Stock Exchange Limited) regarding non-compliance or delayed compliances in whatsoever manner.

**We further report that**

- (i) The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive and Independent Directors and Woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act and necessary compliance with the Registrar of Companies has been done.

Changes in composition of the Board of Directors during the year:

Sr. No.	Name of the Director	Designation	Appointment/Re-appointment/Change in Designation/Resignation	Effective date
1.	Mr. Biharilal Ravilal Shah (DIN : 00337318)	Chairman cum Managing Director	Re-appointment Term- 5 years	01.07.2023
2.	Mr. Amish Biharilal Shah (DIN : 01415766)	Whole-time director	Change in Designation Term- 5 years	30.06.2023
3.	Mr. Jigar Dhiresh Shah (DIN : 10082070)	Whole-time director	Change in Designation Term- 5 years	30.06.2023
4.	Mr. Ranjan Mathur (DIN : 02842552)	Non –Executive Independent Director	Appointment Term- 5 years	01.08.2023
5.	Mrs. Manisha Abhay Lalan (DIN : 10259129)	Non –Executive Independent Woman Director	Appointment Term- 5 years	01.08.2023
6.	Mrs. Amita Sachin Karia (DIN : 07068393)	Non –Executive Independent Director	Appointment Term- 5 Years	18.09.2023
7.	Mr. Ritesh Kailas Veera (Din : 07919959)	Non –Executive Independent Director	Appointment Term – 5 years	01.08.2023
			Resignation	25.08.2023

Sr. No.	Name of the Director	Designation	Appointment/Re-appointment/Change in Designation/Resignation	Effective date
8.	Mrs. Molly Antony (PAN – AGAPA5417F)	Chief Financial Officer (CFO)	Appointment	01.08.2023
9.	Ms. Shatabdi Sudam Salve (PAN- DEIPS6143M)	Company Secretary	Appointment	01.08.2023

- (ii) Adequate notice is given to all Directors to schedule Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and an adequate system exists for seeking and obtaining further information and clarifications on agenda items before the meeting and for meaningful participation at the meeting;

- (iii) All the decisions of the Board and Committees thereof were carried through with requisite majority and as recorded in the minutes of the Meetings of the Board of Directors and Committees of the Board, as the case may be.

**We further report that:**

Based on review of compliance mechanism established by the Company, we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with its size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines; and

- As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary if any.
- During the Financial Year under review the company has filed compounding application/petition for compounding of offence under section 441 of the Companies Act, 2013 to Registrar of Companies, Mumbai Maharashtra in respect of violation of Section 123(4) of the Companies, 2013. During the Financial Year 2022-23 the Company had paid Interim Dividend of ₹10 Lacs to all Shareholders without opening of Separate Bank Account. However, the Company had paid Dividend out of Company's regular Bank Account to all its Shareholders on the same day on which it was declared and for which no separate Bank Account was opened.

**We further report that:**

During the financial year under review, based on the detailed record provided on compliance mechanism following events/actions having a major bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc., have occurred:

- The Company has appointed "Skyline Financial Services Private Limited" (CIN: U74899DL1995PTC071324) having registered office at Delhi as the Registrar and Transfer Agent (RTA) of the Company after complying with necessary formalities.
- The Company had received request for Physical transfer of Shares against which the Company has issued physical share certificates to respective transferees within a period of One month from the receipt of request by the Company as provided under the Companies Act, 2013.
- The Company has provided the Demat facilities to all its shareholders by obtaining ISIN and the Company has registered with both the depositories NSDL and CDSL for the facilitation of Dematerialisation of Physical Shares.
- The Company has increased its Authorised Share Capital from ₹1.00 Cr. to 20.00 Cr. after obtaining necessary Shareholder's approval on 30<sup>th</sup> June, 2023 and complied with the necessary provisions of the Companies Act, 2013.
- The Company has increased its paid up capital from ₹1.00 Cr. to 11. Cr. by issuing 1,00,00,000 (One Crore) Equity Shares as Bonus Shares amounting to ₹10,00,00,000/- (Ten Crores) of ₹10/- each to the existing Equity Shareholders of the Company after obtaining necessary Shareholder's approval on 30<sup>th</sup> June, 2023 and the necessary compliance under Section 63 of the Companies Act, 2013 has been done.

The Bonus allotment made on 7<sup>th</sup> July, 2023 through the Demat mode only and all the Shares were credited to the respective shareholder's Demat account within stipulated time period as prescribed in the Companies Act, 2013.

- The Company has converted from Private Limited to Public Limited w.e.f. 25<sup>th</sup> August, 2023 after obtaining necessary approval from the Shareholders on 30<sup>th</sup> June, 2023, Central Government and Ministry of Corporate Affairs through the Registrar of Companies, Mumbai Maharashtra and complied with the necessary provisions of the Companies Act, 2013.
- The paid up capital of the Company has increased from ₹11.00 Cr. to 15.10 Cr. by way of Fresh Issue of 41,00,000



Equity Shares of ₹10/- each for cash at ₹ 70/- per share aggregating to ₹28,70,00,000/- through Initial Public Offer (IPO) on SME Platform. The approval for IPO was sought from the shareholders of the Company at their meeting held on 18thSeptember, 2023 and the necessary compliance under the laws, rules, regulations, guidelines of the Companies Act, 2013 and SEBI has been done.

The IPO allotment made on 25<sup>th</sup> January 2024 through the Demat mode only and all the Shares were credited to the respective shareholder's Demat account within stipulated time period as prescribed in the Companies Act, 2013.

h) Pursuant to Initial Public Offer of Equity Shares and the listing Agreement entered by the company with the National stock exchange of India Limited, the

company's equity shares got listed at NSE (EMERGE) with effect from 30<sup>th</sup> January, 2024.

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.

For **K.C. Suthar & Co.**  
Company Secretaries

**CS. K.C. Suthar**  
Proprietor  
COP- 4075/ M. No. F/5191  
Peer Review No: 1357/2021  
UDIN: F005191F000309176  
Date: 04.05.2024  
Place: Mumbai

The Members,

**Konstelec Engineers Limited**  
308, Creative Industrial Estate,  
Sunder Nagar Lane No. 2, Kalina,  
Santacruz East, Mumbai-400098,  
Maharashtra, India.

**Management's Responsibility**

- 1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operating effectively.

**Auditor's Responsibility**

- 1. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 2. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- 3. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

- 1. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
- 2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

For **K.C. Suthar & Co.**  
Company Secretaries

**CS. K.C. Suthar**  
Proprietor  
COP- 4075/ M. No. F/5191  
Peer Review No: 1357/2021  
UDIN: F005191F000309176  
Date: 04.05.2024  
Place: Mumbai



## Annexure-IV

### Annual Report on CSR Activities

#### 1. Brief outline of the Company CSR policy and projects or programs:

The Board of Directors has formed the CSR Committee to look after CSR activities. The Company has framed the policy which is made available at the website of Company <https://www.konstelec.com>. This CSR Policy outlines the Company's responsibility as a corporate citizen and lays down the guidelines and mechanism for undertaking activities for welfare & sustainable development of the community at large. It is Company's conscious strategy to design and implement CSR programs that encompass the disadvantaged sections of society. This Policy shall apply to all CSR initiatives and activities taken up by the Company, for the benefit of different segments of the society. During the year under review, the Company carried out the various programs or projects which are given herein below.

- Composition of CSR committee duly formed by board and CSR Policy adopted by the board are disclosed at the website of the Company <https://www.konstelec.com/>
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

\*\*\*Not applicable for the financial year under review.

- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Sr. No	Financial Year	Amount available for set-off from preceding financial years (₹ In Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
Not Applicable			

- Average net profit of the Company for last three financial years as per section 135(5) (i.e. for FY 2020-21, FY 2021-22, FY 2022-23): ₹6,28,12,724/-

6.

- Two percent of average net profit of the Company as per section 135(5): ₹12,56,254/-
- Surplus arising out of the CSR projects or programs or activities of the previous financial years: Nil
- Amount required to be set off for the financial year, if any: Nil
- Total CSR obligation for the financial year (7a+7b-7c): ₹12,56,254/-

7.

- CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Spent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹12,96,000/-	-	-	-	-	-

- Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

- Details of CSR amount spent against other than ongoing projects for the financial year:

Sr. no	Name of Project	Item from the list of activities in schedule VII of the Act	Local Area	Location of Project		Amount spent for the Project	Mode of implementation Direct (yes/no)	Mode of Implementation through implementing agency	
				State	District			Name	CSR Registration Number
1	Expenditure on Street Carts for helping street vendors.	NA	No	Gujarat	Ahmedabad	₹45,000/-	No	Lok Swasthya Seva Trust	CSR00005511
2	Education of Children	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	Uttar Pradesh (UP)	Mathura	₹12,00,000/-	No	Jan Jagrati Sevarath Sansthan	CSR00006903
3	Education of Children	promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	No	Gujarat	Songadh	₹51,000/-	No	Shree Mahavir Jain Charitra Kalyan Ratnashram	CSR00010852

- Amount spent in Administrative Overheads: Not Applicable

- Amount spent on Impact Assessment, if applicable: Not Applicable

- Total amount spent for the Financial Year (7b+7c+7d+7e): ₹12,96,000/-

- Excess amount for set off, if any:

Sr. No	Particulars	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	₹12,56,254/-
(ii)	Total amount spent for the Financial Year	₹12,96,000/-
(iii)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(iv)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

(a) Details of Unspent CSR amount for the preceding three financial years:

Sr. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6)			Amount remaining to be spent in succeeding Name of financial years
				Name of Fund	Amount	Date of Transfer	

\*Not Applicable

During the Financial Year 2022-23, the company made CSR expenditure of ₹5,33,484/- against Balance unspent CSR amount pertaining to previous Financial Year 2021-22 for the purpose of Education of weaker section of the society.

However, there is no unspent CSR amount is pending to be spent as on 31<sup>st</sup> March, 2024.

(b) Details of CSR amount spent in the Financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID	Name of the Project	Financial Year in which project was commenced	Project duration	Total Amount allocated for the project	Amount Spent on the project in the reporting financial year	Cumulative amount spent at the end of the reporting financial year	Status of the project – Completed / on-going

Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): Not Applicable

11. Specify the reason(s), if the Company has failed to spend two percent of the average net profit as per section 135(5): Not Applicable

For and on behalf of  
**M/s Konstelec Engineers Limited**

**Biharilal Ravilal Shah**  
Chairman cum Managing Director  
DIN: 00337318

**Amish Biharilal Shah**  
Wholetime Director  
DIN: 01415766

Date:27/06/2024

Place: Mumbai

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

i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year ended 31<sup>st</sup> March, 2024.

Name of Director	Nature of Directorship	Ratio to median* remuneration of employees
Mr. Biharilal Ravilal Shah	Chairman cum Managing Director	74.18
Mr. Amish Biharilal Shah	Whole Time Director	103.37
Mr. Jigar Dhires Shah	Whole Time Director	61.53

\* Median salary of employees during

FY 2023-24: ₹80,750 p. a.

FY 2022-23: ₹94,742 p.a.

All the Non-executive Independent Directors were paid only sitting fees for attending the Board and Committee meetings. The Sitting fees was paid in accordance with the Companies Act.

ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary if any, in the Financial Year 2023-24

Name of Director	Nature of Directorship	% Increase (decrease) in the remuneration
Mr. Biharilal Ravilal Shah	Chairman cum Managing Director	66.40
Mr. Amish Biharilal Shah	Whole Time Director	41.14
Mr. Jigar Dhires Shah	Whole Time Director	NA
Mrs. Molly Antony	Chief Financial Officer	18.85
Ms. Shatabdi Sudam Salve	Company Secretary & Compliance Officer	NA

iii) The percentage Increase/Decrease in the median remuneration of employees in the Financial Year 2023-24: (17.33%)

iii) The number of permanent employees on the rolls of Company as on March 31, 2024: 1569

Average percentile increase already made in the salaries of employees other than the Managerial Personnel in the last Financial Year i.e. FY 2023-24 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:

Average percentile increase in salaries of employees other than Managerial Personnel is lower than average percentile increase in the managerial remuneration.

iv) The Company affirms that the remuneration is as per the Remuneration Policy of the Company.

v) As per rule 5(3) of the Companies (Appointment and Remuneration) Rules, 2014, employees who draw salary exceeding the limit of ₹ 1.02 Crores is as follows:

Name & Age	Designation	Remuneration p.a. (₹. in Crores)	Qualification / Experience	Date of Joining	Previous Employment & Designation	Percentage of shares held	Relation to any Director or Manager
------------	-------------	----------------------------------	----------------------------	-----------------	-----------------------------------	---------------------------	-------------------------------------

\*\*\*There were no employees in receipt of remuneration in excess of above specified limit during the financial year 2023-24.

For and on behalf of  
**M/s Konstelec Engineers Limited**

Date:27/06/2024  
Place: Mumbai

**Biharilal Ravilal Shah**  
Chairman cum Managing Director  
DIN: 00337318

**Amish Biharilal Shah**  
Wholetime Director  
DIN: 01415766

# Independent Auditor's Report

To the Members of **Konstelec Engineers Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Konstelec Engineers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("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, 2024, its profit, and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Emphasis of Matter

The management has computed unbilled receivables using the percentage of completion method, where revenue is recognized

based on the stage of completion of the contract activity. The stage of completion is determined by comparing costs incurred to date with the estimated total costs of a contract. The determination of revenues under this method involves making estimates by management. Contract assets and unbilled revenue are recognized when there is an excess of revenue earned and/or accrued over billings on contracts. Contract assets are classified as unbilled receivables and unbilled revenue is included in Revenue (pending only invoicing) when there is an unconditional right to receive cash, and only the passage of time is required, as per contractual terms. We have relied solely on management's estimates for the total costs and estimated project margin. We have performed audit procedures specifically addressing these matters, as described in the Key Audit Matter section below.

These matters are of such importance that they have been disclosed in note 2.1 vii and 18 to the standalone financial statements and have been subjected to specific audit procedures. However, we emphasize that our opinion on the standalone financial statements is not modified with respect to these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying standalone financial statements.

## Revenue recognition

### The Key Audit Matter

Revenue from works contracts represents significant amount of the total revenue from operations of the Company.

Revenue from these contracts is recognised on satisfaction of the performance obligations over a period of time and in accordance with the requirements of relevant accounting standards.

Revenue recognition involves significant estimates related to measurement of costs for completion, valuation of claims and penalties / liquidated damages and in turn evaluation of the related receivables and liabilities at each reporting date. Penalties / liquidated damages specified in the contracts are inherent in the determination of transaction price and forms part of variable consideration.

Overstatement of revenue is considered to be a significant audit risk as revenue is the key driver of returns to investors and incentives linked to performance for a reporting period.

Due to significant judgment involved in the estimation of the total revenue, costs to complete and the revenue that should be recognized and significant audit risk of overstatement, we have considered measurement of contract revenue as a key audit matter.

### How the Key Audit Matter was addressed in our audit

In view of the significance of the matter we applied the following audit procedures:

- a) Assessed compliance of the Company's policies in respect of revenue recognition with the applicable accounting standards;
- b) Evaluated the design and implementation and tested operating effectiveness of key internal controls around revenue recognition and recording of contract costs;
- c) Selected a sample of contracts to test, based on the below mentioned criteria:
  - significant revenue recognised during the year; or
  - significantly high, low or
  - negative profit margins.
- d) For these selected contracts, we have assessed the estimated costs to complete, variations in contract price and contract costs and the adequacy of provision for penalties / liquidated damages arising from customer disputes. This assessment included:
  - verification / reviewed the executed version of contracts and its amendments for key terms and milestones to verify the estimated total revenue and costs to complete and / or any changes thereto;
  - compared costs incurred with Company's estimates of costs incurred to date to identify significant variation and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contracts;
  - appropriate cut-off procedures for determination of revenue in the correct reporting period;
  - compared revenue recorded during the year with the underlying contracts, milestones achieved and invoices raised on the customers;
  - inquiries with the project and commercial departments about significant changes to estimated total revenue and costs to complete and settlement and recoverability of contract related receivables;
  - sighted the correspondence with customers around recoverability of claims and penalties / liquidated damages.

## Recoverability of Trade Receivables

### The Key Audit Matter

1. Trade Receivables include an amount receivable from KEPL EPC Nigeria Limited (Related Party of the Company incorporated in Nigeria) The significant balance of this receivable raises concerns regarding recoverability and potential implications on the financial position of the company.

### How the Key Audit Matter was addressed in our audit

1. Our audit procedures included the following:
  - Examined management's assessment of recoverability of receivables
  - During the year the Company has recovered partial dues
  - Obtained confirmation from KEPL EPC Nigeria Limited
  - Obtained representations from management regarding the recoverability of the outstanding amount which states that the amount is outstanding due to huge foreign exchange rate fluctuation in Nigeria which once settled, the payments will be recovered

Recoverability of Trade Receivables	
The Key Audit Matter	How the Key Audit Matter was addressed in our audit
<p>2. Trade Receivables include an amount receivable from BCPL. The amount outstanding is held by BCPL and this significant balance of this receivable raises concerns regarding recoverability and potential implications on the financial position of the company.</p>	<p>2. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>Examined management's assessment of recoverability of receivables</li> <li>Obtained representations from management regarding the recoverability of the outstanding amount which states that the Company has preferred an appeal to MSME Facilitation Council and payment will be released when the Company receives favourable order from MSME Facilitation Council</li> <li>Examined the submission done by the Company to MSME Facilitation Council</li> </ul>

### Other Information

The Company's board of directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board of Directors' Report including Annexures to Board of Directors' Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the such other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The Management Discussion and Analysis, Board of Directors' Report including Annexures to Board of Directors' Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information are not made available to us at the date of this auditor's report. We have nothing to report in this regard.

### Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of 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 accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. This responsibility

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

### Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
- As required by section 143 (3) of the Act, we report that:
  - We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - 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;
  - The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014;
  - On the basis of written representations received from the directors as on March 31, 2024, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of section 164 (2) of the Act;
  - With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to standalone financial statements and the

operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;

(g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has passed special resolution in extra ordinary general meeting dated December 18, 2023 to increase the overall limit of maximum remuneration payable to the managing director and whole time directors of the Company in respect of any financial year upto 25% of the net profits of the Company from the existing limit of 11%. The remuneration paid by the Company to its directors during the year is within the above overall limit of 25%.

(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, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 25 to the standalone financial statements;
- ii. The Company has made provision as required under applicable law or accounting standards for material foreseeable losses. Refer Note 9 to the Standalone Financial Statements. The Company did not have any long-term derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

v. The Board of Directors of the Company have not proposed any dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination, which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. As, no separate audit trail report is available from the system, our test check examination is done at the entry level. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

**per MAULIN Y. SHAH**  
Partner

Place: Mumbai  
Date: 27 June 2024

Membership No: 137282  
UDIN: 24137282BKBLZL2436

## Annexure 1

### Referred to in paragraph 1 of under the heading “Report on Other Legal and Regulatory Requirements” of our report of even date

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment except for some Property, Plant and Equipment whose records are not maintained.

(a) (B) The Company has maintained proper records showing full particulars of Intangible Assets.

a. Property Plant and Equipment have not been physically verified by the management during the year, hence, we are unable to comment on the discrepancies, if any.

b. According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company.

#### Title deeds of immovable property taken on lease by the Company not held in the name of the company:

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Others	Property taken on lease by Company	NA (Refer note below)	Amish Shah	Director/Promoter	01 October 2012	Agreement between the company and the director/promoter is not yet prepared
Others	Property taken on lease by Company			Refer Note 2 below		

Note 1: The Company has taken property on lease from Director/Promoter and paying rent. Therefore Gross carrying value of the property is not disclosed in above table.

Note 2: The Company has taken several properties on lease from various parties at various sites of the Company. The Company is of the opinion that it is not possible for the Company to execute each and every lease agreement and therefore in most of the cases, the lease contract is not formal or not executed in favour of lessee or not executed in any other manner.

c. The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended March 31, 2024.

d. There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five Crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company, except in cases where the amounts have been updated in books post submission of quarterly returns or statement.

(iii) (a) During the year the Company has not provided any loans, advances in the nature of loans, stood guarantee, or provided security to companies, firms, Limited Liability Partnerships or any other parties except staff loans and Capital Advance. Accordingly, the

requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except staff loans and Capital Advance. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except staff loans and Capital Advance. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except staff loans and Capital Advance. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties except staff loans and Capital Advance. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted loans and advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties except staff loans and Capital Advance. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

(iv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013. Further, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in relation to loans given and investments made.

(v) The Company has neither accepted any deposits from public nor accepted any amounts which are deemed to be deposits within the meaning of section 73 to 76 of the Companies Act, 2013 and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the maintenance of cost records has not been specified

by the Central Government under section 148(1) of the Companies, Act 2013 for the business activities carried out by the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

(vii) (a) Undisputed statutory dues including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Service Tax, Value Added Tax, cess and any other material Statutory Dues applicable to it have not generally been regularly deposited with the appropriate authorities, though the delays in deposit have not been serious. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and based on audit procedures performed by us, there are no statutory dues referred to in sub clause (a) above that have not been deposited on account of any dispute except for disputed dues of Goods and Service tax, Income-tax, Sales-tax, Value Added Tax and cess as disclosed in Annexure A to this report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us and to the best of our knowledge and belief, in our opinion, term loans availed by the Company were applied during the year for the purpose for which the loans were obtained, other than temporary deployment pending application of proceeds.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short term basis do not seem to have been utilized for long term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its joint venture.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its joint venture.

(x) (a) In our opinion and according to information and explanations given to us, monies raised by the company by way of initial public offer were applied for the purpose for which they were raised, though idle/surplus funds which were not required for immediate utilization have been gainfully invested in fixed deposits and mutual funds.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) According to the information and explanations given to us, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with the related parties are in compliance with section 177 and section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the standalone financial statements, as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.



(xx) In our opinion and according to the information and explanations given to us, following details are provided

with respect to Section 135 of the Companies Act 2013 for reporting of clauses 3(xx)(a) and 3(xx)(b) of the Order:

(Amount in Lakhs)

Particulars	For the year ended 31 March 2024	Cumulative of previous years till 31 March 2023
Amount required to be spent by the company for "other than Ongoing Projects"	12.56	91.62
Unspent amount of above	NIL	5.33
Amount Transferred to Fund specified in Schedule VII to the Act	-	-
Due date of transfer to the specified fund*	NA	*
Actual date of transfer to the specified fund	NA	**
Number of days of delay	NA	*

\* Due date to transfer such unspent amount of other than Ongoing Projects to a fund specified in Schedule VII, within a period of six months of the expiry of the financial year, is effective from 22 January 2021.

\*\* As represented by the management of the Company, the Company had not transferred unspent amount of ₹61.74 Lakhs till 31 March 2022 to Fund specified in Schedule VII to the Act within due date, but ₹56.41 Lakhs has been spent mainly for education of weaker section in Financial year 2022-23. As represented by the management of the Company, the Company had not identified any ongoing projects for spending on CSR activities.

**For SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

**per MAULIN Y. SHAH**  
Partner  
Membership No: 137282  
UDIN: 24137282BKBLZL2436

Place: Mumbai  
Date: 27 June 2024

## Annexure 2 to the Independent Auditor's Report on the standalone financial statements of Konstelec Engineers Limited for the year ended March 31, 2024

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

#### Opinion

We have audited the internal financial controls with reference to standalone financial statements of Konstelec Engineers Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion and 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 with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements 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") and the Standards on Auditing prescribed under Section 143(10) of the Act,

to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, 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 judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

#### Meaning of Internal Financial Controls with reference to standalone financial statements

A Company's internal financial control with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure 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 standalone financial statements.

### Inherent Limitations of Internal Financial Controls with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

**per MAULIN Y. SHAH**  
Partner  
Membership No: 137282  
UDIN: 24137282BKBLZL2436

Place: Mumbai  
Date: 27 June 2024

### Annexure A – Details of disputed amounts payable in respect of statutory dues in arrears as at March 31, 2024:

Name of the Statute	Nature of Dues	Amount involved (₹ in Lakhs)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	13.41	Assessment Year 2009-10	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	84.63	Assessment Year 2010-11	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	0.50	Assessment Year 2012-13	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2.63	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.38	Assessment Year 2018-19	Assistant/ Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	20.46	Assessment Year 2020-21	Centralized processing center
Haryana Value Added Tax, 2003	Value Added Tax/ Sales Tax	0.20	Financial Year 2015-16	Assistant Commissioner, Excise & Taxation Department, Faridabad (North)
Goods and Services Tax, 2017	Good and Services Tax	5.94	Financial Year 2020-21	21AAACK2747D1Z4- Odisha Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	10.83	Financial Year 2019-20	33AAACK2747D1ZZ- Tamil Nadu Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	130.86	Financial Year 2018-19	33AAACK2747D1ZZ- Tamil Nadu Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	14.43	For the period 01 July 2017 to 31 March 2018	08AAACK2747D1ZS- Rajasthan Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	5.53	For the period 01 July 2017 to 31 March 2018	22AAACK2747D1Z2- Chattisgarh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	1.32	Financial Year 2018-19	22AAACK2747D1Z2- Chattisgarh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	6.55	Financial Year 2019-20	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	6.30	Financial Year 2020-21	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	34.49	Financial Year 2021-22	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	1.13	Financial Year 2020-21	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	4.32	Financial Year 2019-20	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	0.20	For the period 01 July 2017 to 31 March 2018	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	2.78	For the period 01 July 2017 to 31 March 2018	09AAACK2747D1ZQ- Uttarpradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	10.29	Financial Year 2018-19	09AAACK2747D1ZQ- Uttarpradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	9.41	For the period 01 July 2017 to 31 March 2018	10AAACK2747D2Z6- Bihar Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	27.83	For the period 01 July 2017 to 31 March 2018	02AAACK2747D1Z4- Himachal Pradesh Jurisdictional Officer
Finance Act, 1994	Service Tax	0.10	Financial Year 2015-16	Joint Commissioner CGST & Central Excise Mumbai East Commissionerate
<b>Total</b>		<b>395.51</b>		

## STANDALONE BALANCE SHEET

As at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,510.00	100.00
(b) Reserves and surplus	4	7,937.65	6,103.92
		<b>9,447.65</b>	<b>6,203.92</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	430.61	600.22
		<b>430.61</b>	<b>600.22</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	4,074.65	2,922.50
(b) Trade payables	7	3,450.98	2,989.97
(i) total outstanding dues of micro enterprises and small enterprises		438.29	429.45
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,012.69	2,560.52
(c) Other current liabilities	8	2,751.48	1,700.49
(d) Short-term provisions	9	444.36	228.88
		<b>10,721.47</b>	<b>7,841.84</b>
<b>TOTAL</b>		<b>20,599.73</b>	<b>14,645.98</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment and Intangible Assets	10	860.00	837.25
(i) Property plant and Equipment		852.19	832.47
(ii) Intangible Assets		7.81	4.78
(iii) Intangible Assets under development		-	-
(b) Non current investment	11	128.77	203.64
(c) Deferred Tax Assets/(Deferred Tax Liabilities) (Net)	12	(13.52)	(8.71)
(d) Long-term loans and advances	13	50.07	49.55
(e) Other Non Current Assets	14	600.41	303.59
		<b>1,625.73</b>	<b>1,385.32</b>
<b>2 Current assets</b>			
(a) Trade receivables	15	6,945.82	5,317.25
(b) Cash and bank balances	16	2,412.26	968.90
(c) Short-term loans and advances	17	1,186.78	1,239.87
(d) Other Current Assets	18	8,429.14	5,734.64
		<b>18,974.00</b>	<b>13,260.66</b>
<b>TOTAL</b>		<b>20,599.73</b>	<b>14,645.98</b>

### Summary of signifiant accounting policies

2.1

In terms of our report of even date attached For **SHAH P M AND ASSOCIATES** Chartered Accountants ICAI Firm Registration No: 131576W

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

### For and on behalf of the Board of Directors

Chairman and Managing Director  
**Biharil Shah**  
DIN: 00337318

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

## STANDALONE STATEMENT OF PROFIT AND LOSS

For the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>1 Revenue from operations</b>	19	21,531.53	15,340.50
<b>2 Other income</b>	20	208.80	172.39
<b>3 Total Income</b>		<b>21,740.33</b>	<b>15,512.89</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	10,115.63	7,398.65
(b) Employee benefits expense	22	3,209.50	2,360.82
(c) Finance costs	23	711.40	486.55
(d) Depreciation and amortization expense	10	98.71	81.49
(e) Other expenses	24	6,357.33	4,154.91
<b>Total expenses</b>		<b>20,492.57</b>	<b>14,482.42</b>
<b>5 Profit before Tax</b>		1,247.76	1,030.47
<b>6 Tax expense:</b>			
Current Tax		319.29	303.15
Deferred Tax		4.81	8.78
<b>7 Profit for the year</b>		<b>923.66</b>	<b>718.54</b>
<b>8 Earnings Per Share (of face value of ₹10/- each)</b>			
<b>Basic and Diluted (Adjusted for previous year)</b>		<b>7.89</b>	<b>6.53</b>

### Summary of signifiant accounting policies

2.1

In terms of our report of even date attached For **SHAH P M AND ASSOCIATES** Chartered Accountants ICAI Firm Registration No: 131576W

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

### For and on behalf of the Board of Directors

Chairman and Managing Director  
**Biharil Shah**  
DIN: 00337318

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

## STANDALONE CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>(A) Cash Flow From Operating Activities:</b>		
Profit before taxation	1,247.76	1,030.47
<b>Adjustments for:</b>		
Depreciation	98.71	81.49
(Profit)/Loss on sale of Fixed Assets	-	(2.38)
(Profit)/Loss on sale of Investments	(50.48)	(11.98)
Interest expense	544.03	348.76
Dividend income	(0.22)	(1.75)
Other adjustments pertaining to previous years	-	(28.72)
<b>Cash generated from operating activities</b>	<b>592.04</b>	<b>385.42</b>
<b>Adjustments for working capital:</b>		
Increase/ (decrease) in trade payables	461.00	945.34
Increase / (decrease) in provisions	215.48	50.49
Increase / (decrease) in other current liabilities	1,050.99	338.36
Decrease / (increase) in trade receivables	(1,628.57)	(189.58)
Decrease / (increase) in loans and advances	52.57	(624.93)
Decrease / (increase) in other assets (including fixed deposits having original maturity more than 3 months)	(4,075.38)	(3,331.87)
Cash used in operations	<b>(2,084.11)</b>	<b>(457.07)</b>
Income Tax Refund/ (Paid) (Net)	-	-
<b>Net cash generated From operating activities</b>	<b>(2,084.11)</b>	<b>(457.07)</b>
<b>(B) Cash Flow From Investing Activities:</b>		
Sale of Fixed Assets	-	4.79
Acquisition of fixed assets	(121.49)	(170.85)
Investment in Mutual Fund & Shares (Net)	125.35	102.17
Dividend	0.22	1.75
<b>Net cash utilised for investing activities</b>	<b>4.08</b>	<b>(62.14)</b>
<b>(C) Cash Flow From Financing Activities:</b>		
Proceeds/(Repayment) of long-term borrowings (Net)	(169.61)	333.09
Proceeds from IPO	2,870.00	
Expenses Related to IPO	(549.93)	
Net increase / (decrease) in short term borrowings	1,152.15	523.48
Interest paid	(544.03)	(348.76)
Dividend Paid (inclusive of Tax on Dividend)	-	(10.00)
<b>Net Cash generated from Financing Activities</b>	<b>2,758.58</b>	<b>497.81</b>

## STANDALONE CASH FLOW STATEMENT (Cont'd)

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	678.55	(21.40)
Add: Cash and Cash Equivalents (Opening)	41.03	62.43
Cash and cash equivalents (Closing)	<b>719.58</b>	<b>41.03</b>
<b>(D) Cash and Cash Equivalents includes:</b>		
Cash on hand	7.17	3.84
Bank Balances including deposits having original maturity less than 3 months	712.41	37.19
	<b>719.58</b>	<b>41.03</b>

In terms of our report of even date attached  
For **SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

**For and on behalf of the Board of Directors**

Chairman and Managing Director  
**Biharilal Shah**  
DIN: 00337318

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 1: Corporate information

**KONSTELEC ENGINEERS LIMITED** was incorporated on 5<sup>th</sup> December, 1995 as a private limited company under the Companies Act, 1956. Company has been converted to public limited company effective from 25<sup>th</sup> August, 2023. The Company is engaged in the business of electrical and EPC contracts.

### Note 2: Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and 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.

#### 2.1 Significant accounting policies

##### i Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### ii Property, Plant and Equipment and Intangible assets

Property, Plant and Equipment are stated at the cost of acquisition, less accumulated depreciation and impairment losses, if any. Cost comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Interest on borrowed money, allotted to and utilized for qualifying tangible assets, pertaining to the period up to the date of capitalization is added to the cost of the assets. Advances paid towards the acquisition of tangible assets outstanding at each Balance Sheet date and the cost of tangible assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Depreciation on Property, plant and equipment and Intangible assets

Depreciation on property, plant and equipment is calculated

based on written down value method using the rates arrived at, based on the useful lives estimated by the management. The company has used the following useful lives to provide depreciation on its property, plant and equipment.

#### Useful lives estimated by the management (years)

Office Buildings and Premises	60
Plant and equipments	4 to 15
Furniture and fixtures	5 to 10
Vehicles	8 to 10
Office equipment	5
Computers	3 to 6
Leasehold improvements	5
Building - Temporary Structures	3
Software - Intangible Asset	5

The management has estimated the useful lives of Property, Plant and Equipment and Intangible assets is based on past experience of the Company and supported by independent assessment by professionals, which may differ in some cases from useful lives mentioned in Companies Act 2013

##### iii Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets, when at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which it belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use.) An impairment loss is charged off to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of its recoverable amount.

##### iv Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

##### v Investment

Investments which are readily realizable and intended to be held for not more than one year from the date of such investments are made, are classified as current investments. All other investments are classified as long term investments.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charge or credited to the statement of profit and loss.

##### vi Inventories

There is no closing stock of material or stock-in-trade as on the balance sheet date. The Company executes its projects by purchasing material as per the orders and ships it directly to the construction site. Therefore, the material lying at site is considered under work in progress and taken in the books as unbilled revenue.

##### vii Revenue recognition:

#### Work Contracts:

Revenue from Sales of products is recognized when substantial risks and rewards of ownership of products are passed on to the buyer under the terms of the contract. Sales exclude goods and service tax and trade discounts. Transportation cost forming part of work order is included as part of Sales. The Company is recognizing the revenue based on percentage completion method as it satisfies performance obligations over time as it meets the above criteria.

The company derives revenue primarily from EPC Contracts relating to works and services. Contract revenue and cost are recognised by reference to the stage of completion of the activity at the balance sheet date, as measured by the proportion that contract cost incurred for the work performed to date bear to the estimated total contract cost. In case of contracts with defined milestones it recognises revenue on transfer of significant risks and rewards which coincided with achievement of milestones and its acceptance by the customer. Provision is made for all losses incurred to the balance sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised. Contract revenue earned in excess of billing is reflected under Unbilled Revenue under other current assets.

#### Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

##### viii Foreign Currency Transaction

#### Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion:

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

#### Forward Contracts:

The premium or discount arising at the inception of forward exchange contract is amortised and recognized as a expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

##### ix Employee Benefits

Employee Benefits include provident fund, gratuity and compensated absences.

#### Defined contribution plans

The company has defined contribution plans for post employment benefits namely provident fund which are recognized by income tax authorities and administered through appropriate authorities. The company contributes to a government administered provident fund and has no further obligation beyond making its contribution. The company's contribution to above fund is charged to revenue every year.

#### Defined benefit plan:

The company provides for gratuity obligation through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on respective employee salary and years of employment with the company. The company makes annual contribution to LIC for the gratuity plan in respect of employees at certain circles.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Other employee benefits:

The employees of the company are entitled to leave as per the leave policy of the company. The liability in respect of unutilized leave balances is charged to revenue when option is exercised by employees.

### x Accounting for Taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

### xi Provisions and contingencies

Provision is recognized in the balance sheet when, the company has a present obligation as a result of past event;

it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A disclosure by way of a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require a outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### xii Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### xiii Earnings Per Share

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. The Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The diluted earning per share is computed by dividing the net profit attributable to the equity share holder for the period by the weighted average number of equity shares outstanding during the reporting period after adjusting for the effects of dilution.

### xiv Accounting policies not specifically referred to above are in consonance with generally accepted accounting principles.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 3: Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(a) Authorised</b>		
20,000,000 (Previous Year 1,000,000) Equity shares of ₹10 each	2,000.00	100.00
<b>(b) Issued, Subscribed and fully paid up</b>		
151,00,000 (Previous Year 1,000,000) Equity shares of ₹10 each	1,510.00	100.00
<b>Total</b>	<b>1,510.00</b>	<b>100.00</b>

### Note 3.1

#### Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2024	As at 31 March 2023
As at the beginning of the year	10,00,000	10,00,000
Add: Issued During the year	1,41,00,000	-
<b>Outstanding at the end of the year</b>	<b>1,51,00,000</b>	<b>10,00,000</b>

### Note 3.2

#### Rights, Preferences and Restrictions attached to Equity shares

(i) The Company has only one class of equity share having a par value of ₹10 per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time.

(ii) On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.

### Note 3.3

Shares held by promoters at the end of the year		As at 31 March 2024		
Sr No	Promoters Name	No of shares	% of total shares	% Change during the year
1	Biharilal Ravilal Shah	66,76,950	44.22%	-21.03%
2	Amish Shah	20,34,318	13.47%	-1.72%

Shares held by promoters at the end of the year		As at 31 March 2023		
Sr No	Promoters Name	No of shares	% of total shares	% Change during the year
1	Biharilal Ravilal Shah	6,52,450	65.25%	0.00%
2	Amish Shah	1,51,938	15.19%	0.00%

### Note 3.4

#### Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Biharilal Ravilal Shah	66,76,950	44.22%	6,52,450	65.25%
Biharilal Shah (HUF)	-	-	1,00,000	10.00%
Amish Biharilal Shah	20,34,318	13.47%	1,51,938	15.19%

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 4: Reserves and Surplus

Particulars	As at 31 March 2024	As at 31 March 2023
(a) General Reserve		
As per Last Balance Sheet	327.58	356.30
Add: Other adjustments pertaining to previous years	-	(28.72)
Closing balance	<b>327.58</b>	<b>327.58</b>
(b) Securities Premium		
As per Last Balance Sheet	-	-
Add: Premium Received on Fresh Issue of Shares	2,460.00	-
Less: Expenses related to IPO	(549.93)	-
Closing balance	<b>1,910.07</b>	-
(c) Surplus in Statement of Profit and Loss		
As per Last Balance Sheet	5,776.34	5,067.80
Add: Profit for the year	923.66	718.54
Less:		
(i) Dividend	-	10.00
(ii) Issue of Bonus Shares	1,000.00	-
Closing balance	<b>5,700.00</b>	<b>5,776.34</b>
<b>Total</b>	<b>7,937.65</b>	<b>6,103.92</b>

### Note 5: Long-term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Term Loans and Vehicle Loans from Banks	649.51	776.10
(Less: Current Maturities for Long term debt)	(218.90)	(175.88)
<b>Total</b>	<b>430.61</b>	<b>600.22</b>

#### Sub-Note:

#### Nature of Security

Secured by Immovable property, Hypothecation of Vehicles, Hypothecation of Book-Debts, Unbilled Revenue in relation to works contract, Fixed deposits of company and Immovable Property, Personal Guarantee and Insurance Policies of Directors.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 6 :Short-term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Cash credit from banks (Refer Sub Note Below)	3,432.40	2,616.17
Short Term WCD Loan	400.00	-
Current Maturities of long term borrowings		
- Term Loan and Vehical Loans	218.90	175.88
<b>Unsecured</b>		
Loans and advances from related parties	23.35	50.49
Loans from Financial Institution	-	79.96
<b>Total</b>	<b>4,074.65</b>	<b>2,922.50</b>

#### Nature of Security

Secured by Immovable property, Hypothecation of Vehicles, Hypothecation of Book-Debts ,Work-in-Progress in relation to works contract, Fixed deposits of company and Immovable Property, Personal Guarantee and Insurance Policies of Directors.

### Note 7: Trade payables

Particulars	Outstanding for following periods from due date of payment				As at 31 March 2024
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	434.72	-	-	3.57	438.29
ii) Others	2,638.95	127.75	105.29	140.70	3,012.69
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				As at 31 March 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	425.05	0.39	0.13	3.88	429.45
ii) Others	2,225.19	159.07	51.38	124.88	2,560.52
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at 31 March 2024	As at 31 March 2023
(i) total outstanding dues of micro enterprises and small enterprises	<b>438.29</b>	<b>429.45</b>
(a) total outstanding dues of sundry creditors	438.29	429.45
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	<b>3,012.70</b>	<b>2,560.52</b>
(a) total outstanding dues of sundry creditors for purchase	1,676.24	1,592.85
(b) total outstanding dues of subcontractors	1,280.19	916.11
(c) total outstanding dues of sundry creditors for expenses	56.27	51.56
<b>Total</b>	<b>3,450.99</b>	<b>2,989.97</b>

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 8: Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
TDS Payable	65.40	32.58
Advances from customers	1,182.20	733.90
Security Deposit	18.70	20.98
Accrued salaries and benefits and related statutory dues	226.54	170.11
Gratuity Payable to Employees	5.12	2.47
Balance Payable to Public Bodies	214.34	129.45
LC Payable	1,034.84	599.12
Interest Accrued but not due	4.34	11.88
<b>Total</b>	<b>2,751.48</b>	<b>1,700.49</b>

### Note 9: Short-term provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Bonus	67.75	50.58
Provision for Leave	19.28	12.99
Provision for Income Tax	39.22	39.22
Provision for Gratuity	23.87	24.42
Provision for CSR expenses	5.27	0.33
Provision for Expected Loss	13.83	-
Provision for Expenses	275.14	101.34
<b>Total</b>	<b>444.36</b>	<b>228.88</b>

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 10: Property, Plant and Equipments and Intangible Assets

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net block	
		As at 1 April 2023	Additions	Deductions	As at 1 April 2023	For the year	Deductions	As at 31 March 2024	As at 31 March 2023
(i)	Tangible Assets								
(a)	Freehold Land	6.64	-	-	-	-	-	6.64	6.64
(b)	Office Building and Premises	1,032.98	75.92	-	394.50	31.16	-	683.24	638.48
(c)	Plant & Equipments	193.08	-	-	146.84	8.38	-	37.86	46.24
(d)	Furniture and Fixtures	55.72	2.84	-	38.87	6.95	-	12.74	16.85
(e)	Vehicles	262.57	11.27	-	179.00	24.94	-	69.89	83.57
(f)	Office Equipments	46.60	13.57	-	35.27	6.18	-	18.72	11.33
(g)	Computers	73.07	12.39	-	47.19	18.50	-	19.77	25.88
(h)	Leasehold Improvements	62.87	-	-	59.63	0.09	-	3.15	3.24
(i)	Building - Temporary Structures	3.91	-	-	3.68	0.04	-	0.19	0.23
(ii)	Intangible Assets								
(a)	Software	27.60	5.50	-	22.82	2.47	-	7.81	4.78
<b>Total</b>		<b>1,765.04</b>	<b>121.49</b>	<b>-</b>	<b>927.80</b>	<b>98.71</b>	<b>-</b>	<b>1,026.53</b>	<b>837.24</b>
<b>Previous year</b>		<b>1,617.64</b>	<b>170.85</b>	<b>23.45</b>	<b>867.36</b>	<b>81.49</b>	<b>21.05</b>	<b>927.80</b>	<b>750.28</b>





## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 11: Non Current investment

Particulars	As at 31 March 2024	As at 31 March 2023
Non Trade Investment (Unquoted & Quoted)		
In Mutual Funds - Quoted (Market Value as at 31 March 2024 : 86.64) (PY : 77.30)	81.77	82.88
In Equity Instruments Quoted (other than Joint venture entity) (Market Value as at 31 March 2024: 0.39) (PY : 101.39)	0.00	73.76
In Joint Venture Entity	47.00	47.00
<b>Total</b>	<b>128.77</b>	<b>203.64</b>

### Note 12: Deferred Tax Asset/(Liability)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Tax Asset/(Liability)		
Related to Fixed Assets, Leave encashment and Bonus	(13.52)	(8.71)
<b>Total</b>	<b>(13.52)</b>	<b>(8.71)</b>

### Note 13: Long-term loans and advances

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Advances	36.67	40.95
Prepaid expenses	13.40	8.60
<b>Total</b>	<b>50.07</b>	<b>49.55</b>

### Note 14: Other non current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured considered Good - Security Deposit	118.10	61.32
Bank Deposits with remaining maturity for more than twelve months (held as margin money or security against the borrowings, gurantee and letter of credit)	482.31	242.27
<b>Total</b>	<b>600.41</b>	<b>303.59</b>

### Note 15: Trade receivables

Particulars	Outstanding for following periods from date of payment					As at 31 March 2024
	Less than 6 months	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Unsecured Considered Good	4,966.99	369.30	740.61	314.21	554.71	6,945.82
Undisputed Trade Receivables- Unsecured Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Unsecured Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Unsecured Considered Doubtful	-	-	-	-	-	-

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Outstanding for following periods from date of payment					As at 31 March 2023
	Less than 6 months	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables-Unsecured Considered Good	3,675.02	437.73	465.68	205.61	533.21	5,317.25
Undisputed Trade Receivables-Unsecured Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Unsecured Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Unsecured Considered Doubtful	-	-	-	-	-	-

### Note 16: Cash and Bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and Cash equivalents		
Cash on hand	7.17	3.84
Bank Balances		
- Current Accounts	111.17	37.19
- Deposit Accounts with Original Maturity Less than 3 months	601.23	-
Other Bank Balances		
Deposits with remaining maturity for less than equal to 12 months (held as margin money or security against the borrowings, guarantees and letter of credit)	1,692.69	927.87
<b>Total</b>	<b>2,412.26</b>	<b>968.90</b>

### Note 17: Short-term loans and advances

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured - Considered Good		
Earnest Money Deposits	133.22	49.54
Prepaid expenses	66.78	62.64
Loans to employees	14.92	25.81
Trade Advances and GST Recovery from Vendors	291.21	355.85
Income tax payments (Net of provisions)	133.55	98.15
Balances with government authorities	542.97	634.37
Advance given to employees (Imprest)	4.13	6.47
Others	0.00	7.04
<b>Total</b>	<b>1,186.78</b>	<b>1,239.87</b>

### Note 18: Other Current Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unbilled Receivables	8,427.89	5,734.20
Accured interest on fixed deposits	1.25	0.44
<b>Total</b>	<b>8,429.14</b>	<b>5,734.64</b>

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 19: Revenue From Operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	1,115.56	1,170.54
Sale of services	2,124.79	2,992.46
Composite Supply	18,291.18	11,177.50
<b>Total</b>	<b>21,531.53</b>	<b>15,340.50</b>

### Note 20: Other Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income	94.24	45.63
Miscellaneous Income	10.29	7.47
Foreign Exchange Fluctuation (net)	4.48	38.93
Rental Income	49.09	40.84
Capital Gain	50.48	11.98
Dividend Income	0.22	1.75
Duty Drawback	-	21.17
Profit on sale of fixed assets (Net)	-	2.38
Liabilities no longer required written back	-	2.24
<b>Total</b>	<b>208.80</b>	<b>172.39</b>

#### Interest Income Comprises of :

On Fixed Deposits	94.24	45.63
<b>Total</b>	<b>94.24</b>	<b>45.63</b>

### Note 21: Raw Materials Consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of Raw Materials	10,115.63	7,398.65
<b>Total</b>	<b>10,115.63</b>	<b>7,398.65</b>

### Note 22: Employee Benefits Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, Wages and Bonus	2,713.31	2,037.85
Contribution to Provident and Other Funds	413.63	278.46
Staff Welfare	82.56	44.51
<b>Total</b>	<b>3,209.50</b>	<b>2,360.82</b>

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 23: Finance Costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on Loan/Cash Credit/Advance	544.03	348.76
Bank Charges	8.07	13.63
Bank Guarantee Charges	65.08	49.89
LC Charges	40.56	30.05
Processing fees and related expenses	53.66	44.22
<b>Total</b>	<b>711.40</b>	<b>486.55</b>

### Note 24: Other Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount/Brokerage/Commission	0.92	2.22
Site expenses	420.60	153.09
Power & Fuel	21.64	12.70
Rent Expenses	286.66	185.02
Rates and Taxes	111.09	52.09
Tax, Interest and Fee on Delayed Payment of Taxes	31.88	2.58
Repairs and Maintenance	32.17	41.20
Insurance	25.43	27.49
Sub-Contractors's and General Labour Payments	4,418.88	2,923.86
Legal and Professional Fees	145.89	108.12
ROC Fees	18.05	-
Payment to Auditors	10.40	8.00
Travelling and Conveyance Expenses	609.58	349.54
Advertising & Sales Promotion Expenses	8.68	0.87
Transport, Freight and Octroi charges	46.17	61.21
Printing and Stationery	16.05	11.41
Postage and courier charges	4.60	4.98
Export Related Expenses	0.81	134.24
Communication cost	6.72	6.18
Donation	3.83	3.00
Membership and Subscription Expenses	0.41	0.56
Inspection Charges	10.55	4.75
Miscellaneous Expenditure	94.60	50.91
Provision for Expencted Loss	13.83	-
CSR Expenses of previous year	5.33	-
CSR Expenses	12.56	10.89
<b>Total</b>	<b>6,357.33</b>	<b>4,154.91</b>

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Payment to Auditors

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
Audit fee	4.00	2.75
Tax audit fee	1.25	0.75
In other capacity:		
Taxation matters	2.20	3.25
Management services (including certificates)	2.95	1.25
Reimbursement of expenses		-
	<b>10.40</b>	<b>8.00</b>

**Note 25:** There are certain on-going litigations under various state and central tax legislations, the outcome of which is unascertainable. The company is contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

Name of the Statute	Nature of Dues	Amount involved (₹)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	13.41	Assessment Year 2009-10	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	84.63	Assessment Year 2010-11	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	0.50	Assessment Year 2012-13	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2.63	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.38	Assessment Year 2018-19	Assistant/ Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	20.46	Assessment Year 2020-21	Centralized processing centre
Haryana Value Added Tax, 2003	Value Added Tax/ Sales Tax	0.20	Financial Year 2015-16	Assistant Commissioner, Excise & Taxation Department, Faridabad (North)
Goods and Services Tax, 2017	Good and Services Tax	5.94	Financial Year 2020-21	21AAACK2747D1Z4- Odisha Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	10.83	Financial Year 2019-20	33AAACK2747D1ZZ- Tamil Nadu Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	130.86	Financial Year 2018-19	33AAACK2747D1ZZ- Tamil Nadu Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	14.43	For the period 01 July 2017 to 31 March 2018	08AAACK2747D1Z5- Rajasthan Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	5.53	For the period 01 July 2017 to 31 March 2018	22AAACK2747D1Z2- Chattisgarh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	1.32	Financial Year 2018-19	22AAACK2747D1Z2- Chattisgarh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	6.55	Financial Year 2019-20	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	6.30	Financial Year 2020-21	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	34.49	Financial Year 2021-22	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Name of the Statute	Nature of Dues	Amount involved (₹)	Period to which amount relates	Forum where the dispute is pending
Goods and Services Tax, 2017	Good and Services Tax	1.13	Financial Year 2020-21	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	4.32	Financial Year 2019-20	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	0.20	For the period 01 July 2017 to 31 March 2018	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	2.78	For the period 01 July 2017 to 31 March 2018	09AAACK2747D1ZQ- Uttarpradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	10.29	Financial Year 2018-19	09AAACK2747D1ZQ- Uttarpradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	9.41	For the period 01 July 2017 to 31 March 2018	10AAACK2747D2Z6- Bihar Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	27.83	For the period 01 July 2017 to 31 March 2018	02AAACK2747D1Z4- Himachal Pradesh Jurisdictional Officer
Finance Act, 1994	Service Tax	0.10	Financial Year 2015-16	Joint Commissioner CGST & Central Excise Mumbai East Commissionerate
<b>Total</b>		<b>395.51</b>		

Total Contingent Liabilities for previous Financial year is ₹301.69 Lakhs

### Note 26: Amounts due to Micro Small and Medium Enterprises

#### Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount remaining unpaid to any supplier at the end of the year	438.29	429.45
Interest due remaining unpaid to any supplier at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

**Note:** The above information is compiled by the Company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

**Note 27:** Balances of Sundry Debtors, Advances and Sundry Creditors are subject to confirmation.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 28: Details of Foreign exchange inflows and outflows

#### Details of earning in foreign exchange

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Export of goods/services calculated on FOB basis in INR (in Lakhs)	48.84	699.07
Export of goods/services calculated on FOB basis in USD	59,159.43	8,68,815.75

#### Details of expenditure in foreign exchange

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenditure on account of other matters in INR (in Lakhs)	0.54	3.38
Expenditure on account of other matters in USD	100.00	3,000.00
Expenditure on account of other matters in Saudi Riyals	2,038.00	-
Expenditure on account of other matters in RAND	-	20,000.00

### Note 29: Disclosure under Accounting Standard 15 (revised 2005) Employee Benefits

#### Defined Benefit Plan:

The Company has availed a Group Gratuity scheme for its employees from Life Insurance Corporation of India. The Company receives actuarial valuation report on e-mail from the Life Insurance Corporation and the same is relied upon by the auditors.

Particulars	Sunday, 31 March 2024	Friday, 31 March 2023
<b>a) The amounts recognized in the balance sheet</b>		
Present value of obligations as at the end of year	209.24	189.54
Fair value of plan assets as at the end of the year	185.36	165.12
<b>Net asset/(liability) recognized in balance sheet</b>	<b>(23.87)</b>	<b>(24.42)</b>
<b>b) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Present value of obligations as at beginning of year	181.27	166.90
Interest cost	13.14	12.10
Current Service Cost	11.65	11.24
Benefits Paid	(31.18)	(23.08)
Actuarial (gain)/ loss on obligations	34.35	22.38
<b>Present value of obligations as at end of year</b>	<b>209.24</b>	<b>189.54</b>
<b>c) Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
Fair value of plan assets at beginning of year	165.12	146.90
Expected return on plan assets	12.09	10.06
Contributions	39.33	31.24
Benefits Paid	(31.18)	(23.08)
Actuarial gain/(loss) on Plan assets	NIL	NIL
<b>Fair value of plan assets at the end of year</b>	<b>185.36</b>	<b>165.12</b>
<b>d) Actuarial Assumptions</b>		
Discount Rate	7.25%	7.25%
Salary Escalation	4.00%	4.00%

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Defined Contribution Plan:

The Company has recognized the amounts in the Profit and Loss Account under the head Company's Contribution to Provident Fund: ₹353.09 (P.Y. ₹250.11)

### Note 30: Segment Reporting (AS-17)

The Company has only one reportable segment i.e. electrical and EPC contracts and hence separate disclosure requirement of AS-17 Segment Reporting does not arise.

### Note 31: Related Party disclosure (AS-18)

As per Accounting Standard (AS-18), issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard is given below:

#### 31.1 Names of related parties where control exists irrespective of whether transaction have occurred or not:

Particulars	Related Parties
Key Management Personnel	1. Biharilal. R. Shah and B.R.Shah (HUF) 2. Amish. B. Shah 3. Jigar Shah 4. Molly Antony 5. Shatabdi Salve
Relative of Key Management Personnel	1. Nirupama. B. Shah - Wife of Biharilal R. Shah 2. Rajul. A. Shah - Wife of Amish B. Shah 3. Dipti Jigar Shah - Daughter of Biharilal R. Shah
Joint Venture	Konstelec Hitech Engineers Private Limited
Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	1. KEPL EPC Nigeria Limited 2. CES Automation Engineers Private Limited

#### Related parties under AS 18 with whom transaction have taken place during the year:

Particulars	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	Total
<b>Income</b>					
Revenue from operations	-	-	-	-	-
	-	-	-	(107.85)	(107.85)
<b>Expenses</b>					
Remuneration/Salary	206.85	23.90	-	-	230.75
	(95.31)	(36.00)	-	-	(131.31)
<b>Rent</b>	2.16	-	-	-	2.16
	(2.16)	-	-	-	(2.16)

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	Total
<b>Loans</b>					
Amount Received During the year	1,037.07	-	-	-	1,037.07
	(226.35)	-	-	-	(226.35)
Amount Repaid During the year	1,031.10	-	33.11	-	1,064.21
	(249.15)	-	-	-	(249.15)
<b>Share Capital</b>					
Shares Issued during the year	870.39	92.61	-	-	963.00
Shares transferred In during the year	6.60	3.20	-	-	9.80
Shares transferred Out during the year	60.00	-	-	-	60.00
<b>Balance Outstanding</b>					
<b>Assets</b>					
Advance against expenses	-	-	-	-	-
	(2.39)	-	-	-	(2.39)
Investment	-	-	47.00	-	47.00
	-	-	(47.00)	-	(47.00)
Receivable	-	-	-	13.12	13.12
	-	-	-	(219.50)	(219.50)
<b>Liabilities</b>					
Share Capital	907.43	101.87	-	-	1,009.30
	(90.44)	(6.06)	-	-	(96.50)
Borrowings	23.35	-	-	-	23.35
	(17.39)	-	(33.11)	-	(50.49)
Rent payable	1.98	3.29	-	-	5.27
	(0.75)	(3.52)	-	-	(4.27)
Salary Payable	16.12	1.60	-	-	17.72
	(5.73)	(2.41)	-	-	(8.14)

### Notes related to Related Party disclosure

1. Related party relationships and transactions have been identified by the management and relied upon by the Auditors
2. Figures in bracket pertains to previous year
3. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 32: Earnings Per Equity Share (AS - 20)

Basic and Diluted earning per equity share :

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
Numerator:			
Profit after tax	Rupees	9,23,66,154.25	7,18,53,725.02
Denominator:			
Weighted average number of equity shares	Number	1,17,05,738.00	1,10,00,000.00
Nominal value of equity shares	Rupees	10.00	10.00
Basic and Diluted earning per equity share (Adjusted for previous year)	Rupees	7.89	6.53

### Note 33: Operating lease: Company as lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total</b>	-	-

### Note 34:

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
<b>Ratios</b>						
<b>Name of the ratios</b>						
(a) Current Ratio (in times)	18,974.00	10,721.47	1.77	1.71	3.49%	
(b) Debt-Equity Ratio (in times)	4,505.25	9,447.65	0.48	0.57	-16.34%	
(c) Debt Service Coverage Ratio (in times)	1,890.50	2,493.22	0.76	1.43	-46.98%	Increase in borrowings
(d) Return on Equity Ratio (in %)	923.66	9,447.65	9.78%	11.58%	-1.80%	
(e) Inventory turnover ratio	Not applicable					
(f) Trade Receivables turnover ratio (in times)	21,531.53	6,131.53	3.51	2.88	21.93%	
(g) Trade payables turnover ratio(in times)	10,115.63	4,037.46	2.51	2.37	5.72%	
(h) Net capital turnover ratio(in times)	21,531.53	8,252.53	2.61	2.77	-5.81%	
(i) Net profit ratio (in %)	923.66	21,531.53	4.29%	4.78%	-0.49%	
(j) Return on Capital employed(in %)	1,791.79	9,878.26	18.14%	20.27%	-2.13%	
(k) Return on investment(in %) based on realized gains on Investments	50.70	119.20	42.53%	6.81%	35.72%	Investments were sold which led to higher Return on Investments

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 35: Corporate Social Responsibility (CSR) expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Amount required to be spent by the company during the year	12.56	10.89
2. Amount of expenditure incurred on :		
i) Construction/Acquisition of any asset	NA	NA
ii) On purpose other than (i) above	12.96	10.89
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	5.33	5.33
5. Reason for shortfall	The Company is not able to find any suitable agency	The Company is not able to find any suitable agency
6. Nature of CSR Activities	Education and medical of weaker section	Education of weaker section

Note: The Company had not transferred unspent amount of ₹5.33 Lakhs till 31 March 2024 to Fund specified in Schedule VII to the Act within due date.

### Note 36: Title deeds of immovable property taken on lease by the Company not held in the name of the company

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Others	Property taken on lease by Company	NA (Refer note 1 below)	Amish Shah	Director/Promoter	01-Oct-12	Agreement between the company and the director/promoter is not yet prepared
Others	Property taken on lease by Company			Refer Note 2 below		

Note 1: The Company has taken property on lease from Director/Promoter and paying rent. Therefore Gross carrying value of the property is not disclosed in above table.

Note 2: The Company has taken several properties on lease from various parties at various sites of the Company. The Company is of the opinion that it is not possible for the Company to execute each and every lease agreement and therefore in most of the cases, the lease contract is not formal or not executed in favour of lessee or not executed in any other manner.

### Note 37: Details of Benami Property held

There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

### Note 38: Security of current assets against borrowings

The quarterly returns or statement filed by the company with such banks are in agreement with the books of accounts of the company except in cases where the amounts have been updated in books post submission of quarterly returns or statement.

## Notes forming part of the Standalone Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 39: Willful Defaulter

The Company is not declared as willful defaulter by any bank of financial institution or other lender.

### Note 40: Relationship with struck off Companies

The Company do not have any transactions with Companies struck off.

### Note 41: Registration of charges or satisfaction with Registrar of Companies

1. No Registration of charge is registered with Registrar of Companies for 5 Vehicle loans amount outstanding as on 31 March 2024 of ₹14.45 Lakhs (P.Y. ₹34.19 Lakhs) and Loan against Asset amount outstanding as on 31 March 2024 of NIL (P.Y. ₹34.37 Lakhs). Vehicles are registered at various locations and loan is taken on various dates.

2. In Case of 2 charge open on ROC, no loan is outstanding and satisfaction of charge is yet to file with ROC.

**Note 42:** Since the Company does not have any subsidiary, the provision of section 2 of clause 87 of the Act, read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the Company.

### Note 43: Revaluation of Property, Plant and Equipment

There is no such revaluation of Property, Plant and equipment and Intangible assets during the year.

### Note 44: Utilization of Borrowed funds

The Company have not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### Note 45: Undisclosed Income

The Company have not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any relevant provisions of the Income Tax Act, 1961

### Note 46: Crypto currency or Virtual currency

The Company have not traded or invested in Crypto currency or virtual currency during the current year and previous year

**Note 47:** Previous years figures have been regrouped/reclassified to confirm to current period's presentation.

In terms of our report of even date attached  
For **SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

**For and on behalf of the Board of Directors**

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

Chairman and Managing Director  
**Biharilal Shah**  
DIN: 00337318

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

# Independent Auditor's Report

## To the Members of Konstelec Engineers Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Konstelec Engineers Limited ("the Company") its joint venture, which comprise the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss and the Consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the consolidated state of affairs of the Company, its joint venture as at March 31, 2024, of its consolidated profit and consolidated cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company, its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

The management has computed unbilled receivables using the percentage of completion method, where revenue is recognized based on the stage of completion of the contract activity. The stage of completion is determined by comparing costs incurred to date with the estimated total costs of a contract. The determination of revenues under this method involves making estimates by management. Contract assets and unbilled revenue are recognized when there is an excess of revenue earned and/or accrued over billings on contracts. Contract assets are classified as unbilled receivables and unbilled revenue is included in Revenue (pending only invoicing) when there is an unconditional right to receive cash, and only the passage of time is required, as per contractual terms. We have relied solely on management's estimates for the total costs and estimated project margin. We have performed audit procedures specifically addressing these matters, as described in the Key Audit Matter section below.

These matters are of such importance that they have been disclosed in note 2.1 vii and 18 to the consolidated financial statements and have been subjected to specific audit procedures. However, we emphasize that our opinion on the standalone financial statements is not modified with respect to these matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying consolidated financial statements.

Revenue recognition	
The Key Audit Matter	How the Key Audit Matter was addressed in our audit
Revenue from works contracts represents significant amount of the total revenue from operations of the Company.	<p>In view of the significance of the matter we applied the following audit procedures:</p> <ul style="list-style-type: none"> <li>a) Assessed compliance of the Company's policies in respect of revenue recognition with the applicable accounting standards;</li> <li>b) Evaluated the design and implementation and tested operating effectiveness of key internal controls around revenue recognition and recording of contract costs;</li> <li>c) Selected a sample of contracts to test, based on the below mentioned criteria: <ul style="list-style-type: none"> <li>- significant revenue recognised during the year; or</li> <li>- significantly high, low or</li> <li>- negative profit margins.</li> </ul> </li> <li>d) For these selected contracts, we have assessed the estimated costs to complete, variations in contract price and contract costs and the adequacy of provision for penalties / liquidated damages arising from customer disputes. This assessment included: <ul style="list-style-type: none"> <li>- verification / reviewed the executed version of contracts and its amendments for key terms and milestones to verify the estimated total revenue and costs to complete and / or any changes thereto;</li> <li>- compared costs incurred with Company's estimates of costs incurred to date to identify significant variation and evaluated whether those variations have been considered appropriately in estimating the remaining costs to complete the contracts;</li> <li>- appropriate cut-off procedures for determination of revenue in the correct reporting period;</li> <li>- compared revenue recorded during the year with the underlying contracts, milestones achieved and invoices raised on the customers;</li> <li>- inquiries with the project and commercial departments about significant changes to estimated total revenue and costs to complete and settlement and recoverability of contract related receivables;</li> <li>- sighted the correspondence with customers around recoverability of claims and penalties / liquidated damages.</li> </ul> </li> </ul>
Revenue from these contracts is recognised on satisfaction of the performance obligations over a period of time and in accordance with the requirements of relevant accounting standards.	
Revenue recognition involves significant estimates related to measurement of costs for completion, valuation of claims and penalties / liquidated damages and in turn evaluation of the related receivables and liabilities at each reporting date. Penalties / liquidated damages specified in the contracts are inherent in the determination of transaction price and forms part of variable consideration.	
Overstatement of revenue is considered to be a significant audit risk as revenue is the key driver of returns to investors and incentives linked to performance for a reporting period. Due to significant judgment involved in the estimation of the total revenue, costs to complete and the revenue that should be recognized and significant audit risk of overstatement, we have considered measurement of contract revenue as a key audit matter.	
Recoverability of Trade Receivables	
The Key Audit Matter	How the Key Audit Matter was addressed in our audit
1. Trade Receivables include an amount receivable from KEPL EPC Nigeria Limited (Related Party of the Company incorporated in Nigeria) The significant balance of this receivable raises concerns regarding recoverability and potential implications on the financial position of the company.	<p>1. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Examined management's assessment of recoverability of receivables</li> <li>• During the year the Company has recovered partial dues</li> <li>• Obtained confirmation from KEPL EPC Nigeria Limited</li> <li>• Obtained representations from management regarding the recoverability of the outstanding amount which states that the amount is outstanding due to huge foreign exchange rate fluctuation in Nigeria which once settled, the payments will be recovered</li> </ul>
2. Trade Receivables include an amount receivable from BCPL. The amount outstanding is held by BCPL and this significant balance of this receivable raises concerns regarding recoverability and potential implications on the financial position of the company.	<p>2. Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Examined management's assessment of recoverability of receivables</li> <li>• Obtained representations from management regarding the recoverability of the outstanding amount which states that the Company has preferred an appeal to MSME Facilitation Council and payment will be released when the Company receives favourable order from MSME Facilitation Council</li> <li>• Examined the submission done by the Company to MSME Facilitation Council</li> </ul>

## Other Information

The Company's board of directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board of Directors' Report including Annexures to Board's Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. The Management Discussion and Analysis, Board of Directors' Report including Annexures to Board of Directors' Report, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information are not made available to us at the date of this auditor's report. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014. The respective Board of Directors of the jointly controlled entity are responsible for 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and

fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the Company and its jointly controlled entity are responsible for assessing the ability of the Company and its jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Company and its jointly controlled entity are responsible for overseeing the financial reporting process of the Company and its jointly controlled entity.

## Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company and its jointly controlled entity to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its jointly controlled entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the consolidated financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other Matter

We did not audit the financial statements of one jointly controlled entity, whose financial statements reflect the Company's share of total assets of ₹31.52 Lakhs as at March 31, 2024, and the Company's share of total revenues of ₹ NIL for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose report 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 this jointly controlled entity, and our report in so far as it relates to the aforesaid jointly controlled entity is based solely on the report of the other auditor.

## Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report to the extent applicable that:
  - (i) 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;
  - (ii) 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 report of the other auditor;
  - (iii) 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;
  - (iv) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2021



specified under section 133 of the Act, read with the Companies (Accounts) Rules, 2014.

- (v) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its jointly controlled entity, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- (vi) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to financial statements of the joint venture entity, the other auditor has mentioned in their report that reporting on the adequacy with respect to internal financial controls over financial reporting of the joint venture and the operating effectiveness of such controls are not applicable to the joint venture and accordingly we have not separately provided any opinion on the consolidated adequacy and the operating effectiveness of the internal financial controls over financial reporting;
- (vii) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company has passed special resolution in extra ordinary general meeting dated December 18, 2023 to increase the overall limit of maximum remuneration payable to the managing director and whole time directors of the Company in respect of any financial year upto 25% of the net profits of the Company from the existing limit of 11%. The remuneration paid by the Company to its directors during the year is within the above overall limit of 25. Section 197 is not applicable to the joint venture entity; and
- (viii) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact, if any, of pending litigation on its consolidated financial position in its consolidated financial statements. Reference is drawn to Note No. 25 of the consolidated financial statements.
  - ii. The Company has made provision as required under applicable law or accounting standards for

material foreseeable losses. Refer Note 9 to the consolidated financial statements. The Company did not have any long-term derivative contracts.

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company and its jointly controlled entity.
- iv. a) The Management of the Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or its joint venture to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or its joint venture ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management of the Company has represented, that, to the best of its knowledge and belief, no funds have been received by the Company or its joint venture from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or its joint venture shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement. The auditor of joint venture entity has not provided any opinion and not mentioned of any representation taken from joint venture entity in its audit report and therefore we have not provided any opinion for the same.

- v. The Board of Directors of the Company have not proposed any dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.
- vi. Based on our examination, which included test checks performed by us on the Company and based on audit report of the auditor of Company's joint venture, the Company and its joint venture has used accounting software for maintaining its books of account for the financial year ended March 31, 2024 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant

transactions recorded in the softwares. In case of the Company, as no separate audit trail report is available from the system, our test check examination is done at the entry level. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

**For SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

**per MAULIN Y. SHAH**  
Partner  
Membership No: 137282  
UDIN: 24137282BKBLZM7405

Place: Mumbai  
Date: 27 June 2024

## CONSOLIDATED BALANCE SHEET

As at 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Note No.	As at 31 March 2024	As at 31 March 2023
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	1,510.00	100.00
(b) Reserves and surplus	4	7,891.68	6,089.54
		<b>9,401.68</b>	<b>6,189.54</b>
<b>2 Non-current liabilities</b>			
(a) Long-term borrowings	5	430.61	600.22
		<b>430.61</b>	<b>600.22</b>
<b>3 Current liabilities</b>			
(a) Short-term borrowings	6	4,074.65	2,906.95
(b) Trade payables	7	3,450.99	2,989.96
(i) total outstanding dues of micro enterprises and small enterprises		438.29	429.44
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		3,012.69	2,560.52
(c) Other current liabilities	8	2,751.48	1,700.49
(d) Short-term provisions	9	474.84	229.10
		<b>10,751.96</b>	<b>7,826.50</b>
<b>TOTAL</b>		<b>20,584.25</b>	<b>14,616.26</b>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment and Intangible Assets	10	860.00	837.25
(i) Property plant and Equipment		852.19	832.47
(ii) Intangible Assets		7.81	4.78
(iii) Intangible Assets under development		-	-
(b) Non current investment	11	81.77	156.64
(c) Deferred Tax Assets/(Deferred Tax Liabilities) (Net)	12	(13.52)	(8.71)
(d) Long-term loans and advances	13	50.07	64.83
(e) Other Non Current Assets	14	600.41	303.59
		<b>1,578.73</b>	<b>1,353.60</b>
<b>2 Current assets</b>			
(a) Trade receivables	15	6,945.82	5,317.25
(b) Cash and bank balances	16	2,443.78	969.93
(c) Short-term loans and advances	17	1,186.78	1,239.87
(d) Other Current Assets	18	8,429.14	5,735.61
		<b>19,005.52</b>	<b>13,262.66</b>
<b>TOTAL</b>		<b>20,584.25</b>	<b>14,616.26</b>

### Summary of signifiant accounting policies

2.1

In terms of our report of even date attached For **SHAH P M AND ASSOCIATES** Chartered Accountants ICAI Firm Registration No: 131576W

**For and on behalf of the Board of Directors**

Chairman and Managing Director  
**Biharilal Shah**  
DIN: 00337318

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Note No.	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>1 Revenue from operations</b>	19	21,531.53	15,340.50
<b>2 Other income</b>	20	208.80	172.39
<b>3 Total Income</b>		<b>21,740.33</b>	<b>15,512.89</b>
<b>4 Expenses</b>			
(a) Cost of materials consumed	21	10,115.63	7,398.65
(b) Employee benefits expense	22	3,209.50	2,360.82
(c) Finance costs	23	711.40	486.55
(d) Depreciation and amortization expense	10	98.71	81.49
(e) Other expenses	24	6,388.92	4,155.06
<b>Total expenses</b>		<b>20,524.16</b>	<b>14,482.57</b>
<b>5 Profit before Tax</b>		1,216.17	1,030.32
<b>6 Tax expense:</b>			
Current Tax		319.29	303.15
Deferred Tax		4.81	8.78
<b>7 Profit for the year</b>		<b>892.07</b>	<b>718.39</b>
<b>8 Earnings Per Share (of face value of ₹10/- each)</b>			
<b>Basic and Diluted (Adjusted for previous year)</b>		<b>7.62</b>	<b>6.53</b>

### Summary of signifiant accounting policies

2.1

In terms of our report of even date attached For **SHAH P M AND ASSOCIATES** Chartered Accountants ICAI Firm Registration No: 131576W

**For and on behalf of the Board of Directors**

Chairman and Managing Director  
**Biharilal Shah**  
DIN: 00337318

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>(A) Cash Flow From Operating Activities:</b>		
Profit before taxation	1,216.17	1,030.32
<b>Adjustments for:</b>		
Depreciation	98.71	81.49
(Profit)/Loss on sale of Fixed Assets	-	(2.38)
(Profit)/Loss on sale of Investments	(50.48)	(11.98)
Interest expense	544.03	348.76
Dividend income	(0.22)	(1.75)
Other adjustments pertaining to previous years	-	(28.72)
<b>Cash generated from operating activities</b>	<b>592.04</b>	<b>385.42</b>
<b>Adjustments for working capital:</b>		
Increase/ (decrease) in trade payables	461.02	945.34
Increase / (decrease) in provisions	245.75	50.62
Increase / (decrease) in other current liabilities	1,050.99	338.36
Decrease / (increase) in trade receivables	(1,628.57)	(189.58)
Decrease / (increase) in loans and advances	67.86	(624.93)
Decrease / (increase) in other assets (including fixed deposits having original maturity more than 3 months)	(4,074.43)	(3,285.33)
	(2,392.61)	(1,487.37)
<b>Cash used in operations</b>	<b>(2,069.18)</b>	<b>(457.06)</b>
Income Tax Refund/ (Paid) (Net)	-	-
<b>Net cash generated From operating activities</b>	<b>(2,069.18)</b>	<b>(457.06)</b>
<b>(B) Cash Flow From Investing Activities:</b>		
Sale of Fixed Assets	-	4.79
Acquisition of fixed assets	(121.49)	(170.85)
Investment in Mutual Fund & Shares (Net)	125.35	102.17
Dividend	0.22	1.75
<b>Net cash utilised for investing activities</b>	<b>4.08</b>	<b>(62.14)</b>
<b>(C) Cash Flow From Financing Activities:</b>		
Proceeds/(Repayment) of long-term borrowings (Net)	(169.61)	333.09
Proceeds from IPO	2,870.00	
Expenses Related to IPO	(549.93)	
Net increase / (decrease) in short term borrowings	1,167.70	523.49
Interest paid	(544.03)	(348.76)
Dividend Paid (inclusive of Tax on Dividend)	-	(10.00)
<b>Net Cash generated from Financing Activities</b>	<b>2,774.13</b>	<b>497.82</b>

## CONSOLIDATED CASH FLOW STATEMENT (Cont'd)

for the year ended 31<sup>st</sup> March 2024

(All amounts in ₹ Lakhs, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	709.04	(21.38)
Add: Cash and Cash Equivalents (Opening)	42.06	63.44
Cash and cash equivalents (Closing)	<b>751.10</b>	<b>42.06</b>
<b>(D) Cash and Cash Equivalents includes:</b>		
Cash on hand	7.17	3.84
Bank Balances including deposits having original maturity less than 3 months	743.93	38.23
	<b>751.10</b>	<b>42.06</b>

In terms of our report of even date attached  
For **SHAH P M AND ASSOCIATES**  
Chartered Accountants  
ICAI Firm Registration No: 131576W

Partner  
Name : **Maulin Y. Shah**  
Membership No. 137282  
Place: Mumbai  
Date: 27.06.2024

**For and on behalf of the Board of Directors**

Chairman and Managing Director  
**Biharilal Shah**  
DIN: 00337318

Whole Time Director  
**Amish Shah**  
DIN: 01415766

Chief Financial Officer  
**Molly Antony**  
PAN: AGAPA5417F

Company Secretary  
**Shatabdi Salve**  
PAN: DEIPS6143M

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### 1 Basis of Consolidation

The consolidated financial statements comprising of the financial statements of Konstelec Engineers Private Limited ("the Company") and its Joint Venture Entity are prepared in accordance with Accounting Standard - 21 (AS-21), "Consolidated Financial Statements" and Accounting Standard - 27 (AS - 27) on "Financial Reporting of Interests in Joint Ventures". Interest in jointly controlled entity (incorporated joint venture) is reported using proportionate consolidation method in the Consolidated Financial Statements.

#### Interest in Joint Venture as under:

Name of the Joint Venture Entity:	Konstelec HiTech Engineers Private Limited
Country of Origin:	India
Percentage of ownership interest as on 31 <sup>st</sup> March 2024	47%
Percentage of ownership interest as on 31 <sup>st</sup> March 2023	47%

### 2 Basis of Preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016. The financial statements have been prepared on an accrual basis and 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.

#### 2.1 Significant accounting policies

##### i Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes

requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

##### ii Property, Plant and Equipment and Intangible assets

Property, Plant and Equipment are stated at the cost of acquisition, less accumulated depreciation and impairment losses, if any. Cost comprises purchase price, duties, levies and any directly attributable cost of bringing the asset to its working condition for the intended use. Interest on borrowed money, allotted to and utilized for qualifying tangible assets, pertaining to the period up to the date of capitalization is added to the cost of the assets. Advances paid towards the acquisition of tangible assets outstanding at each Balance Sheet date and the cost of tangible assets not ready for their intended use before such date are disclosed under capital work-in-progress.

Depreciation on Property, plant and equipment and Intangible assets

Depreciation on property, plant and equipment is calculated based on written down value method using the rates arrived at, based on the useful lives estimated by the management. The company has used the following useful lives to provide depreciation on its property, plant and equipment.

Useful lives estimated by the management (years)

Office Buildings and Premises	60
Plant and equipments	4 to 15
Furniture and fixtures	5 to 10
Vehicles	8 to 10
Office equipment	5
Computers	3 to 6
Leasehold improvements	5
Building - Temporary Structures	3
Software - Intangible Asset	5

The management has estimated the useful lives of Property, Plant and Equipment and Intangible assets is based on past experience of the Company and supported by independent assessment by professionals, which may differ in some cases from useful lives mentioned in Companies Act 2013

##### iii Impairment of Assets

An asset is considered as impaired in accordance with Accounting Standard 28 on Impairment of Assets, when

at balance sheet date there are indications of impairment and the carrying amount of the asset, or where applicable the cash generating unit to which it belongs, exceeds its recoverable amount (i.e. the higher of the asset's net selling price and value in use.) An impairment loss is charged off to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

in prior accounting period is reversed if there has been a change in the estimate of its recoverable amount.

##### iv Borrowing Costs

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

##### v Investment

Investments which are readily realizable and intended to be held for not more than one year from the date of such investments are made, are classified as current investments. All other investments are classified as long term investments. On initial recognition, all investments are measured at cost. The cost comprises of purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost or fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charge or credited to the statement of profit and loss.

##### vi Inventories

There is no closing stock of material or stock-in-trade as on the balance sheet date. The Company executes its projects by purchasing material as per the orders and ships it directly to the construction site. Therefore, the material lying at site is considered under work in progress and taken in the books as unbilled revenue.

##### vii Revenue recognition:

###### Work Contracts:

Revenue from Sales of products is recognized when substantial risks and rewards of ownership of products are passed on to the buyer under the terms of the contract. Sales exclude goods and service tax and trade discounts. Transportation cost forming part of work order is included as part of Sales. The Company is recognizing the revenue based on percentage completion method as it satisfies performance obligations over time as it meets the above criteria.

The company derives revenue primarily from EPC Contracts relating to works and services. Contract revenue and cost are recognised by reference to the stage of completion of the activity at the balance sheet date, as measured by the proportion that contract cost incurred for the work performed to date bear to the estimated total contract cost. In case of contracts with defined milestones it recognises revenue on transfer of significant risks and rewards which coincided with achievement of milestones and its acceptance by the customer. Provision is made for all losses incurred to the balance sheet date. Any further losses that are foreseen in bringing contracts to completion are also recognised. Contract revenue earned in excess of billing is reflected under "Unbilled Revenue" under other current assets."

##### Dividends:

Dividend income is recognized when the company's right to receive dividend is established by the reporting date.

##### viii Foreign Currency Transaction

###### Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

###### Conversion:

Foreign currency monetary items are translated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

###### Forward Contracts:

The premium or discount arising at the inception of forward exchange contract is amortised and recognized as a expense/income over the life of the contract. Exchange differences on such contracts, except the contracts which are long term foreign currency monetary items, are recognized in the statement of profit and loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognized as income or as expense for the period.

##### ix Employee Benefits

Employee Benefits include provident fund, gratuity and compensated absences.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Defined contribution plans

"The company has defined contribution plans for post employment benefits namely provident fund which are recognized by income tax authorities and administered through appropriate authorities. The company contributes to a government administered provident fund and has no further obligation beyond making its contribution. The company's contribution to above fund is charged to revenue every year."

### Defined benefit plan:

The company provides for gratuity obligation through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The gratuity plan provides a lump sum payment to vested employees at retirement or termination of employment based on respective employee salary and years of employment with the company. The company makes annual contribution to LIC for the gratuity plan in respect of employees at certain circles.

### Other employee benefits:

The employees of the company are entitled to leave as per the leave policy of the company. The liability in respect of unutilized leave balances is charged to revenue when option is exercised by employees.

### x Accounting for Taxes

"Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient

future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits."

### xi Provisions and contingencies

Provision is recognized in the balance sheet when, the company has a present obligation as a result of past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. A disclosure by way of a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require a outflow of resources. When there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

### xii Cash and Cash Equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

### xiii Earnings Per Share

The Company reports basic earnings per share (EPS) in accordance with Accounting Standard 20 on Earnings Per Share. The Basic earnings per share is computed by dividing the net profit attributable to the equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. The diluted earning per share is computed by dividing the net profit attributable to the equity share holder for the period by the weighted average number of equity shares outstanding during the reporting period after adjusting for the effects of dilution.

### xiv Accounting policies not specifically referred to above are in consonance with generally accepted accounting principles.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 3: Share capital

Particulars	As at 31 March 2024	As at 31 March 2023
<b>(a) Authorised</b>		
20,000,000 (Previous Year 1,000,000) Equity shares of ₹10 each	2,000.00	100.00
<b>(b) Issued, Subscribed and fully paid up</b>		
151,00,000 (Previous Year 1,000,000) Equity shares of ₹10 each	1,510.00	100.00
<b>Total</b>	<b>1,510.00</b>	<b>100.00</b>

### Note 3.1

#### Reconciliation of the number of equity shares outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2024	As at 31 March 2023
As at the beginning of the year	10,00,000	10,00,000
Add: Issued During the year	1,41,00,000	-
<b>Outstanding at the end of the year</b>	<b>1,51,00,000</b>	<b>10,00,000</b>

### Note 3.2

#### Rights, Preferences and Restrictions attached to Equity shares

- The Company has only one class of equity share having a par value of ₹10 per share. Each holder of equity share is entitled for one vote per share. Accordingly, all equity shares rank equally with regards to dividends and share in the Company's residual assets. The equity shareholders are entitled to receive dividend as declared from time to time.
- On winding up of the Company, the holder's of equity shares will be entitled to receive the residual assets of the Company after distribution of all preferential amounts in proportion to the number of equity shares held.

### Note 3.3

Shares held by promoters at the end of the year		As at 31 March 2024		
Sr No	Promoters Name	No of shares	% of total shares	% Change during the year
1	Biharilal Ravilal Shah	66,76,950	44.22%	-21.03%
2	Amish Shah	20,34,318	13.47%	-1.72%

Shares held by promoters at the end of the year		As at 31 March 2023		
Sr No	Promoters Name	No of shares	% of total shares	% Change during the year
1	Biharilal Ravilal Shah	6,52,450	65.25%	0.00%
2	Amish Shah	1,51,938	15.19%	0.00%

### Note 3.4

#### Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March 2024		As at 31 March 2023	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Biharilal Ravilal Shah	66,76,950	44.22%	6,52,450	65.25%
Biharilal Shah (HUF)	-	-	1,00,000	10.00%
Amish Biharilal Shah	20,34,318	13.47%	1,51,938	15.19%

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 4: Reserves and Surplus

Particulars	As at 31 March 2024	As at 31 March 2023
(a) General Reserve		
As per Last Balance Sheet	327.58	356.30
Add: Other adjustments pertaining to previous years	-	(28.72)
Closing balance	<b>327.58</b>	<b>327.58</b>
(b) Securities Premium		
As per Last Balance Sheet	-	-
Add: Premium Received on Fresh Issue of Shares	2,460.00	-
Less: Expenses related to IPO	(549.93)	-
Closing balance	<b>1,910.07</b>	-
(c) Surplus in Statement of Profit and Loss		
As per Last Balance Sheet	5,761.95	5,067.80
Share in Opening Reserves of Joint Venture		(14.23)
Add: Profit for the year	892.07	718.39
Less:		
(i) Dividend	-	10.00
(ii) Issue of Bonus Shares	<b>1,000.00</b>	-
Closing balance	<b>5,654.02</b>	<b>5,761.95</b>
<b>Total</b>	<b>7,891.68</b>	<b>6,089.54</b>

### Note 5: Long-term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Term Loans and Vehicle Loans from Banks	649.51	776.10
(Less: Current Maturities for Long term debt)	(218.90)	(175.88)
<b>Total</b>	<b>430.61</b>	<b>600.22</b>

#### Sub-Note:

#### Nature of Security

Secured by Immovable property, Hypothecation of Vehicles, Hypothecation of Book-Debts, Unbilled Revenue in relation to works contract, Fixed deposits of company and Immovable Property, Personal Guarantee and Insurance Policies of Directors.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 6 :Short-term borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Secured</b>		
Cash credit from banks (Refer Sub Note Below)	3,432.40	2,616.17
Short Term WCD Loan	400.00	-
Current Maturities of long term borrowings		
- Term Loan and Vehical Loans	218.90	175.88
<b>Unsecured</b>		
Loans and advances from related parties	23.35	17.39
Loans from Financial Institution	-	79.96
Loans and advances from Joint Venture	-	17.55
<b>Total</b>	<b>4,074.65</b>	<b>2,906.95</b>

#### Nature of Security

Secured by Immovable property, Hypothecation of Vehicles, Hypothecation of Book-Debts ,Work-in-Progress in relation to works contract, Fixed deposits of company and Immovable Property, Personal Guarantee and Insurance Policies of Directors.

### Note 7: Trade payables

Particulars	Outstanding for following periods from due date of payment				As at 31 March 2024
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	434.72	-	-	3.57	438.29
ii) Others	2,638.95	127.75	105.29	140.70	3,012.69
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Particulars	Outstanding for following periods from due date of payment				As at 31 March 2023
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
i) MSME	425.05	0.39	0.13	3.88	429.44
ii) Others	2,225.19	159.07	51.38	124.88	2,560.53
iii) Disputed dues - MSME	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-

Particulars	As at 31 March 2024	As at 31 March 2023
(i) total outstanding dues of micro enterprises and small enterprises	<b>438.29</b>	<b>429.44</b>
(a) total outstanding dues of sundry creditors	438.29	429.44
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	<b>3,012.70</b>	<b>2,560.52</b>
(a) total outstanding dues of sundry creditors for purchase	1,676.24	1,592.85
(b) total outstanding dues of subcontractors	1,280.19	916.11
(c) total outstanding dues of sundry creditors for expenses	56.27	51.56
<b>Total</b>	<b>3,450.99</b>	<b>2,989.96</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 8: Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
TDS Payable	65.40	32.58
Advances from customers	1,182.20	733.90
Security Deposit	18.70	20.98
Accrued salaries and benefits and related statutory dues	226.54	170.11
Gratuity Payable to Employees	5.12	2.47
Balance Payable to Public Bodies	214.34	129.45
LC Payable	1,034.84	599.12
Interest Accrued but not due	4.34	11.88
<b>Total</b>	<b>2,751.48</b>	<b>1,700.49</b>

### Note 9: Short-term provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for Bonus	67.75	50.58
Provision for Leave	19.28	12.99
Provision for Income Tax	39.22	39.22
Provision for Gratuity	23.87	24.42
Provision for CSR expenses	5.27	0.33
Provision for Expected Loss	13.83	-
Share of Joint Venture	30.48	0.22
Provision for Expenses	275.14	101.34
<b>Total</b>	<b>474.84</b>	<b>229.10</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 10: Property, Plant and Equipments and Intangible Assets

Sr. No.	Particulars	Gross Block			Depreciation / Amortisation			Net block	
		As at 1 April 2023	Additions	Deductions	As at 1 April 2023	For the year	Deductions	As at 31 March 2024	As at 31 March 2023
(i)	Tangible Assets								
(a)	Freehold Land	6.64	-	-	-	-	-	6.64	6.64
(b)	Office Building and Premises	1,032.98	75.92	-	394.50	31.16	-	683.24	638.48
(c)	Plant & Equipments	193.08	-	-	146.84	8.38	-	37.86	46.24
(d)	Furniture and Fixtures	55.72	2.84	-	38.87	6.95	-	12.74	16.85
(e)	Vehicles	262.57	11.27	-	179.00	24.94	-	69.89	83.57
(f)	Office Equipments	46.60	13.57	-	35.27	6.18	-	18.72	11.33
(g)	Computers	73.07	12.39	-	47.19	18.50	-	19.77	25.88
(h)	Leasehold Improvements	62.87	-	-	59.63	0.09	-	3.15	3.24
(i)	Building - Temporary Structures	3.91	-	-	3.68	0.04	-	0.19	0.23
(ii)	Intangible Assets								
(a)	Software	27.60	5.50	-	22.82	2.47	-	7.81	4.78
<b>Total</b>		<b>1,765.04</b>	<b>121.49</b>	<b>-</b>	<b>927.80</b>	<b>98.71</b>	<b>-</b>	<b>1,026.53</b>	<b>837.24</b>
<b>Previous year</b>		<b>1,617.64</b>	<b>170.85</b>	<b>23.45</b>	<b>867.36</b>	<b>81.49</b>	<b>21.05</b>	<b>927.80</b>	<b>750.28</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 11: Non Current investment

Particulars	As at 31 March 2024	As at 31 March 2023
Non Trade Investment (Unquoted & Quoted)		
In Mutual Funds - Quoted (Market Value as at 31 March 2024 : 86.64) (PY : 77.30)	81.77	82.88
In Equity Instruments Quoted (other than Joint venture entity) (Market Value as at 31 March 2024: 0.39) (PY : 101.39)	0.00	73.76
<b>Total</b>	<b>81.77</b>	<b>156.64</b>

### Note 12: Deferred Tax Asset/(Liability)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred Tax Asset/(Liability)		
Related to Fixed Assets, Leave encashment and Bonus	(13.52)	(8.71)
<b>Total</b>	<b>(13.52)</b>	<b>(8.71)</b>

### Note 13: Long-term loans and advances

Particulars	As at 31 March 2024	As at 31 March 2023
Capital Advances	36.67	40.95
Prepaid expenses	13.40	8.60
Share of Joint Venture	-	15.28
<b>Total</b>	<b>50.07</b>	<b>64.83</b>

### Note 14: Other non current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured considered Good - Security Deposit	118.10	61.32
Bank Deposits with remaining maturity for more than twelve months (held as margin money or security against the borrowings, gurantee and letter of credit)	482.31	242.27
<b>Total</b>	<b>600.41</b>	<b>303.59</b>

### Note 15: Trade receivables

Particulars	Outstanding for following periods from date of payment					As at 31 March 2024
	Less than 6 months	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Unsecured Considered Good	4,966.99	369.30	740.61	314.21	554.71	6,945.82
Undisputed Trade Receivables- Unsecured Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Unsecured Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Unsecured Considered Doubtful	-	-	-	-	-	-

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Outstanding for following periods from date of payment					As at 31 March 2023
	Less than 6 months	6 months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Undisputed Trade Receivables- Unsecured Considered Good	3,675.02	437.73	465.68	205.61	533.21	5,317.25
Undisputed Trade Receivables- Unsecured Considered Doubtful	-	-	-	-	-	-
Disputed Trade Receivables- Unsecured Considered Good	-	-	-	-	-	-
Disputed Trade Receivables-Unsecured Considered Doubtful	-	-	-	-	-	-

### Note 16: Cash and Bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Cash and Cash equivalents</b>		
Cash on hand	7.17	3.84
<b>Bank Balances</b>		
- Current Accounts	111.17	37.19
- Deposit Accounts with Original Maturity Less than 3 months	601.23	-
<b>Other Bank Balances</b>		
Deposits with remaining maturity for less than equal to 12 months (held as margin money or security against the borrowings, guarantees and letter of credit)	1,692.69	927.87
Share in Joint Venture	31.52	1.03
<b>Total</b>	<b>2,443.78</b>	<b>969.93</b>

### Note 17: Short-term loans and advances

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Unsecured - Considered Good</b>		
Earnest Money Deposits	133.22	49.54
Prepaid expenses	66.78	62.64
Loans to employees	14.92	25.81
Trade Advances and GST Recovery from Vendors	291.21	355.85
Income tax payments (Net of provisions)	133.55	98.15
Balances with government authorities	542.97	634.37
Advance given to employees (Imprest)	4.13	6.47
Others	0.00	7.04
<b>Total</b>	<b>1,186.78</b>	<b>1,239.87</b>

### Note 18: Other Current Assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unbilled Receivables	8,427.89	5,734.20
Share of Joint Venture	-	0.97
Accrued interest on fixed deposits	1.25	0.44
<b>Total</b>	<b>8,429.14</b>	<b>5,735.61</b>



## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 19: Revenue From Operations

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of products	1,115.56	1,170.54
Sale of services	2,124.79	2,992.46
Composite Supply	18,291.18	11,177.50
<b>Total</b>	<b>21,531.53</b>	<b>15,340.50</b>

### Note 20: Other Income

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest Income	94.24	45.63
Miscellaneous Income	10.29	7.47
Foreign Exchange Fluctuation (net)	4.48	38.93
Rental Income	49.09	40.84
Capital Gain	50.48	11.98
Dividend Income	0.22	1.75
Duty Drawback	-	21.17
Profit on sale of fixed assets (Net)	-	2.38
Liabilities no longer required written back	-	2.24
<b>Total</b>	<b>208.80</b>	<b>172.39</b>

#### Interest Income Comprises of :

On Fixed Deposits	94.24	45.63
<b>Total</b>	<b>94.24</b>	<b>45.63</b>

### Note 21: Raw Materials Consumed

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Purchases of Raw Materials	10,115.63	7,398.65
<b>Total</b>	<b>10,115.63</b>	<b>7,398.65</b>

### Note 22: Employee Benefits Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Salaries, Wages and Bonus	2,713.31	2,037.85
Contribution to Provident and Other Funds	413.63	278.46
Staff Welfare	82.56	44.51
<b>Total</b>	<b>3,209.50</b>	<b>2,360.82</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 23: Finance Costs

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest on Loan/Cash Credit/Advance	544.03	348.76
Bank Charges	8.07	13.63
Bank Guarantee Charges	65.08	49.89
LC Charges	40.56	30.05
Processing fees and related expenses	53.66	44.22
<b>Total</b>	<b>711.40</b>	<b>486.55</b>

### Note 24: Other Expenses

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Discount/Brokerage/Commission	0.92	2.22
Site expenses	420.60	153.09
Power & Fuel	21.64	12.70
Rent Expenses	286.66	185.02
Rates and Taxes	111.09	52.09
Tax, Interest and Fee on Delayed Payment of Taxes	31.88	2.58
Repairs and Maintenance	32.17	41.20
Insurance	25.43	27.49
Sub-Contractors's and General Labour Payments	4,418.88	2,923.86
Legal and Professional Fees	145.89	108.12
ROC Fees	18.05	-
Payment to Auditors	10.40	8.00
Travelling and Conveyance Expenses	609.58	349.54
Advertising & Sales Promotion Expenses	8.68	0.87
Transport, Freight and Octroi charges	46.17	61.21
Printing and Stationery	16.05	11.41
Postage and courier charges	4.60	4.98
Export Related Expenses	0.81	134.24
Communication cost	6.72	6.18
Donation	3.83	3.00
Membership and Subscription Expenses	0.41	0.56
Inspection Charges	10.55	4.75
Miscellaneous Expenditure	94.60	50.92
Provision for Expencted Loss	13.83	-
Share of Joint Venture	31.59	0.14
CSR expenses of previous year	5.33	-
CSR expenses	12.56	10.89
<b>Total</b>	<b>6,388.92</b>	<b>4,155.06</b>

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Payment to Auditors

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
Audit fee	4.00	2.75
Tax audit fee	1.25	0.75
In other capacity:		
Taxation matters	2.20	3.25
Management services (including certificates)	2.95	1.25
Reimbursement of expenses		-
	<b>10.40</b>	<b>8.00</b>

**Note 25:** There are certain on-going litigations under various state and central tax legislations, the outcome of which is unascertainable. The company is contesting the demands and the management believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the company's financial position and results of operations.

Name of the Statute	Nature of Dues	Amount involved (₹)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	13.41	Assessment Year 2009-10	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	84.63	Assessment Year 2010-11	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	0.50	Assessment Year 2012-13	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	2.63	Assessment Year 2013-14	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	1.38	Assessment Year 2018-19	Assistant/ Deputy Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	20.46	Assessment Year 2020-21	Centralized processing centre
Haryana Value Added Tax, 2003	Value Added Tax/ Sales Tax	0.20	Financial Year 2015-16	Assistant Commissioner, Excise & Taxation Department, Faridabad (North)
Goods and Services Tax, 2017	Good and Services Tax	5.94	Financial Year 2020-21	21AAACK2747D1Z4- Odisha Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	10.83	Financial Year 2019-20	33AAACK2747D1ZZ- Tamil Nadu Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	130.86	Financial Year 2018-19	33AAACK2747D1ZZ- Tamil Nadu Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	14.43	For the period 01 July 2017 to 31 March 2018	08AAACK2747D1Z5- Rajasthan Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	5.53	For the period 01 July 2017 to 31 March 2018	22AAACK2747D1Z2- Chattisgarh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	1.32	Financial Year 2018-19	22AAACK2747D1Z2- Chattisgarh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	6.55	Financial Year 2019-20	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	6.30	Financial Year 2020-21	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Name of the Statute	Nature of Dues	Amount involved (₹)	Period to which amount relates	Forum where the dispute is pending
Goods and Services Tax, 2017	Good and Services Tax	34.49	Financial Year 2021-22	37AAACK2747D1ZR- Andhra Pradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	1.13	Financial Year 2020-21	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	4.32	Financial Year 2019-20	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	0.20	For the period 01 July 2017 to 31 March 2018	36AAACK2747D1ZT- Telangana Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	2.78	For the period 01 July 2017 to 31 March 2018	09AAACK2747D1ZQ- Uttarpradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	10.29	Financial Year 2018-19	09AAACK2747D1ZQ- Uttarpradesh Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	9.41	For the period 01 July 2017 to 31 March 2018	10AAACK2747D2Z6- Bihar Jurisdictional Officer
Goods and Services Tax, 2017	Good and Services Tax	27.83	For the period 01 July 2017 to 31 March 2018	02AAACK2747D1Z4- Himachal Pradesh Jurisdictional Officer
Finance Act, 1994	Service Tax	0.10	Financial Year 2015-16	Joint Commissioner CGST & Central Excise Mumbai East Commissionerate
<b>Total</b>		<b>395.51</b>		

Total Contingent Liabilities for previous Financial year is ₹301.69 Lakhs

### Note 26: Amounts due to Micro Small and Medium Enterprises

#### Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Particulars	As at 31 March 2024	As at 31 March 2023
The principal amount remaining unpaid to any supplier at the end of the year	438.29	429.44
Interest due remaining unpaid to any supplier at the end of the year	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

**Note:** The above information is compiled by the Company on the basis of the information made available by vendors and the same has been relied upon by the Statutory Auditors.

**Note 27:** Balances of Sundry Debtors, Advances and Sundry Creditors are subject to confirmation.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 28: Details of Foreign exchange inflows and outflows

#### Details of earning in foreign exchange

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Export of goods/services calculated on FOB basis in INR (in Lakhs)	48.84	699.07
Export of goods/services calculated on FOB basis in USD	59,159.43	8,68,815.75

#### Details of expenditure in foreign exchange

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenditure on account of other matters in INR (in Lakhs)	0.54	3.38
Expenditure on account of other matters in USD	100.00	3,000.00
Expenditure on account of other matters in Saudi Riyals	2,038.00	-
Expenditure on account of other matters in RAND	-	20,000.00

### Note 29: Disclosure under Accounting Standard 15 (revised 2005) "Employee Benefits"

#### Defined Benefit Plan:

The Company has availed a Group Gratuity scheme for its employees from Life Insurance Corporation of India. The Company receives actuarial valuation report on e-mail from the Life Insurance Corporation and the same is relied upon by the auditors.

Particulars	Sunday, 31 March 2024	Friday, 31 March 2023
<b>a) The amounts recognized in the balance sheet</b>		
Present value of obligations as at the end of year	209.24	189.54
Fair value of plan assets as at the end of the year	185.36	165.12
<b>Net asset/(liability) recognized in balance sheet</b>	<b>(23.87)</b>	<b>(24.42)</b>
<b>b) Reconciliation of opening and closing balances of Defined Benefit Obligation</b>		
Present value of obligations as at beginning of year	181.27	166.90
Interest cost	13.14	12.10
Current Service Cost	11.65	11.24
Benefits Paid	(31.18)	(23.08)
Actuarial (gain)/ loss on obligations	34.35	22.38
<b>Present value of obligations as at end of year</b>	<b>209.24</b>	<b>189.54</b>
<b>c) Reconciliation of opening and closing balances of fair value of Plan Assets</b>		
Fair value of plan assets at beginning of year	165.12	146.90
Expected return on plan assets	12.09	10.06
Contributions	39.33	31.24
Benefits Paid	(31.18)	(23.08)
Actuarial gain/(loss) on Plan assets	NIL	NIL
<b>Fair value of plan assets at the end of year</b>	<b>185.36</b>	<b>165.12</b>
<b>d) Actuarial Assumptions</b>		
Discount Rate	7.25%	7.25%
Salary Escalation	4.00%	4.00%

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Defined Contribution Plan:

The Company has recognized the amounts in the Profit and Loss Account under the head Company's Contribution to Provident Fund: ₹353.09 (P.Y. ₹250.11)

### Note 30: Segment Reporting (AS-17)

The Company has only one reportable segment i.e. electrical and EPC contracts and hence separate disclosure requirement of AS-17 Segment Reporting does not arise.

### Note 31: Related Party disclosure (AS-18)

As per Accounting Standard (AS-18), issued by the Institute of Chartered Accountants of India, the disclosure of transactions with related parties as defined in the Accounting Standard is given below:

#### 31.1 Names of related parties where control exists irrespective of whether transaction have occurred or not:

Particulars	Related Parties
Key Management Personnel	1. Biharilal. R. Shah and B.R.Shah (HUF) 2. Amish. B. Shah 3. Jigar Shah 4. Molly Antony 5. Shatabdi Salve
Relative of Key Management Personnel	1. Nirupama. B. Shah - Wife of Biharilal R. Shah 2. Rajul. A. Shah - Wife of Amish B. Shah 3. Dipti Jigar Shah - Daughter of Biharilal R. Shah
Joint Venture	Konstelec Hitech Engineers Private Limited
Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	1. KEPL EPC Nigeria Limited 2. CES Automation Engineers Private Limited

#### Related parties under AS 18 with whom transaction have taken place during the year:

Particulars	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	Total
<b>Income</b>					
Revenue from operations	-	-	-	-	-
	-	-	-	(107.85)	(107.85)
<b>Expenses</b>					
Remuneration/Salary	206.85	23.90	-	-	230.75
	(95.31)	(36.00)	-	-	(131.31)
Rent	2.16	-	-	-	2.16
	(2.16)	-	-	-	(2.16)
<b>Loans</b>					
Amount Received During the year	1,037.07	-	-	-	1,037.07

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

Particulars	Key Management Personnel	Relative of Key Management Personnel	Joint Venture	Enterprises over which key management personnel and relatives of such personnel is able to exercise significant influence	Total
	(226.35)	-	-	-	(226.35)
Amount Repaid During the year	1,031.10	-	33.11	-	1,064.21
	(249.15)	-	-	-	(249.15)
<b>Share Capital</b>					
Shares Issued during the year	870.39	92.61	-	-	963.00
Shares transferred In during the year	6.60	3.20	-	-	9.80
Shares transferred Out during the year	60.00	-	-	-	60.00
<b>Balance Outstanding</b>					
<b>Assets</b>					
Advance against expenses	-	-	-	-	-
	(2.39)	-	-	-	(2.39)
Investment	-	-	47.00	-	47.00
	-	-	(47.00)	-	(47.00)
Receivable	-	-	-	13.12	13.12
	-	-	-	(219.50)	(219.50)
<b>Liabilities</b>					
Share Capital	907.43	101.87	-	-	1,009.30
	(90.44)	(6.06)	-	-	(96.50)
Borrowings	23.35	-	-	-	23.35
	(17.39)	-	(33.11)	-	(50.49)
Rent payable	1.98	3.29	-	-	5.27
	(0.75)	(3.52)	-	-	(4.27)
Salary payable	16.12	1.60	-	-	17.72
	(5.73)	(2.41)	-	-	(8.14)

### Notes related to Related Party disclosure

1. Related party relationships and transactions have been identified by the management and relied upon by the Auditors
2. Figures in bracket pertains to previous year
3. The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income-tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the financial year. The Company is required to update and put in place the information latest by the due date of filing its income tax return. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expenses and that of provision for tax.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 32: Earnings Per Equity Share (AS - 20)

Basic and Diluted earning per equity share :

Particulars		For the year ended 31 March 2024	For the year ended 31 March 2023
<b>Numerator:</b>			
Profit after tax	Rupees	8,92,07,060.14	7,18,38,692.23
<b>Denominator:</b>			
Weighted average number of equity shares	Number	1,17,05,738.00	1,10,00,000.00
Nominal value of equity shares	Rupees	10.00	10.00
Basic and Diluted earning per equity share (Adjusted for previous year)	Rupees	7.62	6.53

### Note 33: Operating lease: Company as lessee

Future minimum rentals payable under non-cancellable operating leases are as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total</b>	-	-

### Note 34:

Particulars	Numerator	Denominator	Current Period	Previous Period	% Variance	Reason for Variance
<b>Ratios</b>						
<b>Name of the ratios</b>						
(a) Current Ratio (in times)	19,005.52	10,751.96	1.77	1.71	3.37%	
(b) Debt-Equity Ratio (in times)	4,505.25	9,401.68	0.48	0.57	-15.93%	
(c) Debt Service Coverage Ratio (in times)	1,858.91	2,493.22	0.75	1.43	-47.86%	Increase in borrowings
(d) Return on Equity Ratio (in %)	892.07	9,401.68	9.49%	11.58%	-2.09%	
(e) Inventory turnover ratio	Not applicable					
(f) Trade Receivables turnover ratio (in times)	21,531.53	6,131.53	3.51	2.88	21.93%	
(g) Trade payables turnover ratio (in times)	10,115.63	4,037.46	2.51	2.37	5.72%	
(h) Net capital turnover ratio (in times)	21,531.53	8,253.56	2.61	2.77	-5.82%	
(i) Net profit ratio (in %)	892.07	21,531.53	4.14%	4.78%	-0.64%	
(j) Return on Capital employed (in %)	1,760.20	9,832.29	17.90%	20.27%	-2.37%	
(k) Return on investment (in %) based on realized gains on Investments	50.70	119.20	42.53%	6.81%	35.72%	Investments were sold which led to higher Return on Investments

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### Note 35: Corporate Social Responsibility (CSR) expenditure

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
1. Amount required to be spent by the company during the year	12.56	10.89
2. Amount of expenditure incurred on :		
i) Construction/Acquisition of any asset	NA	NA
ii) On purpose other than (i) above	12.96	10.89
3. Shortfall at the end of the year	-	-
4. Total of previous years shortfall	5.33	5.33
5. Reason for shortfall	The Company is not able to find any suitable agency	The Company is not able to find any suitable agency
6. Nature of CSR Activities	NA	Education of weaker section

Note: The Company had not transferred unspent amount of ₹5.33 Lakhs till 31 March 2024 to Fund specified in Schedule VII to the Act within due date.

### Note 36: Title deeds of immovable property taken on lease by the Company not held in the name of the company

Relevant line item in the Balance sheet	Description of item of property	Gross Carrying Value	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
Others	Property taken on lease by Company	NA (Refer note 1 below)	Amish Shah	Director/Promoter	01-Oct-12	Agreement between the company and the director/promoter is not yet prepared
Others	Property taken on lease by Company			Refer Note 2 below		

Note 1: The Company has taken property on lease from Director/Promoter and paying rent. Therefore Gross carrying value of the property is not disclosed in above table.

Note 2: The Company has taken several properties on lease from various parties at various sites of the Company. The Company is of the opinion that it is not possible for the Company to execute each and every lease agreement and therefore in most of the cases, the lease contract is not formal or not executed in favour of lessee or not executed in any other manner.

### 37 Details of Benami Property held

There are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

### 38 Security of current assets against borrowings

The quarterly returns or statement filed by the company with such banks are in agreement with the books of accounts of the company except in cases where the amounts have been updated in books post submission of quarterly returns or statement.

### 39 Willful Defaulter

The Company is not declared as willful defaulter by any bank of financial institution or other lender.

## Notes forming part of the Consolidated Financial Statements

for the year ended 31 March 2024

(All amounts in ₹ Lakhs, except per share data and as stated otherwise)

### 40 Relationship with struck off Companies

The Company do not have any transactions with Companies struck off.

### 41 Registration of charges or satisfaction with Registrar of Companies

- No Registration of charge is registered with Registrar of Companies for 5 Vehicle loans amount outstanding as on 31 March 2024 of ₹14.45 Lakhs (P.Y. ₹34.19 Lakhs) and Loan against Asset amount outstanding as on 31 March 2024 of NIL (P.Y. ₹34.37 Lakhs). Vehicles are registered at various locations and loan is taken on various dates.
- In Case of 2 charge open on ROC, No loan outstanding and satisfaction of charge is yet to file with ROC.

42 Since the Company does not have any subsidiary, the provision of section 2 of clause 87 of the Act, read with Companies (Restriction on number of Layers) Rules, 2017, is not applicable to the Company.

### 43 Revaluation of Property, Plant and Equipment

There is no such revaluation of Property, Plant and equipment and Intangible assets during the year.

### 44 Utilization of Borrowed funds

The Company have not advanced or loaned or invested funds (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The Company have not received any fund from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

### 45 Undisclosed Income

The Company have not done any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any relevant provisions of the Income Tax Act, 1961

### 46 Crypto currency or Virtual currency

The Company have not traded or invested in Crypto currency or virtual currency during the current year and previous year

47 Previous years figures have been regrouped/reclassified to confirm to current period's presentation.

In terms of our report of even date attached

For **SHAH P M AND ASSOCIATES**

Chartered Accountants

ICAI Firm Registration No: 131576W

Partner

Name : **Maulin Y. Shah**

Membership No. 137282

Place: Mumbai

Date: 27.06.2024

For and on behalf of the Board of Directors

Chairman and Managing Director

**Biharilal Shah**

DIN: 00337318

Chief Financial Officer

**Molly Antony**

PAN: AGAPA5417F

Whole Time Director

**Amish Shah**

DIN: 01415766

Company Secretary

**Shatabdi Salve**

PAN: DEIPS6143M



t: 022 - 43421500  
e: [compliance@konstelec.com](mailto:compliance@konstelec.com)  
w: [www.konstelec.com](http://www.konstelec.com)



**KONSTELEC ENGINEERS LIMITED**  
308, Creative Industrial Estate  
Sunder Nagar Lane No. 2 kalina  
Santacruz East, Vidyanagari  
Mumbai, Maharashtra - 400 098  
India