Cem

Commitment, Reliability & Quality

Dept. of Corporate Services – Corporate Relationship,
Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 023
(Fax # 2272 3121/ 2037/ 2039/ 2041/ 2061/ 3719)
corp.relations@bseindia.com

Listing Department
National Stock Exchange of India Limited,
Exchange Plaza,
Bandra-Kurla Complex,
Bandra (East), Mumbai 400 051

Date	Our Reference No.	Our Contact	Direct Line
23rd May, 2018	SEC/07-1 & 2/2018	RAHUL NEOGI	91 22 67680814

Dear Sirs,

Submission of Annual Report under Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Scrip Code : BSE -509496 / NSE : ITDCEM

We would like to inform you that at the 40th Annual General Meeting (AGM) of the Company held on 10th May, 2018, the Annual Report 2017(containing Audited financial statements, cash flow statements, Auditor's Reports, Board's Reports, etc.) has been approved and adopted by the Shareholders with requisite majority.

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith Annual Report pertaining to the same for your record.

Thanking you,

Yours faithfully,
For ITD Cementation India Limited

(RAHUL NEOGI)
COMPANY SECRETARY
Encl: as above

ITD CEMENTATION INDIA LIMITED
Registered & Corporate Office : National Plastic Building, A - Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai - 400 057.
Tel.: 91-22-66931600 Fax : 91-22-66931628 **www.itdcem.co.in**
Corporate Identity Number : L61000MH1978PLC020435

ITD CEMENTATION INDIA LIMITED

CIN : L61000MH1978PLC020435

Registered Office: National Plastic Building, A – Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai 400 057, Maharashtra, India

Phone No: 022—66931600; Fax No.022-66931628

Email:investors.relation@itdcem.co.in, Website:www.itdcem.co.in

NOTICE

NOTICE is hereby given that the FORTIETH ANNUAL GENERAL MEETING of the Members of ITD CEMENTATION INDIA LIMITED will be held at Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K. M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai- 400 020 on Thursday, 10th May, 2018 at 4:00 p.m. to transact the following business:

1. To receive, consider and adopt the financial statements of the Company, namely (a) the Audited Standalone and Consolidated Balance Sheets as at 31st December, 2017, (b) the Audited Standalone and Consolidated Statements of Profit and Loss of the Company for the financial year ended on that date, (c) the Standalone and Consolidated Cash Flow Statements for the financial year ended on that date, (d) Notes annexed to, or forming part of, the documents referred to in (a) to (c) above and the Reports of the Board of Directors and Auditors thereon.

2. To declare a dividend of ₹ 0.40 per equity share of ₹ 1/- each (40%) for the financial year ended 31st December, 2017.

3. To appoint a Director in place of Mr. Piyachai Karnasuta (DIN: 07247974), who retires by rotation at this Annual General Meeting and, being eligible, offers himself for re-appointment.

4. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
   "**RESOLVED THAT** pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of M/s Walker Chandiok & Co LLP, Mumbai (Firm Registration No. 001076N/N500013) as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting to be held in the year 2019, be and is hereby ratified and the Board be and is hereby authorised to determine and fix their remuneration based on the recommendation of the Audit Committee."

5. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
   "**RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the payment by the Company of remuneration of ₹ 4.50 Lakh (Rupees Four Lakh Fifty Thousand Only) per annum plus applicable taxes and out of pocket expenses, if any, actually incurred during the course of audit to Mr. Suresh Damodar Shenoy, Cost Accountant (Membership Number 8318) appointed by the Board of Directors of the Company as the Cost Auditor of the Company for the audit of the cost accounting records of the Company for the financial year ending on 31st March, 2019 be and is hereby confirmed, approved and ratified.

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

6. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:
   "RESOLVED THAT subject to the provisions of Sections 196 and 197 and other applicable provisions of the Companies Act, 2013 ("the Act") read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to such approvals, permissions and sanctions as may be required, and subject also to such conditions and modifications as may be prescribed or imposed by any Authority including the Central Government when granting such approvals, permissions or sanctions, the payment of remuneration to Mr. Adun Saraban (DIN: 01312769), Managing Director of the Company for the period 1st January, 2018 to 31st December, 2018 in the manner and to the extent set out in the Second Supplemental Agreement executed between the Company and Mr. Adun Saraban on 17th January, 2018 approved by the Board of Directors placed on the table based on the recommendation of the Nomination and Remuneration Committee of the Board be and is hereby confirmed, approved and ratified.

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

7. To consider, and, if thought fit, to give assent or dissent to the following Ordinary Resolution:

   "**RESOLVED THAT** Mr. Sunil Shah Singh (DIN: 00233918) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 22nd February, 2018 on the recommendation of the Nomination and Remuneration Committee, and who holds office upto the date of this Annual General Meeting under Section 161 of the Companies Act, 2013 read with the Companies (Amendment) Act, 2017 ("the Act") and the Articles of Association of the Company, but who is eligible for appointment and has consented to act as a Director of the Company, and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

Registered Office:	**By Order of the Board**
National Plastic Building,	
A-Subhash Road,	**RAHUL NEOGI**
Paranjape B Scheme,	Company Secretary
Vile Parle (East)	Membership No. – A10653
Mumbai – 400057.	

Dated : 22nd February, 2018

NOTES:

1. **A Member entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint one or more proxies to attend and vote on a poll instead of himself/ herself and such proxy need not be a Member of the Company. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than forty eight hours before the commencement of AGM. A Proxy Form for the AGM is enclosed herewith.**

   A person can act as proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Corporate Members/ Societies intending to send their authorized representative to attend the AGM are requested to send a duly certified copy of the Board of Directors / Governing Board Resolutions authorizing their representative to attend and vote on their behalf at the AGM.

3. The relative Statement of material facts annexed to the Notice pursuant to Section 102 (1) of the Companies Act, 2013 (the "Act") in respect of the business at Items 5 to 7 of the Notice, is annexed hereto. The relevant details of the directors seeking re-appointment/ appointment under Items 3 and 7 of the Notice, as required by Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India, are also annexed.

4. (a) The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 4th May, 2018 to Thursday, 10th May, 2018 (both days inclusive).

   (b) The dividend, if any, that may be declared at the meeting will be paid on 16th May, 2018 to those Members:

   i) whose names appear as Members in the Register of Members of the Company on 10th May, 2018 after giving effect to valid shares transfers in physical form lodged on or before 3rd May, 2018 with the Company/its Registrar and Transfer Agents, and

   ii) whose names appear as Beneficial Owners in the Register and Index of Beneficial Owners as at the end of the business hours on 3rd May, 2018 as per details to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form.

5. Pursuant to the provisions of Section 124 (5) of the Act, the dividend(s) remaining unpaid or unclaimed for a period of seven years from the date of transfer to the Unpaid Dividend Account of the Company, is required to be transferred to the Investor Education and Protection Fund (IEPF), administered by the Central Government. During the financial year, the dividend declared by the Company for the financial year ended 31st December, 2009, which was unclaimed, has been transferred to IEPF. The Company has uploaded the details of the unclaimed amounts of dividend(s) of the Members on the website of the Company (www.itdcem.co.in) as per the Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012.

   Members, who have not yet encashed their dividend(s) pertaining to the financial year ended 31st December, 2010, are advised to write to the Company immediately, i.e. before 10th May, 2018 claiming dividend(s) declared by the Company.

6. Pursuant to the provisions of Section 124 (6) of the Act and Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, ("the IEPF Rules") and amendments thereto , the Company has transferred the shares in respect of Members who have not claimed/encashed dividend for the last seven consecutive years to the Demat Account of the IEPF Authority. Details of the Members whose shares have been transferred to the Demat account of the IEPF Authority are available at the Company's website at www.itdcem.co.in.

   In the event Members do not claim dividend(s) that have remained unpaid/unclaimed upto the Financial Year ended 31st December, 2010, as aforesaid, all the shares in respect of such unpaid/unclaimed dividend(s) would have to be transferred to the IEPF Authority.

7. The Members/claimants whose shares, unpaid dividend, etc. have been transferred to the IEPF Authority, may claim the shares or apply for refund by making an application in Form IEPF-5 (available on www.iepf.gov.in) along with requisite fee as may be decided by the IEPF Authority from time to time. Mr. Rahul Neogi, Company Secretary, is the Nodal Officer of the Company for the purpose of verification of such claims.

8. Members/proxies attending the meeting are requested to complete the enclosed attendance slip and deliver the same at the entrance of the meeting hall.

9. Members are requested to bring their copies of the Annual Report and Attendance Slip signed at the time of attending the meeting.

10. A copy of the Second Supplemental Agreement dated 17th January, 2018 referred to in the resolution at item 6 of the Notice and copies of documents referred therein to Notice shall be open for inspection at the Registered Office of the Company during normal business hours between 11.00 a.m. and 1.00 p.m. on all working days (except Saturdays, Sundays and Public Holidays) upto the date of the AGM of the Company.

11. In case of joint holders attending the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

12. Members holding shares in physical form are requested to intimate changes pertaining to their bank account details, mandates, nominations, change of address, e-mail address etc., if any, immediately to the Company's Registrar and Share Transfer Agent i.e. M/s Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Tel: +91 40 67162222, Fax : +91 40 23420814, email ID : einward.ris@karvy.com and / or its Branch Office at 24-B, Raja Bahadur Mansion, Ambalal Doshi Marg, Behind BSE, Fort, Mumbai - 400023, Tel: +91 22 66235454 email ID : ircfort@karvy.com (hereinafter referred to as RTA). Members holding shares in electronic form must intimate the changes, if any, to their respective Depository Participants only.

13. Members desirous of seeking any information relating to the annexed Audited Financial Statement soft the Company for the financial year ended 31st December, 2017, may write to the Company at its Registered Office, Attention Mr. Prasad Patwardhan, Chief Financial Officer, at least seven days in advance of the date of AGM so that requisite information can be made available at the AGM.

14. Pursuant to the provisions of Section 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and in terms of Regulation 36 of the Listing Regulations, 2015, electronic copy of the Annual Report for 2017 is being sent to all the Members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email addresses, physical copy of the Annual Report for 2017 is being sent in the permitted mode.

15. Electronic copy of the Notice of the 40th AGM of the Company, interalia, indicating the process and manner of e-voting alongwith Attendance Slip and Proxy Form are being sent to all the Members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Notice of the 40th AGM of the Company, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

16. Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's RTA.

17. The Notice of AGM will be displayed on the website of the Company www.itdcem.co.in and on the website of the RTA.

18. The route map of the venue for the meeting is given in the Notice. The prominent landmark for easy location of the venue for the meeting is Churchgate.

19. **Voting through electronic means**

I. In compliance with the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Listing Regulations, 2015, the Company is pleased to provide Members with the facility to cast their vote electronically on all Resolutions set forth in this Notice. The Company has an agreement with KARVY COMPUTERSHARE PRIVATE LIMITED ("Karvy") for facilitating e-voting to enable the shareholders to cast their votes electronically. E-voting is optional.

The facility for voting, through ballot or polling paper, shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by e-voting/ remote voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for Members for e-voting are as under:

A. In case a Member receives an email from Karvy [for Members whose email IDs are registered with the Company's Registrar and Share Transfer Agent/ Depository Participant(s)]:

(i) Launch internet browser by typing the URL:**https://evoting.karvy.com**

(ii) Enter the login credentials (i.e. **User ID and password** mentioned overleaf). Your Folio No./DP ID- Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User–ID	For Members holding shares in Demat Form:- a) For NSDL:-8 Character DPID followed by 8 Digits Client ID b) For CDSL:-16 digits beneficiary ID c) For Members holding shares in Physical Form:- • EVENT NO. followed by Folio Number registered with the Company
Password	In case of shareholders who have not registered their e-mail addresses, their User-Id and Password is provided in the enclosed Attendance Slip/ E-Voting Form for the AGM.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

(iii) After entering these details appropriately, click on **"LOGIN"**.

(iv) You will now reach password change Menu where in you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric(0-9) and a special character (@,#,$,etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login and such details may be used for sending future communication(s). You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**

(v) You need to login again with the new credentials.

(vi) On successful login with new credentials, the system will prompt you to select the EVENT i.e. **ITD Cementation India Limited**. If you are holding shares in Demat form and had logged on to "https://evoting.karvy.com" and had cast your vote earlier for any company, then your existing login id and password are to be used for casting your vote.

(vii) Now you are ready for e-voting as Cast Vote page opens.

(viii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as on cut-off date.

(ix) You may then cast your vote by selecting an appropriate option and click on "Submit".

(x) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you click OK, the message "Vote cast successfully" will be displayed and thereafter, you will not be allowed to modify your vote.

During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(xi) Members holding multiple folios/ demat accounts shall choose the voting process separately for each of the folios/demat accounts.

(xii) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

(xiii) **Corporate/ Institutional Members** (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolutions / Authority Letter etc., together with attested specimen signature(s) of the duly authorized representative(s), who are authorized to vote, to the Scrutinizer at e-mail ID: scrutinizer@itdcem.co.in. They may also upload the same in the e-voting module in their login. The scanned image of the above mentioned documents should be in the naming format "Corporate Name EVENT NO."

B. In case a Member receives physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Company/ Depository Participant(s)]:

(i) Launch internet browser by typing the URL:https://evoting.karvy.com

(ii) **User ID and initial password as** provided in the enclosed Attendance Slip/ E-Voting Form for the AGM.

(iii) Please follow all steps from Sr. No. (i) to (xiii) as mentioned in I (A) above, to cast your vote.

II. Other Instructions

(i) The e-voting period commences on Monday, 7th May, 2018 (10.00 a.m. IST) and ends on Wednesday, 9th May, 2018 (5.00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 3rd May, 2018, may cast their vote electronically. The e-voting module shall be disabled by Karvy for voting thereafter. Once the vote on a Resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the AGM. However, they can attend the meeting and participate in the discussion, if any. Since the Company is providing e-voting facility there will be no voting on a show of hand.

(ii) In case of any query/grievance(s), the Members may refer to the Frequently Asked Questions(FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of **https://evoting.karvy.com** or contact Mr. S. V. Raju Computer share Pvt. Ltd. at 04067162222 or call at 18003454001 (toll free).

(iii) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity share capital of the Company as on the cut-off date, being 3rd May, 2018. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut – off date only shall be entitled to avail the facility of e-voting as well as voting at the meeting.

(iv) Any person, who acquires shares of the Company and become a Member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 3rd May, 2018, may obtain the login ID and password by sending a request at einward.ris@karvy.com However, if you are already registered with Karvy for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on https://evoting.karvy.com.

(v) Mr P. N. Parikh or failing him Ms. Sarvari Shah of M/s Parikh & Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process (including the Ballot Form received from the Members who do not have access to the e-voting process) in a fair and transparent manner.

(vi) The Scrutinizer shall, after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(vii) The Results declared alongwith the Scrutinizer's Report(s) will be available on the website of the Company **(www.itdcem.co.in)** and on Karvy's website **(https://evoting.karvy.com)** within two (2) days of passing of the Resolutions at the AGM of the Company and communication of the same will be made to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be placed on the Notice Board at the Registered Office of the Company.

Statement of material facts annexed to the Notice as required under Section 102 (1) of the Companies Act, 2013 ('the Act')

Item 5

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of Mr. Suresh Damodar Shenoy, Cost Accountant in Practice (Membership No. 8318), as the Cost Auditor for audit of the cost accounting records of the Company for the financial year ending on 31st March, 2019, at a remuneration of ₹ 4.50 Lakh (Rupees Four Lakh Fifty Thousand Only) per annum plus applicable taxes and out of pocket expenses, if any, actually incurred during the course of audit. In terms of Section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014,the payment of the above remuneration to the Cost Auditor needs to be approved and ratified by the Members of the Company.

The Board recommends the Ordinary Resolution as set out at Item 5 of the Notice for approval of the Members of the Company.

None of the Directors, Key Managerial Personnel and their respective relatives are concerned in any manner or interested, financially or otherwise, in the Resolution set out at Item 5 of the Notice.

Item 6

The Board of Directors of the Company at its meeting held on 5th November, 2015, re-appointed Mr. Adun Saraban ("Mr. Saraban") as Managing Director of the Company for a period of three years from 1st January 2016 to 31st December 2018 at the remuneration and perquisites stated in the Agreement with Mr. Saraban entered on 30th November 2015 ("the Principal Agreement"). Subsequently, the Members of the Company at its 38th Annual General Meeting held on 12th May 2016, approved the aforesaid reappointment of Mr. Adun Saraban on the terms stated in the Principal Agreement.

The Principal Agreement was amended by the Supplemental Agreement dated 23rd December 2016 between the Company and Mr. Saraban whereby the remuneration payable to Mr. Saraban for the period 1st January 2017 to 31st December 2017 was increased within the limits approved by the Members at the above Annual General Meeting and specified in the Principal Agreement.

Pursuant to the recommendation of the Nomination and Remuneration Committee of Directors at its meeting held on 8th November 2017, the Board of Directors at its meeting held on 8th November 2017, increased the remuneration payable to Mr. Saraban for the period 1st January 2018 to 31st December 2018 as stated in the Second Supplemental Agreement referred to in the Resolution at item 6 from ₹ 821,250/- per month to ₹ 944,437.50 per month with effect from 1st January 2018, subject to the approval of the Members in General Meeting as it exceeds the limit which was approved by the Members at the above Annual General Meeting held on 12th May, 2016.

The increase in the remuneration payable to Mr. Saraban for the period 1st January 2018 to 31st December 2018 as set out in the Second Supplemental Agreement is in conformity with Schedule V to the Companies Act 2013 and as such no approval of the Central Government is required to the aforesaid increase.

The material provisions of the aforesaid Second Supplemental Agreement are as under:

1. Clause 6.1(a) of the Principal Agreement, as amended by the Supplemental Agreement shall be substituted by the following new Clause 6.1(a):

   "The Company shall, subject to the approval of the shareholders of the Company in General meeting, pay to Mr. Saraban in consideration of the proper performance and discharge by him of his duties, obligations and responsibilities as Managing Director in accordance with the Principal Agreement as amended by the Supplemental Agreement:

   A monthly salary of ₹ 944,437.50 (Rupees Nine Lakh Forty Four Thousand Four Hundred Thirty Seven and paise Fifty only) for the period 1st January 2018 to 31st December 2018 (both days inclusive)

2. The aforesaid further amendment to the Principal Agreement as amended by the Supplemental Agreement shall come into effect from 1st January 2018.

   The Board recommends the Ordinary Resolution as set out at Item 6 of the Notice for the approval of the Members of the Company.

   Mr. Adun Saraban is interested in the resolution at item no. 6 to the extent of remuneration payable to him as above, None of the other Directors, Key Managerial Personnel of the Company and their respective relatives are concerned in any manner or interested, financially or otherwise, in the Resolution set out at Item 6 of the Notice.

Item 7

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Sunil Shah Singh as an Additional Director with effect from 22nd February 2018 to hold office upto the date of the next Annual General Meeting to be held on 10th May 2018, pursuant to Section 161 of the Act and Articles of Association of the Company.

Mr. Sunil Shah Singh has vast knowledge and experience of over 50 years as senior management executive with major Engineered product manufacturing and Construction companies covering various fields. He has considerable knowledge of the Company's business and processes vast experience in varied fields such as purchase, materials management, manufacturing, marketing and overall business operations. He was the Managing Director of the Company from June 2000 to December 2009 and thereafter as its Corporate Advisor from January 2010 to December 2013. He is hence well conversant with the business, operations and activities of the Company. The Board therefore recommends his appointment as a Director in terms of the resolution at item 7, it being in the best interests of the Company.

Particulars of Mr. Sunil Shah Singh are set out in the attachment to the Notice.

Mr. Sunil Shah Singh is interested in the resolution at Item 7 of the Notice which relates to his appointment as a Director. No other Director or any Key Managerial Personnel of the Company or their relatives are concerned in any manner or interested, financially or otherwise in the above Resolution.

The Statement of Material Facts attached may be regarded as a disclosure under Regulation 36 (3) of the Listing Regulations, 2015.

Registered Office:	**By Order of the Board**
National Plastic Building,	
A-Subhash Road,	**RAHUL NEOGI**
Paranjape B Scheme,	Company Secretary
Vile Parle (East)	Membership No. – A10653
Mumbai – 400057.	

Dated: 22nd February, 2018

The particulars of the Directors, who are proposed to be re-appointed/appointed at this Annual General Meeting, are given below, as required pursuant to Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

1. (a) A brief resume of the Directors:

    Name : Mr. Piyachai Karnasuta

    Qualifications : A degree in Civil Engineering from Washington University and MBA from Waseda University.

    Director of the Company since: 5th August, 2015.

    (b) Nature of his expertise in specific functional areas: Experience and knowledge in Civil Engineering and Construction of over 15 years. He is an Executive Vice President of Italian-Thai Development Public Company Limited, Thailand (Promoter of the Company).

    (c) Disclosure of relationships between directors inter–se: None

    (d) Names of other companies in which he holds directorship and membership of the Committees of the Board: None

    Other Directorships: None in any Indian company

    Other Committee Membership : Nil

    (e) No. of shares held in the Share Capital of the Company : Nil

2. A) Name : Mr. Sunil Shah Singh

    Qualifications : B. Tech

    Director of the Company since: 22nd February, 2018.

    (b) Nature of his expertise in specific functional areas: Around 50 years of experience as senior management executive with major Engineered product manufacturing and Construction companies covering various fields. He has considerable knowledge of the Company's business and possesses vast experience in varied fields such as purchase, materials management, manufacturing, marketing and overall business operations.

    (c) Disclosure of relationships between directors inter–se: None

    (d) Names of other companies in which he holds directorship and membership of the Committees of the Board:

    Other Directorships:
    - Kirloskar Industries Limited
    - Kirloskar Pneumatic Company Limited

    Other Committee Membership:
    - Kirloskar Industries Limited: Audit Committee
    - Kirloskar Pneumatic Company Limited: Audit Committee and Stakeholders' Relationship Committee

    (e) No. of shares held in the Share Capital of the Company : Nil

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Commitment, Reliability & Quality

Making the Right Move

ITD Cementation India Limited

Annual Report 2017

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Caution regarding forward-looking statements:
This document contains statements about expected future events and financial and operating results of ITD Cementation India Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of ITD Cementation India Limited Annual Report 2017.

Business success is not a mere accident but a mix of various factors, all of them collectively driven by the ability to make the right move, every time in every way. This ability is what differentiates a winner from a loser, and distinguishes a successful organisation from an average entity.

At ITD Cementation India Limited, we have evolved this ability to levels that go beyond successful execution delivery to delivering excellence in execution.

We stand today in the capstone of the industry leadership pyramid, with the **right understanding of the emerging opportunities** across every vertical of our business spectrum.

We have developed a skill-set that gives us the **right credentials** to harness the huge opportunity matrix carved by the Government of India's increased focus on infrastructure development, as the key to the nation's economic progress.

We have in place the **right combination of strengths and competencies**, coupled with the **right attitude and mindset**, to ensure on-time delivery with stringent adherence to our commitment, reliability and quality.

We have the right technological prowess, to move right through **partnerships**, to successfully handle large and complex projects effectively and efficaciously, thus building an enviable portfolio of high-end projects across the verticals of our presence.

We have created the **right mix of experience and expertise, agility and flexibility** to build a unique portfolio of path-breaking projects that stand tall on India's infrastructural landscape.

And last but not the least, we have the **right pedigree in the form of unwavering and active support of our parent company**, Italian-Thai Development Public Company Limited, one of the largest construction companies in South East Asia, which gives us access to the best processes and technologies in the infrastructure industry.

Our success story is scripted on this simple mantra of

'Making the Right Move'.

A Right-Thinking Organisation

ITD Cementation India Limited is a leading construction company in India operating for over eight decades with proven expertise and an excellent track record of delivering integrated services in design, engineering, procurement and construction across multiple lines of business.

OUR BUSINESS VERTICALS

Our operational strength spans all the major areas of infrastructure development, with a leadership position in some of the key divisions of growth.

Maritime Structures

Urban Infrastructure/ MRTS

Specialist Engineering

Highways, Bridges & Flyovers

Industrial Structures & Buildings

Hydroelectric Power, Dams & Irrigation

Water & Waste Water Treatment

As the only Company with MNC parentage, we have developed a strong brand recall among clients, including government organisations, port authorities, public sector undertakings, large private sector companies, and state boards, among others.

Headquartered in Mumbai, with area offices in Mumbai, Delhi, Kolkata and Chennai and with a team strength of 2010, the Company is structured to deliver excellence across the entire gamut of its services throughout the EPC value chain.

We are the only MNC controlled construction company that is listed on the Indian Stock Exchanges.

Our Vision

Our aim is a satisfied client, a strong and proactive workforce and a quality product finished on-time and to budget.

Our Mission

To make ITD Cementation India Limited the country's leading construction Company in customer choice, quality and safety.

Our Core Principles

- Customers come first.
- Employees are our most important asset – working conditions and training must enable them to give their best.
- Our quality, health and safety standards will be second to none.
- Timely commencement and completion of projects.
- Good plant and machinery is our wealth. We ensure that these are always well maintained and in good working order.
- Well-developed MIS systems and state-of-the-art technology is our priority.
- Environmental awareness and care for the world in which we live will be part of our business philosophy.
- Our competitive edge is maintained through specialist skills and commitment to both – training and R&D.

A Right-Thinking Organisation

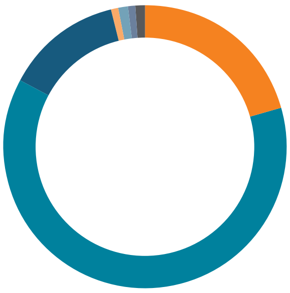
A Robust Growth Pipeline

Steered by a right-thinking strategy, which is focussed on making the right moves at the right time, we have built a diversified presence across business verticals, clients and geographies, with a current order pipeline consisting of 60 projects in 14 states of India.

As of 31 December 2017, we have an order book of ₹ 7,513 crore, executable over a period of 30 months. Secured orders of about ₹ 2,400 crore in January & February 2018 which include a contract of maritime structures of about ₹ 1,900 crore from Tamil Nadu Generation and Distribution Corporation Limited (TANGENCO) to be executed over a period of approximately 2.5 years.

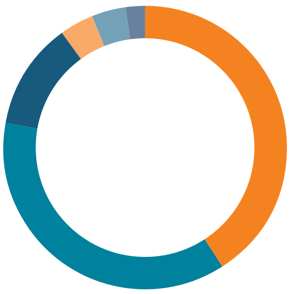
We successfully raised ₹ 336.83 crore through QIP during the quarter ended March 2018, underscoring the success of our strategy and the strength of our business model.

Order backlog, 31 December 2017 (%)



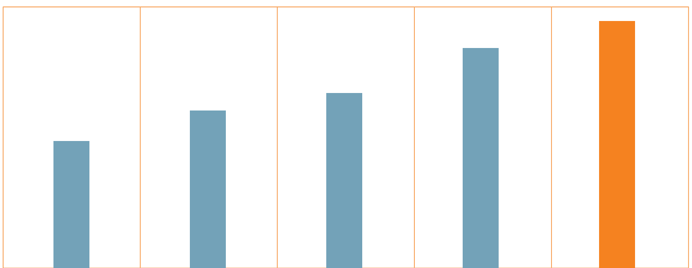
Maritime structures	22%
Urban infrastructure/MRTS	60%
Hydro/dams/tunnels/ irrigation	14%
Industrial structures and buildings	1%
Highways, bridges and flyovers	1%
Specialist engineering	1%
Water & waste water	1%

Order backlog, 31 December 2016 (%)



Maritime structures	41%
Urban infrastructure/MRTS	37%
Hydro/dams/tunnels/ irrigation	12%
Industrial structures and buildings	4%
Highways, bridges and flyovers	4%
Specialist engineering	2%

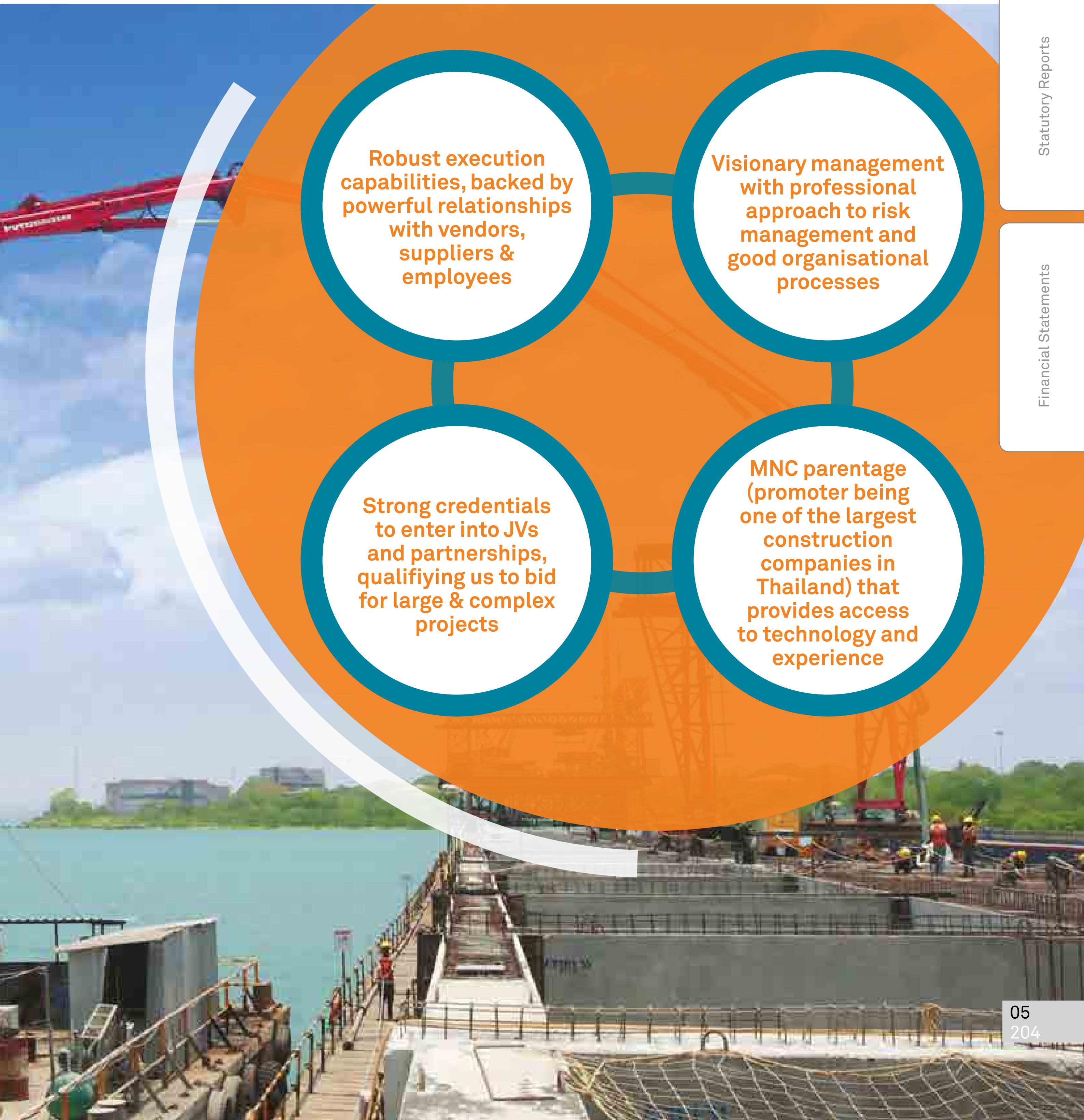
Consolidated Order Book as at year end



	2013	2014	2015	2016	2017
₹ crore	3,821	4,763	5,204	6,584	7,513

Our Capability Matrix

With a business model, pillared on a diversified strategic approach, we have developed a strong core of capabilities that enable us to drive efficiencies and excellence for our clients across projects.



- Robust execution capabilities, backed by powerful relationships with vendors, suppliers & employees
- Visionary management with professional approach to risk management and good organisational processes
- Strong credentials to enter into JVs and partnerships, qualifiying us to bid for large & complex projects
- MNC parentage (promoter being one of the largest construction companies in Thailand) that provides access to technology and experience

A Right-Thinking Organisation

Our Competitive Strengths

We have, over the past eight decades, developed core strengths to augment our capabilities, thus facilitating our emergence as one of India's leaders in the construction industry through superior execution of projects driven by our commitment, reliability, quality and safety.

Technological Prowess: Employment of various specialist & sophisticated technologies and processes, including first-time demonstrations/ applications

Professional Team: Passionate, skilled and well-trained workforce built by providing a professional work environment & opportunities for career development

State-of-the-art facilities: Strong inventory of modern, well-equipped plant base handled in a centralised function headed by senior experienced professional team

ISO & OHSAS-Latest Re-certification by DNV-GL:

ITD Cementation India Limited has been recently re-certified by DNV-GL for the new IMS standards "ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007"

Our Marquee Clientele

Government

Delhi Metro Rail Corporation, Rail Vikas Nigam Limited, Kolkata Metro Rail Corporation, Inland Waterways Authority of India (IWT), Indian Oil Corporation, Nuclear Power Corporation, Bangalore Metro Rail Corporation, National Highways Authority of India, Mazagon Dock Ltd., Garden Reach Shipbuilders, Airports Authority of India, Indian Railways, Govt. of Telangana, Rites Ltd., Central Public Works Department, Noida, Mumbai Port Trust, Kamarajar Port Limited (erstwhile Ennore Port Ltd.), Nagpur Metro Rail Corporation, Mumbai Metro Rail Corporation

Private

Reliance – Anil Dhirubhai Ambani Group, IHI Corporation, Nhava Sheva Gateway Terminal, Tata Power, PSA (Singapore), DP World, China KunLun Contracting and Engineering Corporation, Adani Group, Jindal Steel, Samsung, Reliance Industries Limited, Larsen & Toubro, Jindal Power, Gangavaram Port Ltd., IIC Ltd.

Our Quality & ESH focus

As a responsible corporate striving to create landmarks of excellence across India's infrastructural landscape, we remain committed to ensuring stringent controls on quality, environment, safety and health. We have in place integrated systems, aligned to global standards, across the value chain of our operations, to ensure sustained adherence to the highest benchmarks of Quality and ESH principles. We are the first Indian Construction Company to be accredited with Quality Management System in Ports & Harbour domain.

Right Strategic ***Approach***

Our business strategies encompass a multi-faceted approach, with the focus on making the right moves in order to harness the best of opportunities in every vertical of our business.

We are focussed on expanding our presence in infrastructure through participation in key projects on our own, or in partnership with companies with complimentary skill sets, based on the following parameters:

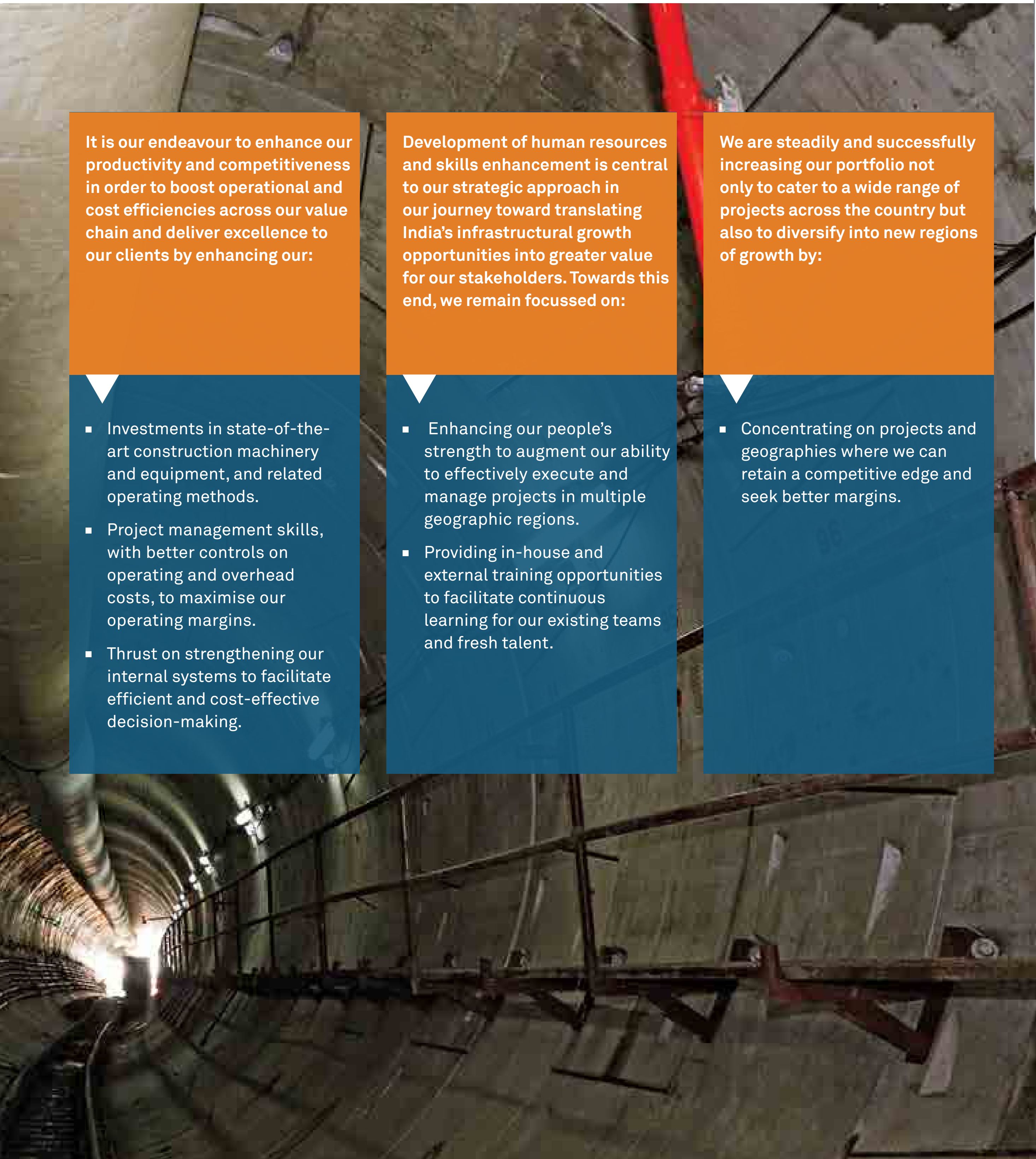
- Select projects based on careful review of our overall margins, including the follow-on construction opportunity in comparison to the risks involved.
- Pursue projects in select sectors where we enjoy expertise and face limited competition, such as Urban Infrastructure/MRTS and Maritime Structures.
- Enhance our core strengths, such as execution capability, using appropriate systems, processes and on-site working, to equip ourselves for larger and more complex projects.
- Expand into areas of construction offering significant growth opportunities in the country.

We continue to strengthen our financial capabilities to take up major construction projects and infrastructure development activities, with our past track record of similar projects and bid capacity proving to be critical facilitators for the same. Our initiatives in this direction include:

- Focussing on cash positive and margin accretive projects, with faster claim realisation and cost reduction through increasing efficiency.
- Exploring possible mid and long term avenues for participation in the infrastructure development projects in order to make the most of the major emerging infrastructural opportunities in the country.

We are continuously striving to make the most of the increased thrust on infrastructure development, resulting from greater government and private industry investment in this area through:

- Development of skill sets and increased investment across a diverse portfolio of infrastructure projects.
- Focussing on on-time completion of projects, coupled with constant efforts to improve quality and environmental standards.
- Increased shift towards more complex and profitable infrastructure projects.



It is our endeavour to enhance our productivity and competitiveness in order to boost operational and cost efficiencies across our value chain and deliver excellence to our clients by enhancing our:

- Investments in state-of-the-art construction machinery and equipment, and related operating methods.
- Project management skills, with better controls on operating and overhead costs, to maximise our operating margins.
- Thrust on strengthening our internal systems to facilitate efficient and cost-effective decision-making.

Development of human resources and skills enhancement is central to our strategic approach in our journey toward translating India's infrastructural growth opportunities into greater value for our stakeholders. Towards this end, we remain focussed on:

- Enhancing our people's strength to augment our ability to effectively execute and manage projects in multiple geographic regions.
- Providing in-house and external training opportunities to facilitate continuous learning for our existing teams and fresh talent.

We are steadily and successfully increasing our portfolio not only to cater to a wide range of projects across the country but also to diversify into new regions of growth by:

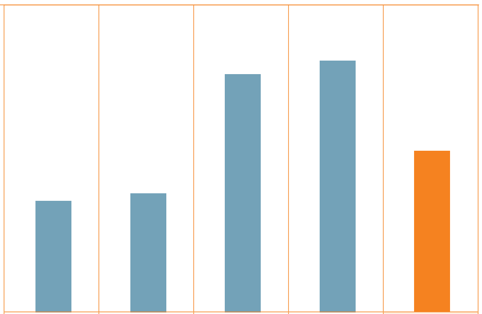
- Concentrating on projects and geographies where we can retain a competitive edge and seek better margins.

Financial *Performance*

Standalone Financials

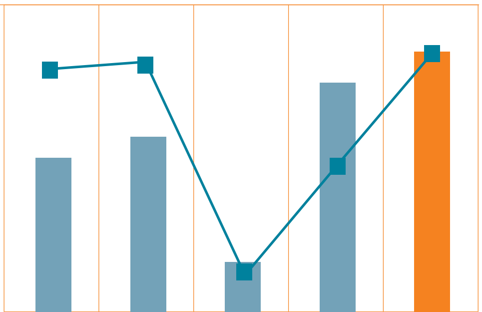
(₹ crore)

Revenue from operations



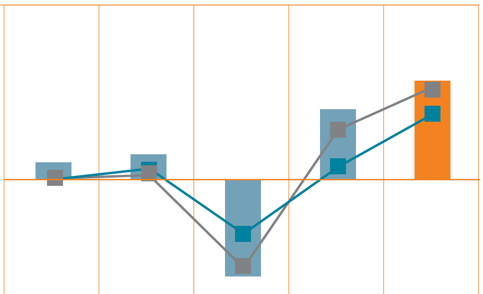
	2013	2014	2015	2016	2017
Revenue	1,260	1,369	2,744	2,917	1,873

EBITDA



	2013	2014	2015	2016	2017
EBITDA	158	177	51	234	265
%	12.9	13.1	1.9	8.0	14.2

PAT & EPS

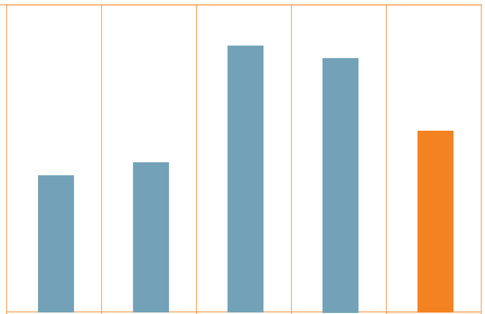


	2013	2014	2015	2016	2017
PAT	9	19	(59)	49	71
PAT %	0.8	1.4	(2.2)	1.7	3.8
EPS	0.8	1.5	(3.8)	3.3	4.7

Consolidated Financials

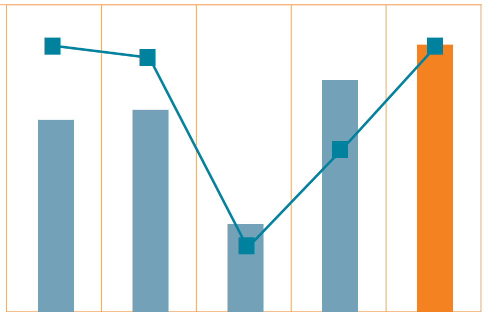
(₹ crore)

Revenue from operations



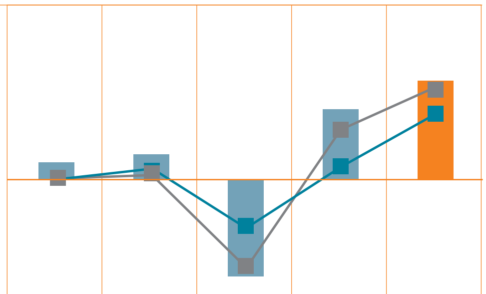
	2013	2014	2015	2016	2017
Revenue	1,584	1,719	3,071	2,938	2,061

EBITDA



	2013	2014	2015	2016	2017
EBITDA	197	205	90	235	271
%	12.5	11.9	2.9	7.9	13.2

PAT & EPS



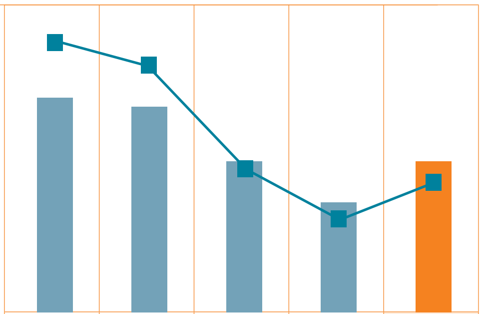
	2013	2014	2015	2016	2017
PAT	9	19	(59)	50	71
PAT %	0.6	1.1	(1.9)	1.7	3.4
EPS	0.8	1.5	(3.8)	3.3	4.7

Figures for the years 2013, 2014 and 2015 are as per IGAAP, while 2016 and 2017 figures are as per Ind AS.

Standalone Financials

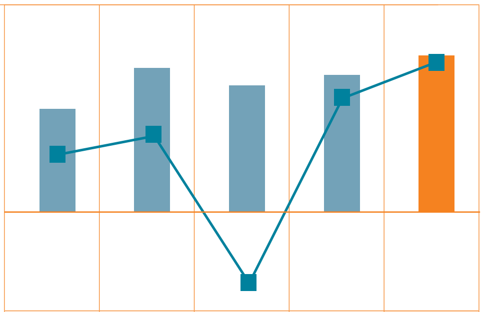
(₹ crore)

DEBT



	2013	2014	2015	2016	2017
EBITDA	695	671	488	356	489
D/E Ratio	1.7	1.2	0.9	0.6	0.8

Net Worth

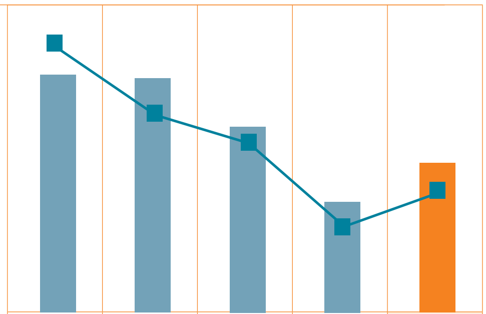


	2013	2014	2015	2016	2017
Net Worth	408	568	508	552	617
RoE%	2.3	4.0	(11.0)	9.4	12.1

Consolidated Financials

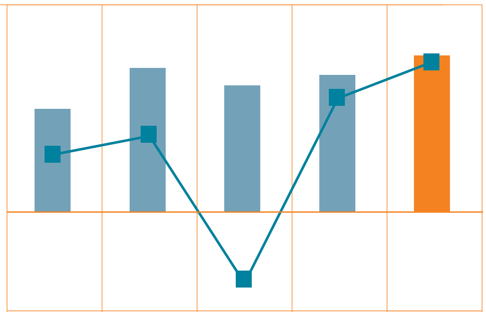
(₹ crore)

DEBT



	2013	2014	2015	2016	2017
EBITDA	770	765	601	356	489
D/E Ratio	1.9	1.4	1.2	0.6	0.8

Net Worth



	2013	2014	2015	2016	2017
Net Worth	408	568	508	553	618
RoE%	2.3	4.0	(11.0)	9.4	12.1

Figures for the years 2013, 2014 and 2015 are as per IGAAP, while 2016 and 2017 figures are as per Ind AS.

Letter from the **Chairman's Desk**

The infrastructure development segment is in the midst of extreme positivity, at the back of the Government of India's renewed thrust on this sector and an overall optimism in the economic sentiment of the country.

The Union Budget for 2018-19 has allocated ₹ 5.97 trillion for infrastructure

Dear Shareholders,

It gives me great pleasure to present to you the Company's annual report for the year. With the sentiment looking up in both the global and the Indian economies, and projections for 2018 clearly positive, the mood in the infrastructure construction industry is upbeat.

The Government of India's renewed push to infrastructure development, as an engine to drive economic growth, has paved the way for exceptional growth in this sector, creating the enabling environment needed for putting India on a high-growth trajectory. Following up on a series of rigorous policy reforms initiated on social, business and economic fronts over the past few years, the government is now focussed on building the physical infrastructure needed to boost business and investor mood by promoting ease of business.

There is, hence, a concerted and aggressive thrust on building the country's infrastructural strength in the areas of maritime structures, water & sanitation, power, roads & highways, railway and metro, aviation, telecommunication etc. The Union Budget for 2018-19 has allocated ₹ 5.97 trillion for the creation and upgradation of infrastructure. It has also provided for the largest-ever rail and road budget of ₹ 1.48 trillion and ₹ 1.21 trillion, respectively.

The policy and budgetary support from the Government to the critical road transport infrastructure, along with focussed rural development initiatives and introduction of Hybrid Annuity Model (HAM) and EPC Projects under Bharatmala, has paved the way for increased investments in this segment. The road transport segment is also getting a lot of international support, which is further expected to boost growth in the area.

The prospects ahead of us are bright indeed, amid strong expectations of a sustained growth phase for the Indian infrastructure sector in particular, and the economy as a whole. Some challenges still remain, particularly in the form of slow pace of urbanisation with transportation infrastructure in cities failing to match global standards, poor road and highways connectivity, and capacity constraints at airports and ports. However, the opportunities far outweigh the challenges, giving us a strong sense of optimism as we move strategically towards making the right moves in the transforming environment.

Undoubtedly, we are well prepared, and are at the right place with the right credentials, to ride the rising infrastructure development wave. I am confident that with the continued support of our customers, bankers, partners and shareholders, we shall make the most of the opportunity to deliver greater value to all our stakeholders. I would like to take this opportunity to thank you all for partnering us in this journey, and assure you that we are on track and making the right move.

Thank you.

With my best wishes,

Premchai Karnasuta
Chairman

In conversation with ***Mr. Adun Saraban, Managing Director***

He reflects on the performance of the Company for the year gone by and shares his views on the outlook for the next year.

Q. Let us start with the order book - how does the total order book stand as of now? Also, could you throw some light on the vertical-wise breakup of the order book for us.

A: Our total order book, as of 31 December 2017, stands at an attractive ₹ 7,513 crore. This includes our share in the joint venture projects that are under execution. A large part of our order book stems from the Urban Infrastructure/MRTS sector, where we are working on 14 major projects, which are together worth ₹ 4,547 crore. The Maritime Structure sector has emerged as another major contributor to our order book, accounting for 22%, with 10 projects in progress. Hydroelectric Power, Dams & Irrigation verticals contributed 14% to the order book, with the remaining segments accounting for the balance.

I see further consolidation in the order book, going forward, having already secured orders worth about ₹ 2,400 crore in January and February, 2018. This includes one large contract of maritime structure of about ₹ 1,900 crore from the Tamil Nadu Generation and Distribution Corporation Limited, for the establishment of a captive coal jetty, to be executed over a period of about 2.5 years.

Q. The Board of Directors of your Company approved the allotment of equity shares in early February 2018. Could you throw some light on this topic?

A: We have completed Qualified Institutions Placement of 16,629,684 equity shares of face value of ₹ 1 per share at ₹ 202.55 per equity share and mobilised ₹ 336.83 crore. Reputed investors participated in our QIP and we are very thankful to them for reposing their faith and trust in the Company's Management.

Q. Please tell us about some of your major ongoing projects.

A: We have commenced construction of ten elevated metro stations, excluding viaducts, on the East-West Corridor in Reach-3 of the Nagpur Metro Rail Project, which are together worth ₹ 512 crore. The elevated viaduct design and construction project is worth another ₹ 336 crore.

There are four projects for construction of elevated structures that we are working on for Bangalore Metro Rail Corporation Ltd., which are around ₹ 2,370 crore. We are also engaged in underground section work for Mumbai Metro Line 3. Of the three Tunnel Boring Machines (TBMs) slated for the project, two are already in operation and the third is slated to commence work by the end of May 2018.

We have undertaken construction of the Multi Modal Inland Water Transport (IWT) Terminal for Haldia - West Bengal and are also involved in improving the Capacity Utilisation of two berths for Visakhapatnam Port Trust.

In addition, we are involved in EPC work for Berth & Approach Trestle in Parangipettai Port, Tamil Nadu, amongst other projects.

Q. The order book looks skewed towards the metro rail and marine sectors. With all the Government focus on the roads and highways sector, will the Company be looking at the opportunities in that sector more aggressively?

A: It is our constant endeavour to de-risk our business through a diversified approach that is directly aligned to the emerging opportunities. Metro rail and marine sectors are, at present, high on our priority, given the huge potential for growth they offer.

While this approach, as mentioned, is driven largely by the opportunities arising in a particular sector, we are also, at the same time, cognizant of the need to carefully review our overall margins vis-à-vis the risks involved in selecting the projects that we should bid for. We shall follow the same strategy going forward as we decide on which projects to focus on at a particular stage of our growth trajectory.

With the kind of project mix we have, our Company has the ability to sustain itself. If there is a slowdown in any one particular vertical, it will de-risk its business by operating in any other available verticals / projects.

Q. What is your order book outlook for the year ahead?

A: The Government of India's aggressive thrust on promoting the infrastructure sector has given a powerful push to the prospects for growth of our key business segment in the year ahead. Our order book outlook is extremely positive, with several new projects on the radar. Notably, we have bid for a number of tenders in the Maritime Structures, which we see opening up in a big way. We are also bidding for Airports, selective HAM Model Road Projects, Missing Link Tunnels for Pune Expressway, Track work and Underground MRTS, along with some projects in the hydro space, where we see good margins.

Q. What has been the CAPEX number for 2017 and what should we expect this year?

A: On a consolidated basis, our CAPEX stood at about ₹ 145 crore. We are looking at similar investments in 2018-19.

Q. What are the initiatives that the Company expects to carry out in the area of Corporate Social Responsibility?

A: We believe in fulfilling our Corporate Social Responsibility objectives by contributing a part of our earnings towards various activities aimed at providing welfare to the poor, socially and economically backward sections of the society where we have our project construction activities.

Q. Lastly, as the industry becomes more competitive and opportunities increase too, could you share with us the macro direction in which the Company is headed?

A: The theme of this report actually encapsulates our macro direction. In an intensely competitive market environment, leveraging the emerging opportunities requires the ability to make the right moves at the right time, in the right place. This, in turn, is linked to the Company's ability to develop the right tools and the right skill-sets needed to ensure not just the capabilities to bid for the right kind of projects but also to execute them successfully, within shorter time frames and benchmarked to the highest benchmarks of quality and safety.

To build these competencies, we are continuously working on improving operational and cost efficiencies, while, at the same time, nurturing our talent pool to steer our business strategies more effectively. Our efforts are also focussed on strengthening our T&D (Training & Development) capabilities to equip us with the technological capabilities needed to effectively address the needs of larger and more complex projects.

Besides growing our presence in the sectors of Metro, Maritime Structures and Specialist engineering, where we continue to see excellent opportunities for further growth, we shall also focus on pursuing sustainable growth opportunities in other sectors, where our parent company has experience and expertise. These include Airports, Highways, HAM selective road projects under Bharatmala, high speed rail, hydro and industrial/ building projects.

We are looking at bidding for larger and complex projects in collaboration with international majors, besides focussing on unique partnership-driven approach with strong subcontract and vendor management. Our goals are also oriented towards team building to cope with the sustainable growth that we see taking place, especially over the next three years.

Moving Right Through ***Diversification***

We believe that diversification is a necessary imperative to convert market opportunities into business prospects in the fast-evolving industry landscape. It is, at the same time, a vital component of our de-risked business model, which is founded on the platform of our flexible approach that enables us to align ourselves to the transforming market dynamics of our business.

Business diversification

We have a diversified presence across business areas like Maritime Structures, Urban Infrastructure Projects/Mass Rapid Transit Systems, Airports, Hydroelectric Power Projects, Tunnels and Dams, Irrigation Projects, Highways, Bridges and Flyovers, Industrial Structures and Buildings and Specialist Engineering.

Our ability to shift between the key segments of infrastructure growth, particularly between Urban Infrastructure and Maritime Structures, has helped us de-risk us from the cyclic fluctuations in any one segment. At the same time, it has enabled us to effectively tap opportunities in segments that present large opportunities and offer higher returns.

Geographic spread

Our projects are geographically dispersed across various states in the country. At present, we are executing 60 projects across 14 states in India, giving us sufficient flexibility in terms of regional presence.

Client diversification

Our client base is a healthy mix of government organisations, port authorities, public sector undertakings, large private sector companies, state boards, amongst others. This helps insulate us from the risks involved in engaging heavily with clients in a limited category.

Diversified resource base

We have a wide and diversified resource base of vendors and suppliers to ensure timely and uninterrupted availability of raw materials at cost-effective prices.

Our diversified approach across verticals, clients and geographies helps us to mitigate the concentration risks associated with operations in specific verticals, limited clientele and specific states in India.

SELECTIVE BIDDING

With our experience in working on large and complex projects in diverse segments and geographies, we have equipped ourselves with the ability to identify and bid for high-growth projects with limited competition. We leverage our capabilities and expertise to strategically focus on selectively bidding for projects that offer higher returns with minimal risks.

Moving Right Through ***Partnerships***

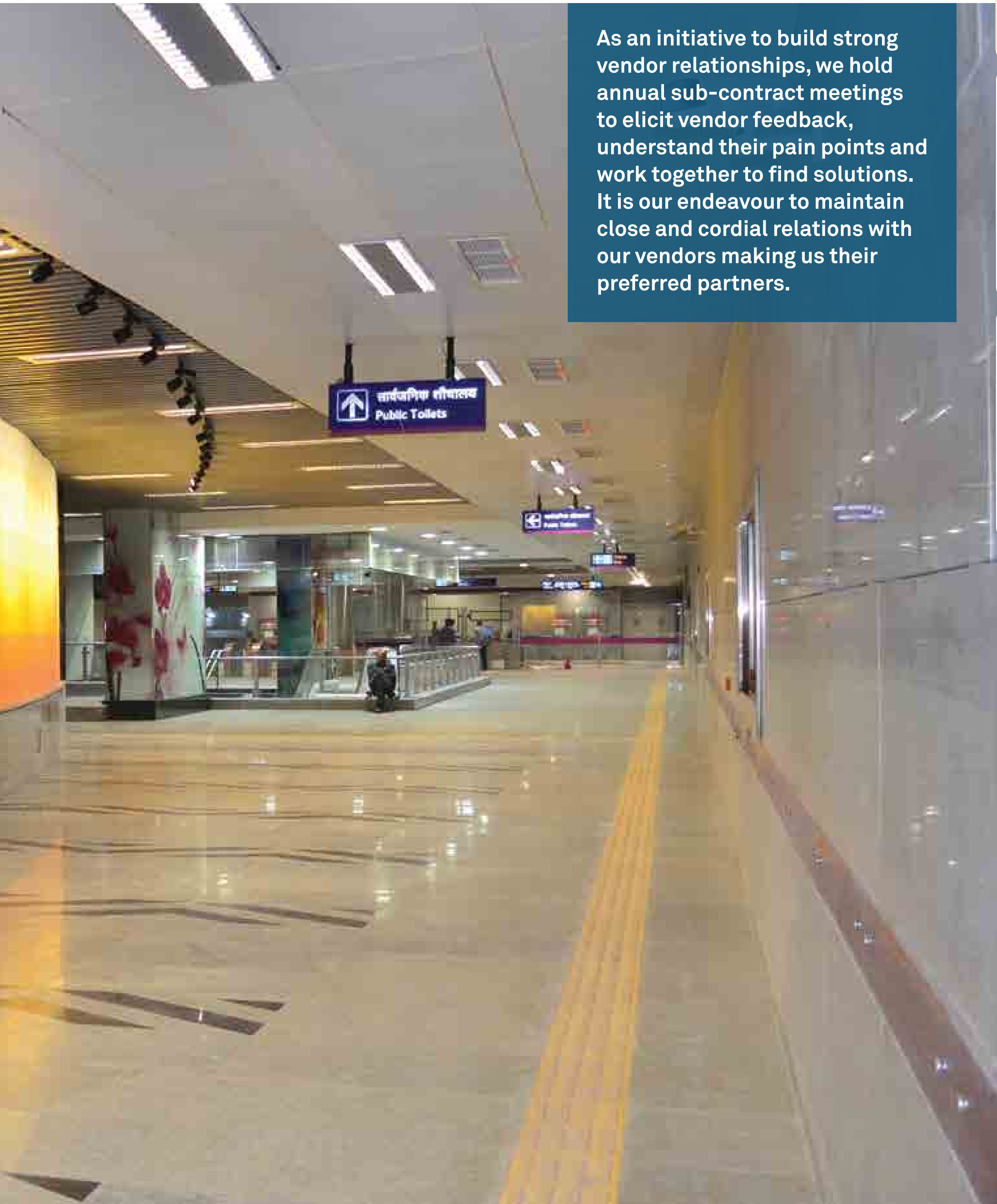
We are cognizant of the importance of nurturing close relationships with our Clients, as well as our technological partners along with our vendors and suppliers, to successfully drive our business strategies.

Our trained and experienced employee base helps in seamless execution of complex and challenging infrastructure construction projects. Our HR ethos is focussed on creating a progressive culture of empowerment, with robust systems in place to promote people empowerment. Nurturance of talent is central to this philosophy, and we are continually ramping our training systems and modules to align them with the continuously changing needs of the industry.

Our partnership ethos also extends to our technological alliances and we have created a pool of some of the world's best technological companies to strengthen our capabilities to bid for large and complex projects. Not only does this help us benefit from the technical skills of these companies but also leads to sharing of the risks.

Our efforts to continually strengthen our relationships with our partners are centred on a collaborative approach. We also work closely with our vendors and suppliers to ensure on-time completion of projects with total quality adherence.

As an initiative to build strong vendor relationships, we hold annual sub-contract meetings to elicit vendor feedback, understand their pain points and work together to find solutions. It is our endeavour to maintain close and cordial relations with our vendors making us their preferred partners.



Moving Right Through ***Technological Advancements***

Our innovation-led business approach and our technological prowess enable us to rise to every challenge in the execution of projects with total efficiency and efficacy.

It is our firm belief that building prowess in specialist technologies equips us with the wherewithal to take on a variety of construction activities, besides helping us showcase the best-in-class execution capabilities with strict adherence to time schedules and quality benchmarks.

We own a fleet of equipment and tools, including modern equipment for various infrastructure related construction, concrete production and movement, maritime gantries, modern hydraulic piling plant and associated equipment. Additions to our fleet of equipment and tools are carried out, based on project requirements and schedules to cater to the needs of various project sites located pan India.

Armed with modern technologies, processes and skills, we are able to provide our clients with comprehensive, value engineered solutions to meet varied civil engineering challenges, especially in areas of ground engineering, piling, maritime construction and irrigation projects.

Making ***the Right Business Moves***

Our right-thinking approach is manifest across our business verticals, and at every stage of our operational value chain. From being right-sized to right-strategised, we have developed a business model that enables us to invest in the right business opportunities of growth at the right time to create value for our clients and all our stakeholders.

URBAN INFRASTRUCTURE/MRTS

While primarily focussed on the construction of Mass Rapid Transit Systems, we were also involved in construction of passenger terminals and allied services at Airports.

Harnessing the opportunities triggered by the growing demand-supply gap for good transport infrastructure in the cities, we have scaled up our presence in this vertical, which now contributes 60% of the total order book of the Company.

Key Projects Executed

- Underground Tunnels, Viaduct, Stations and Track works for Delhi Metro, Kolkata Metro, Jaipur Metro and Bangalore Metro
- Construction of Integrated Passenger Terminal Building at NSCBI Airport, Kolkata, West Bengal

Major Projects under Execution

Projects of Delhi Metro, Bangalore Metro, Kolkata Metro, Mumbai Metro and Nagpur Metro are currently under execution. These include:

- Construction of stations for airport corridor of Kolkata Metro, Kolkata, West Bengal
- Design and construction of elevated viaduct and elevated metro stations for Nagpur Metro, Nagpur, Maharashtra
- Execution of Civil Engineering works for RCC box tunnel for the Kolkata Metro, Kolkata, West Bengal
- Design and construction of underground section for the Kolkata Metro, Kolkata, West Bengal
- Design and construction of underground section including 3 (three) underground stations for Mumbai Metro, Mumbai, Maharashtra
- Construction of elevated structures (viaduct and stations) for Bangalore Metro for Bangalore Metro Phase 2, Bangalore, Karnataka

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	472
2016	2,300
2017	**4,547**

As of 31 December 2017, we have a total of 14 Urban Infrastructure / MRTS projects in different stages of construction in progress, with an aggregate value of ₹ 4,547 crore.

Making the Right Business Moves

MARITIME STRUCTURES

In the area of Maritime Structures, we are engaged in the construction of jetties, dolphins and service platforms, quays, berths on concrete and steel piles, breakwater structures, as well as solid gravity type wharf structures, construction of ship lift facility, dry dock, wet basin and inclined berth, building of jetties for handling liquid and solid cargo, wharfs, berths and quays for handling of containers including dredging and reclamation.

Our activities and leadership position in this business vertical encompasses providing designs, as well as planning and execution of contracts benchmarked to international standards. We have been undertaking projects independently, in this business unit, which contributes 22% of the current order book.

Key Projects Executed

- Ship-lift facility civil works for Indian Navy at Karwar, Karnataka
- Liquid Chemical Jetty at Dahej, Gujarat for Gujarat Chemical and Port Terminal
- Dock modernisation project at Mazagon Dock, Maharashtra
- Design and Construction of Wharf Structure at Nhava Sheva (India) Gateway Terminal, JNPT
- Container Terminal at Ennore Port Wharf, Tamil Nadu
- Design and construction of reclamation and container yard with associated facilities at Jawaharlal Nehru Port Trust (JNPT), Navi Mumbai, Maharashtra
- Dredging and reclamation works for development of 4th container terminal in Jawaharlal Nehru Port (JNP), Phase-I in Navi Mumbai, Maharashtra
- EPC contract for Container Terminal 5 at Mundra, Gujarat
- Construction of Coal Berth No. 3 at Ennore Port, Chennai

Major Projects under Execution

- Marine facilities at Karanja Creek Port, Maharashtra
- Development of West Quay North (WQ 7 & WQ 8) Berth in Inner Harbour of Visakhapatnam Port, Andhra Pradesh (Left Over Works)
- Development of Multipurpose Terminal in Inner Harbour of Visakhapatnam Port Trust in Andhra Pradesh
- Civil works for the project of 5th oil berth at Jawahar Dweep in Mumbai Harbour, Maharashtra
- Construction of Multi Modal IWT terminal for Haldia, West Bengal
- Improving the Capacity Utilisation of OR-I & OR-II Berths for Visakhapatnam Port Trust in Andhra Pradesh
- Engineering, Procurement and Construction of Berth and Approach Trestle in Parangipettai Port, Tamil Nadu

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	2,773
2016	2,726
2017	**1,631**

As of 31 December 2017, we have a total of 10 Marine projects in different stages of construction in progress, with an aggregate value of ₹ 1,631 crore.

Making ***the Right Business Moves***

SPECIALIST ENGINEERING

We have developed a strong leadership position in the Specialist engineering, which involves foundation and specialist works that include geotechnical, piling, diaphragm walling, sand wicks / band drains, vibro-floatation stone columns / vibro compaction, drilling and grouting, rock / soil anchors, colcrete, guniting/shotcrete, grouted mattress, repairs, tube heading and box pushing.

We have also developed expertise in rehabilitation work for protection and life enhancement of stressed dams and other structures through drilling, grouting and anchor stressing and other engineering solutions.

Key Projects Executed

- Execution of civil works (piling) for 4 x 600 MW O P Jindal Super Thermal Power Plant at Tamnar, Chhattisgarh
- Diaphragm wall for Sabarmati River Front, Gujarat
- Four subways in Chennai through box pushing
- Piling works for Paradip Refinery, Odisha
- Piling, Civil and Temporary Construction Facility works for GIR Project at Dahej, Gujarat
- Piling works of Talwandi 3x660 MW Superficial Thermal Power Plant at Talwandi, Punjab
- Piling works for Polypropylene Plant at Indian Oil Corporation Limited, Paradip Refinery, Odisha

Major Projects under Execution

- Construction of 2 nos. Subway through track by Box pushing at Shalimar Railway station
- Secant Pile wall works for Mumbai Metro Line-3 Package-4, Mumbai, Maharashtra
- Piling and Associated Works at Panipat Refinery for BS-VI Project of IOCL, Haryana
- Shotcreting to U/s Face, Drilling, Grouting and Deep Pointing on Downstream Face of Linganmakki Dam, Karnataka
- Piling work for JSW, Dolvi, Maharashtra

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	131
2016	152
2017	**83**

As of 31 December 2017, we have 10 major projects in Specialist engineering in different stages of construction in progress, with an aggregate value of ₹ 83 crore.

Making ***the Right Business Moves***

HIGHWAYS, BRIDGES & FLYOVERS

Construction of roads, bridges and flyovers are key areas of our presence in this vertical. We have developed considerable expertise in this sector, having pioneered the construction of a two-tiered flyover over Jaipur Metro.

Key Projects Executed

- Completed road projects in Maharashtra, Madhya Pradesh, Andhra Pradesh and Tamil Nadu for NHAI
- Construction of elevated road at Noida and Delhi
- Construction of ROB, Ghaziabad, Uttar Pradesh

Major Projects under Execution

- Construction of 6 Laning of Pune-Satara Road (NH 4) - Package 1, Maharashtra
- Civil construction work of ROB, RUB and allied works at Nashik Railway Line Bridge, Nashik, Maharashtra

As of 31 December 2017, we have a total of 3 projects in the Highways, Bridges & Flyovers, in different stages of construction in progress, with an aggregate value of ₹ 46 crore.

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	493
2016	239
2017	**46**

INDUSTRIAL STRUCTURES & BUILDINGS

Our presence in this business vertical is primarily focussed on construction of metro station buildings and civil and industrial structures for refineries, petrochemicals, power, steel and fertiliser plants, as well as construction of civil structures for academic institutes, airport complex, etc.

Key Projects Executed

- Plant building and offsite facilities at Unchahar for NTPC, Uttar Pradesh
- Piling and civil works for IFFCO at Aonla and Phulpur, Uttar Pradesh
- Civil works for water supply package at Bakreswar thermal power project, West Bengal
- General civil works at Sasan for Reliance, Uttar Pradesh
- Construction of General Civil works and Building Utilities For 200 KV GIS Building at Mumbai, Maharashtra
- Construction of LNG storage tanks at Mundra, Gujarat
- Haj Tower, Kolkata, West Bengal
- Construction of Super Structure for Bose Institute, Kolkata, West Bengal

Major Projects under Execution

- Construction of Buildings, including allied works, under phase-I for IIT Ropar at Ropar, Punjab
- Architectural Finishing, Plumbing, Tubewell, VAC, Electrical, Fire Fighting works for 6 Elevated Stations for Kolkata Metro
- Civil, Structural Fabrication and Erection, Water Supply & Drainage HVAC installation work for Paradip Refinery, Odisha

As of 31 December 2017, we have a total of 2 projects in the Industrial Structures & Buildings, in different stages of construction in progress, with an aggregate value of ₹ 79 crore.

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	330
2016	251
2017	**79**

Making the Right Business Moves

HYDROELECTRIC POWER, DAMS & IRRIGATION

In the Hydroelectric Power, Tunnel & Dams and Irrigation business vertical, we undertake projects for construction of earthfill embankment, concrete and masonry dams, irrigation and hydro tunnels, micro-tunnelling, hydropower stations and irrigation canal structures.

Cutting-edge knowhow, project management competencies and ability to execute projects of all sizes have enabled us to build a strong presence in this vertical, which often takes us to difficult and remote areas, requiring exceptional execution capabilities for successful and timely completion.

Key Projects Executed

- Construction of Sripada Rao Project across River Godavari, near Yellampally village, Ramagundam Mandal, Telangana
- Water transmission line at Tallah Palta for Kolkata Municipal Corporation, Kolkata, West Bengal
- Hydroelectric Power project structures for Umtru, Meghalaya
- Constructing pumping stations, power houses, tunnels, intake structures, headrace tunnels, pressure shafts and penstock pipes for TATA Power Company Limited

Major Projects under Execution

- Investigation, design and execution of water conveyor system consisting of lined gravity canal, CM & CD works tunnels, Pranahita (Kaleshwaram), Telangana
- Laying of Water Trunk Main by Micro-tunnelling method for Kolkata Environmental Improvement Investment Program (KEIIP), West Bengal
- Providing and laying 1400mm dia / 1800mm dia. RCC NP4 class drainage gravity line by micro-tunnelling method, Vadodara, Gujarat
- Laying of Trunk Sewer along James Long Sarani by micro-tunneling method, Kolkata, West Bengal
- Construction of balance tunnelling work of Tunnel T-1 at Jammu & Kashmir

As of 31 December 2017, we have a total of 5 projects in the Hydroelectric Power, Dams & Irrigation, in different stages of construction in progress, with an aggregate value of ₹ 1,052 crore.

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	897
2016	769
2017	**1,052**

WATER & WASTE WATER TREATMENT

We have diversified into this high growth potential business vertical. Our presence in this area encompasses design, construction, supply, installation, commissioning of pipelines including mechanical & electrical equipment, and operation work for Water Treatment Plant & Waste Water Treatment Plants and Pumping Stations.

Major Projects under Execution

- Rehabilitation and Refurbishment of Water Works at Palta and Garden Reach, Kolkata, West Bengal
- Designing, Providing, Constructing, Erecting, Testing & Commissioning of Intake Channel Jackwell, Pump House works for Bhama Askhed Water Supply Scheme, Pune
- Drainage System of Agartala Municipal Area, Tripura

As of 31 December 2017, we have a total of 3 projects in the Water & Waste Water Treatment, in different stages of construction in progress, with an aggregate value of ₹ 75 crore.

3-year performance graph (₹ crore)
(As on 31 December)

	Order book status
2015	109
2016	146
2017	**75**

Five Years *Financial Highlights*

CONSOLIDATED FINANCIALS

(₹ crore)

Particulars	2017	2016	2015	2014	2013
Order book	7,513.2	6,583.5	5,204.3	4,763.0	3,821.0
Revenue from operations	2,060.5	2,937.7	3,070.9	1,718.9	1,584.1
PBT (before exceptional item)	147.6	99.1	39.4	(68.6)	23.9
PBT (after exceptional item)	125.7	99.1	(84.6)	26.9	23.9
EBITDA	271.1	234.5	89.8	205.1	196.5
EBITDA margin (%)	13.2	7.9	2.9	11.9	12.5
Net profit	71.0	49.8	(59.3)	19.4	9.3
Net profit margin (%)	3.4	1.7	(1.9)	1.1	0.6
Net worth	618.2	552.8	508.2	567.8	408.4
Total debt	488.6	356.2	600.7	765.3	769.5
Debt Equity ratio	0.8	0.6	1.2	1.4	1.9
Book value per share (Face value of ₹ 1 each)	39.8	35.6	32.8	36.6	35.5
Earnings per share (₹)	4.7	3.3	(3.8)	1.5	0.8
Return on capital employed (%)	15.7	14.6	6.4	12.3	11.7
Return on equity (%)	12.1	9.4	(11.0)	4.0	2.3

Figures for the years 2013, 2014 and 2015 are as per IGAAP, while 2016 and 2017 figures are as per Ind AS.

STANDALONE FINANCIALS

(₹ crore)

Particulars	2017	2016	2015	2014	2013
Order book	3,472.2	4,329.0	4,387.5	3,638.0	2,534.8
Revenue from operations	1,872.9	2,917.4	2,743.5	1,369.4	1,260.2
PBT (before exceptional item)	146.2	99.0	35.2	(67.6)	9.4
PBT (after exceptional item)	124.4	99.0	(88.8)	27.9	9.4
EBITDA	265.1	233.6	51.2	177.3	158.4
EBITDA margin (%)	14.2	8.0	1.9	13.1	12.9
Net profit	70.9	49.4	(59.3)	19.4	9.3
Net profit margin (%)	3.8	1.7	(2.2)	1.4	0.8
Net worth	617.3	552.0	508.2	567.8	408.4
Total debt	488.6	356.2	488.4	670.8	695.0
Debt Equity ratio	0.8	0.6	0.9	1.2	1.7
Book value per share (Face value of ₹ 1 each)	39.8	35.6	32.8	36.6	35.5
Earnings per share (₹)	4.7	3.3	(3.8)	1.5	0.8
Return on capital employed (%)	15.5	14.6	5.0	11.9	11.4
Return on equity (%)	12.1	9.4	(11.0)	4.0	2.3
Dividend per share (face value of ₹ 1 each)	0.4	0.3	-	-	0.1

Figures for the years 2013, 2014 and 2015 are as per IGAAP, while 2016 and 2017 figures are as per Ind AS.

An Endorsement that We are on the Right Path

Our rewards and recognitions endorse the success of our right-moving strategy.

- Bombay Chamber of Commerce and Industry honours ITD Cementation India Limited with Good Corporate Citizen Award 2016-17.
- Best CEO of the Year 2017 awarded to our Managing Director, Mr. Adun Saraban by Construction Times.
- Taking-Over Certificate for "Dredging & Reclamation Works for Development of 4th Container Terminal in JNP" project for Bharat Mumbai Container Terminals Pvt. Ltd. (BMCT, Port of Singapore Authority).
- Certificate of Excellence for Outstanding Commitment to Quality for IIT Ropar Project (Phase 1A) from CPWD.
- Certificate of Excellence from International Company, CKCEC for IOCL Paradip Refinery Project on achieving 3 million safe man-hours.

Safety and Quality Awards and Certification

- Safety Certificate from the Central Public Works Department for successful completion of 10 million Safe Man Hours Working at the IIT Ropar Project (December 2017).
- Letter of Appreciation from Whessoe Engineering Ltd. for showing good project management and taking care of safety and quality for IHI Japan LNG Plant, Mundra, Gujarat.
- Certificate in recognition from National Safety Council of India, for developing and implementing effective Management Systems & Procedures and achieving good performance in OSH in 2015, at the Safety Awards, 2016.

Board of Directors

Mr. Premchai Karnasuta
Chairman

Mr. Premchai Karnasuta is a Director and Chairman of the Company since 2004 and he is also the President and Director of Italian-Thai Development Public Company Limited, the Promoter of the Company. He holds a Bachelor's degree in Mining Engineering from Colorado School of Mines, United States of America and a Masters degree in Business Administration from University of Southern California, United States of America. He has more than three decades of experience in the infrastructure construction industry and has been the guiding force of the Company's progress over the years.

Mr. Pathai Chakornbundit
Vice Chairman

Mr. Pathai Chakornbundit is a Non-Executive Director of the Company since 2004. He is also the Vice Chairman of the Company. He holds a Bachelor's Degree in Engineering from Chulalongkorn University. He holds huge experience of more than four decades in the construction industry. He is also a Director and Senior Executive Vice President of Italian-Thai Development Public Company Limited, the Promoter of the Company.

Mr. Darius Erach Udwadia
Independent Director

Mr. D E Udwadia is a Solicitor and Advocate of the Bombay High Court and a Solicitor of the Supreme Court of England. He was a partner of Crawford Bayley & Co., Solicitors & Advocates, Mumbai for 21 years. He was a founder partner of M/s. Udwadia & Udeshi, Solicitors and Advocates, Mumbai, from July 1997. In 2012, the firm was enlarged and reconstituted as Udwadia Udeshi & Argus Partners where he was a Senior Partner. Mr. Udwadia set up a new firm "Udwadia & Co" in 2015 of which he is the Sole Proprietor. Mr. Udwadia has spent 51 years in active law practice and has vast experience in corporate law, mergers, acquisitions and takeovers, corporate restructuring, foreign collaborations, project and infrastructure finance, intellectual property, international loans and finance-related transactions and instruments, mutual funds, real estate and conveyancing.

Mr. Deba Prasad Roy
Independent Director

Mr. D.P. Roy is a Director of the Company since 2007. He was the former Executive Chairman of SBI Capital Markets Limited and has a rich and wide experience in Corporate, International and Investment Banking Sectors of over 40 years.
He held various senior executive and managerial posts in State Bank of India like Deputy Managing Director and Group Executive (International Banking), President and CEO New York and Country Manager USA, Deputy Managing Director and Group Executive (Associates and Subsidiaries), Manager in SBI London, etc. He is also a certified Associate of the Indian Institute of Bankers and Fellow of Indian Council of Arbitration and he is actively engaged in Arbitration in NSE, BSE, MCX, NCDEX and ICA and is also on the advisory committee of Central Bank of India. He is an Independent Director on other Boards. He attended all the Board and Audit Committee meetings of the Company. He participates actively in the proceedings of the Board and Audit Committee meetings as an Independent Director. He holds a Degree in M.Sc Chemistry from Jadavpur University, Calcutta.

Mrs. Ramola Mahajani
Independent Director

Mrs. Ramola Mahajani is a Director of the Company since 2014. She is a Human Resources Development and Management professional with 40+ years of experience in The Indian Hotels Company Ltd. and extended experience in Consulting as Managing Director of SHL, South Asia. She has her own Consulting firm. She holds two Masters' Degrees in advanced Applied Psychology and is a Chartered Occupational Psychologist as also an Associate Fellow of the British Psychological Society. Her areas of expertise include application of the principles of Occupational Psychology in Employee Selection, Training, Management Development and HR Planning. She is a winner of British Council Award (UK); Qimpro Silver Standard Award, Indira Group of Institutes' Super Achiever Award, Lifetime Achievement Award at World HRD Congress; Nominee of the Government of Maharashtra: World Trade Centre Management Council; Convener – Human Resources Sub Committee: Bombay Gymkhana Limited; Member – Ladies Wing, Vision Foundation of India; President Elect: Rotary Club of Bombay Seaface.
She is a Key Associate with "insightGURU", a technology driven people Assessment Company. She serves as a Non-Executive Independent Director on Boards of four listed companies. She attended all the Board meetings of the Company. She participates actively in the proceedings of the Board meetings as an Independent Director.

Mr. Piyachai Karnasuta
Director

Mr. Piyachai Karnasuta is a Non-Executive Director of the Company since 2015. He has experience and knowledge in Civil Engineering and Construction of over 15 years. He holds a Bachelor's degree in Civil Engineering from Washington University and a Masters in Business Administration from Waseda University. He is an Executive Vice President of Italian-Thai Development Public Company Limited, the Promoter of the Company.

Board of Directors

Mr. Adun Saraban
Managing Director

Mr. Adun Saraban is a Director of the Company since 2009 and the Managing Director of the Company from 2010. He has an experience of more than three decades in Civil Engineering and Construction Project Management and also brings in vast exposure to global best modern construction methodologies. He holds a Bachelor's degree in Civil Engineering from the King Mongkut's University of Technology, Thonburi, Thailand.

Mr. Sunil Shah Singh
Additional Director

Mr. Sunil Shah Singh has served as the Managing Director of ITD Cementation India Limited from June 2000 to December 2009 and thereafter as its Corporate Advisor from January 2010 to December 2013. Mr. Singh has been the President of Kirloskar Pneumatic Company Limited, Pune and Tetra Pak Processing and also served as Country head of Energyworks India. He has over 50 years of experience in Industry with Engineered product manufacturing and construction companies covering varied fields. He has served on a number of national level industry bodies and on government panels including for 'Standards' setting and 'Industry development' and has been a national council member of Construction Federation of India, Construction Industry Development Council and on the governing body of National Institute of Construction Management and Research.

He was on the development panel of Director General of Trade and Development for pumps and currently serves on the Boards of a number of companies in the position of Chairman/Director.

Management Team

Mr. Bijoy K. Saha
Senior Executive Vice President & CTO

Mr. K. Rajan
Senior Executive Vice President & CCO

Mr. Prasad Patwardhan
Senior Executive Vice President & CFO

Mr. Jayanta Basu
Executive Vice President & COO

Mr. Ashwin Parmar
Executive Vice President & CBO

Mr. Rahul Neogi
Company Secretary

Board's **Report**

The Directors present herewith their Report and the Audited Financial Statements for the year ended 31st December, 2017.

FINANCIAL HIGHLIGHTS

(As per Ind AS)

(₹ lakhs)

Particulars	31st December, 2017		31st December, 2016 (Restated as per IND AS)	
Revenue from Operations		187,292.02		291,735.11
Other Income		3,423.69		2,661.92
Total Income		**190,715.71**		**294,397.03**
Profit before Interest, Depreciation, Exceptional Items and Tax		28,693.63		23,358.73
Less: Finance Costs	8,553.80		8,878.32	
Depreciation	5,520.30		4,583.49	
Exceptional Item	2,183.94		-	
		16,258.04		13,461.81
Profit before Tax		12,435.59		9,896.92
Less: Tax Expense		5,153.95		4,812.30
Profit after Tax		7,281.64		5,084.62
Add: Other Comprehensive Income		(195.63)		(143.35)
Total Comprehensive income carried to Other Equity		7,086.01		4,941.27

DIVIDEND

The Directors are pleased to recommend dividend of ₹ 0.40 per share on 171,787,584 equity shares (2016- ₹ 0.30 on 155,157,900 equity shares) of ₹ 1/- each fully paid up. The above dividend, together with tax thereon, if approved, will represent 11.36% of distributable profits of ₹ 7,281.64 lakhs for the year.

TRANSFER TO RESERVE

The Company has not transferred any amount to the reserves during the current financial year.

REVIEW OF OPERATIONS

Revenue from standalone operations for the year at ₹ 187,292.02 lakhs has decreased by ₹ 104,443.09 lakhs, from ₹ 291,735.11 lakhs in the year 2016, a decrease of about 35.80% over the previous year mainly due to completion of some large contracts in the beginning of the year and delays in securing orders resulting in delayed execution of work. Consolidated revenue from operations for the year at ₹ 206,050.89 lakhs has decreased by ₹ 87,721.12 lakhs, from ₹ 293,772.01 lakhs in the year 2016, a decrease of about 29.86% over the previous year.

The Company made a profit before exceptional items and tax of ₹ 14,619.53 lakhs compared to a profit before exceptional items and tax of ₹ 9,896.92 lakhs for the year 2016.

The Company made a profit before tax of ₹ 12,435.59 lakhs compared to profit before tax of ₹ 9,896.92 lakhs for the year 2016.

The Consolidated profit before exceptional items and tax was ₹ 14,758.08 lakhs compared to profit before exceptional items and tax of ₹ 9,908.29 lakhs for the year 2016.

The consolidated profit before tax of ₹ 12,574.14 lakhs compared to consolidated profit before tax of ₹ 9,908.29 lakhs for the year 2016.

After a review of the position of outstanding debts, your Directors have decided to write off bad debts during the year amounting to ₹ 13,323.35 lakhs (2016 - ₹ 342.89 lakhs).

Total value of new contracts secured during the year aggregated ₹ 353,855 lakhs (2016 - ₹ 422,305 lakhs).

Major contracts having a value of ₹ 7,500 lakhs and above were as under -

- Design and Construction of Elevated Viaduct of Nagpur Metro Rail Project for Nagpur Metro Rail Corporation Limited, Maharashtra.
- Improving the capacity utilisation of OR-I and OR-II Berths for Visakhapatnam Port Trust, Andhra Pradesh.
- Construction of Eight numbers Elevated Metro Stations-Reach 4 of Nagpur Metro Rail Project for Maharashtra Metro Rail Corporation Limited, Maharashtra.
- Engineering, Procurement and Construction of Berth and Approach Trestle in Parangipettai Port, Tamil Nadu.
- Civil Engineering Works for the underground construction of RCC Box Tunnel for Metro Railway, Kolkata, West Bengal.

During the year, your Company's Joint Venture,

i. ITD Cemindia JV, has received four contracts for Construction of Elevated Structures (Viaduct and stations) of Bangalore Metro Rail Project Phase 2 for Bangalore Metro Rail Corporation Limited aggregating to ₹ 237,019 lakhs, and

ii. ITDCem Maytas JV, has received contract for extension of Kaleshwaram Project-Package No. 17-Investigation, Design and Execution of Water conveyor system at Pranahita. Value ₹ 32,294 lakhs.

During the year under report, a number of contracts were completed including-

- Construction of New Umtru Hydro Electric Project for Meghalaya Power Generation Corporation Limited, Meghalaya.
- Construction of balance work of Tunnels between Kawi and Dugga on Katra Dharam Sanction of Udhampur, Srinagar, Jammu & Kashmir.
- Civil work for two LNS Storage Tanks at Mundra, Gujarat.
- Dredging and Reclamation works for development of Fourth Container Terminal of Jawaharlal Nehru Port for Bharat Mumbai Container Terminals Port Ltd., Maharashtra.
- EPC Contract for Container Terminal 5 at Mundra, Gujarat.
- Construction of Coal Berth No. 3 at Ennore Port, Chennai.
- Design and construction of Tunnel by shield TBM and underground stations under Delhi MRTS project of Phase III for Delhi Metro Rail Corporation Limited, New Delhi.
- Various piling and civil works in Maharashtra, Gujarat, Noida, Gangtok, Sikkim, etc.

RAISING OF FUNDS THORUGH QUALIFIED INSTITUTIONS PLACEMENT ("QIP")

In February 2018, the Company issued and allotted 16,629,684 fully paid up equity shares of face value of ₹ 1/- each at a price of ₹ 202.55 (including premium of ₹ 201.55) per share, aggregating to ₹ 33,683.42 lakhs through Qualified Institutions Placement (QIP). The shares were allotted on 2nd February, 2018 and the paid up share capital of the Company increased from ₹ 155,157,900 divided into 155,157,900 equity Shares of ₹ 1/- each fully paid up to ₹ 171,787,584 divided into 171,787,584 equity Shares of ₹ 1/- each fully paid up. Consequent upon the aforesaid allotment, the shareholding percentage of Italian-Thai Development Public Company Limited, Thailand, the Parent Company, has reduced from 51.63% to 46.64% in the paid up share capital of the Company.

PERFORMANCE AND FINANCIAL POSITION OF SUBSIDIARY AND JOINT VENTURES

As required under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended time to time (hereinafter referred to as 'Listing Regulations, 2015') and Section 129 of the Companies Act, 2013 (hereinafter referred to as the 'Act'), the Consolidated Financial Statements, which have been prepared by the Company in accordance with the applicable provisions of the Act and the applicable Accounting Standards, forms part of this Annual Report.

The performance and financial position of the Company's subsidiary and joint ventures are summarised herein below:

(₹ lakhs)

Name	Total income	Profit/ (Loss) for the year	% share	Share of Profit/ (Loss)
Subsidiary:				
• ITD Cementation Projects India Limited	0.26	(0.09)	100%	(0.09)
Joint Ventures:				
• ITD Cemindia JV	19,345.74	54.77	80%	43.82
• ITD-ITD Cem JV	35,181.28	(2,820.87)	49%	(1,382.23)
• ITD-ITD Cem JV (Consortium of ITD-ITD Cementation)	335.91	(1.08)	40%	(0.43)
• ITD Cem-Maytas Consortium	55.23	1.78	95%	1.69
• CEC-ITD Cem-TPL JV	24,477.64	NIL	60%	NIL

A statement containing the salient features of the performance and financial position of the said Subsidiary and Joint Ventures as required under Rule 5 of the Companies (Accounts) Rules, 2014 is provided in Form AOC-1 - marked as Annexure 1 and forms part of the Consolidated Financial Statements.

The annual accounts of the Subsidiary Company will be made available to any Member of the Company seeking such information at any point of time and are also available for inspection by any Member of the Company at the Registered Office of the Company on any working day during business hours up to the date of the Annual General Meeting.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The Company has an in-house Research & Development Division. The primary focus of research is to continually refine the frequently used systems at our project sites to derive optimisation, reduction in the breakdowns, improve effectiveness and efficiency of use and hence provide a competitive edge for any project. Energy Conservation, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed herewith and marked as Annexure 2.

STATUTORY AUDITORS

Messrs Walker Chandiok & Co LLP, Chartered Accountants, Mumbai, having Firm Registration No. 001076N/N500013 were re- appointed as the Auditors of the Company at the 39th Annual General Meeting (AGM) held on 11th May, 2017 for a period of five years from the conclusion of the 39th AGM until the conclusion of the 44th AGM subject to ratification of their appointment by the shareholders of the Company at every following AGM or as may be required under the applicable provisions of the Companies Act, 2013 ("the Act") pursuant to the provisions of Section 139 of the Act. Their appointment is to be ratified at the ensuing 40th AGM of the Company.

As required under the provisions of Section 139 (1) of the Act, the Company has received written consent from Messrs Walker Chandiok & Co LLP, Chartered Accountants, Mumbai informing that their appointment, if made, would be in accordance with the provisions of the Act read with Rule 4(1) of the Companies (Audit and Auditors) Rules, 2014 and that they satisfy the criteria provided in Section 141 of the Act. As required under the Listing Regulations, 2015, the Statutory Auditors have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a) Key Managerial Personnel (KMP)

In accordance with the provisions of Section 203 of the Act, the following persons have been designated as KMP of the Company as at 31st December, 2017:

Name of the KMP	Designation
Mr. Adun Saraban	Managing Director
Mr. S. Ramnath [3]	Chief Financial Officer
Mr. Prasad Patwardhan [4]	Chief Financial Officer
Mr. R.C. Daga [1]	Company Secretary
Mr. Rahul Neogi [2]	Company Secretary

1 Mr. R.C. Daga retired as Company Secretary w.e.f. 31st January, 2017.

2 Mr. Rahul Neogi has been appointed as Company Secretary w.e.f. 1st February, 2017.

3 Mr. S. Ramnath retired as Chief Financial Officer of the Company w.e.f. 15th July, 2017.

4 Mr. Prasad Patwardhan has been appointed as Chief Financial Officer of the Company w.e.f. 16th July, 2017

b) Directors

Mr. Piyachai Karnasuta (DIN: 07247974) will retire by rotation and, being eligible, offers himself for re-appointment.

The Board of Directors, at its meeting held on 22nd February, 2018, appointed Mr. Sunil Shah Singh (DIN: 00233918) as an Additional Director of the Company with effect from 22nd February, 2018 and he shall hold office upto the date of the forthcoming AGM of the Company and is eligible for appointment. Pursuant to Section 152(2) and Section 161 of the Act, Agenda Item relating to appointment of Mr. Singh as a Director of the Company has been included in the Notice convening the AGM of the Company. At the above Board Meeting, Mr. Singh was also appointed as an Independent Director for a term of five years from 11th May, 2018 to 10th May, 2023 (both inclusive) subject to the approval of the Members at the Annual General Meeting of the Company to be held in the year 2019.

Mr. Per Ebbe Hofvander (DIN: 00254616) Independent Non-Executive Director resigned with effect from 23rd February, 2018 on account of health reasons. The Board placed on record its deep appreciation of the valuable services rendered by Mr. Per Ebbe Hofvander during his tenure as an Independent Director of the Company.

c) Declarations by Independent Directors

The Company has received necessary declarations from each Independent Director of the Company under Section 149(7) of the Act confirming that they meet with the criteria of independence as laid down in Section 149(6) of the Act.

d) Performance Evaluation

Pursuant to the provisions of Section 134 (3) (p), Section149 (8) and Schedule IV of the Act and Listing Regulations, 2015, Annual Performance Evaluation of the Board, the Directors as well as Committees of the Board has been carried out.

The Performance Evaluation of the Independent Directors was carried out by the entire Board and the Performance Evaluation of the Chairman and Non- Independent Directors was carried out by the Independent Directors.

During the year the Independent Directors of the Company met on 21st February and 8th November, 2017.

e) Number of Meetings of Board of Directors

9 meetings of Board of Directors were held during the year under report. For details of the Meetings of the Board, please refer to the Report on Corporate Governance, which forms part of this Report.

REMUNERATION OF DIRECTORS AND KMPS

Disclosure with respect to the remuneration of Directors, KMPs and employees as required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given below:

(a) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Directors	Ratio to median remuneration
Non - Executive Director	
Mr. Premchai Karnasuta	-
Mr. Pathai Chakornbundit	-
Mr. D.E. Udwadia	1:0.59
Mr. Per Ebbe Hofvander	-
Mr. D.P. Roy	1:0.59
Mrs. Ramola Mahajani	1:0.59
Mr. Piyachai Karnasuta	-
Executive Director	
Mr. Adun Saraban	1:18.99

Non - Executive Directors were paid sitting fees as given in the Report on Corporate Governance and no other remuneration was paid to them. Sitting fees do not constitute an element of remuneration.

(b) The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	
Mr. Premchai Karnasuta	-
Mr. Pathai Chakornbundit	-
Mr. D.E. Udwadia	-
Mr. Per Ebbe Hofvander	-
Mr. D.P. Roy	-
Mrs. Ramola Mahajani	-
Mr. Piyachai Karnasuta	-
Mr. Adun Saraban, Managing Director	25%
Mr. S. Ramnath, Chief Financial Officer[3]	15.49%
Mr. R.C. Daga, Company Secretary[1]	12.03%
Mr. Rahul Neogi, Company Secretary[2]	13.05%
Mr. Prasad Patwardhan, Chief Financial Officer[4]	-NA-

1 Mr. R.C.Daga retired as Company Secretary w.e.f. 31st January, 2017.

2 Mr. Rahul Neogi has been appointed as Company Secretary w.e.f. 1st February, 2017.

3 Mr. S. Ramnath retired as Chief Financial Officer of the Company w.e.f. 15th July, 2017.

4 Mr. Prasad Patwardhan has been appointed as Chief Financial Officer of the Company w.e.f. 16th July, 2017.

(c) The percentage increase in the median remuneration of employees in the financial year: 14.88%

(d) The number of permanent employees on the rolls of the Company: 2010 (As on 31st December, 2017)

(e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Sr. No	Other Employees	Managerial	Remarks
1	13.28%	15.63%	NIL

(f) Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that the remuneration is as per the remuneration policy of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirms that:

- in the preparation of the annual accounts for the financial year ended 31st December, 2017, the applicable accounting standards have been followed and there have been no material departures;
- the Directors had selected such accounting policies and applied them consistently, and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- the Directors had taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors had prepared the annual accounts on a going concern basis;
- the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT COMMITTEE

The details pertaining to the composition of the Audit Committee are included in the Report on Corporate Governance, which forms part of this Report.

During the year under review, there was no instance wherein the Board had not accepted any recommendation of the Audit Committee.

VIGIL MECHANISM FOR DIRECTORS AND EMPLOYEES

The Company has formulated and published a Whistle Blowing and Prevention of Sexual Harassment Policy and Procedures to deal with instances of harassment or victimisation, if any. This Policy has adequate safeguards against victimisation of the whistle blower and ensures protection of the whistle blower's identity. Whistle Blower or Complainant, as the case may be under the said Policy, shall be entitled to direct access to the Chairperson of the Audit Committee in appropriate or exceptional cases. In case of any Whistle Blowing Disclosure, the Managing Director shall constitute a Committee from Senior Management Team members as stipulated in the said Policy. This Policy is available on the website of the Company.

INTERNAL FINANCIAL CONTROLS

The Company has an internal control system commensurate with the size, scale and complexity of its operations. In order to enhance controls and governance standards, the Company has adopted Standard Operating Procedures which ensure that robust internal financial controls exist in relation to operations, financial reporting and compliance. In addition, the Internal Audit function monitors and evaluates the efficacy and adequacy of the internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations. Periodical reports on the same are also presented to the Audit Committee.

During the year, the internal controls were tested and found effective, as a part of the Management's control testing initiative. Accordingly, the Board, with the concurrence of the Audit Committee and the Auditors, is of the opinion that the Company's Internal Financial Controls were adequate and operating effectively for the financial year ended 31st December, 2017.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans, guarantees and investments as required under the provisions of Section 186 of the Act have been given in the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts or arrangements with related parties, entered during the financial year were at arm's length basis and in the ordinary course of the Company's business. All such contracts or arrangements were entered into only with prior approval of the Audit Committee. No material contract or arrangement with related parties was entered into during the year under report. Therefore, there is no requirement to report any transaction in Form No. AOC-2 in terms of Section 134 of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014.

The related party disclosures as specified in Para A of Schedule V read with Regulation 34(3) and 53(f) of the Listing Regulations, 2015 are given in the Financial Statements.

A Policy governing the related party transactions has been adopted and the same has been uploaded on the Company's website.

RISK MANAGEMENT

The Board of Directors constituted a Risk Management Committee comprising Mr. Per Hofvander, (Chairman), Mr. Adun Saraban and Mr. B. K. Saha, Senior Executive Vice President of the Company.

The Company adopted a risk management policy and has in place a mechanism to inform the Audit / Board Members about risk assessment and minimisation procedures and its periodical review.

More details in respect to risk management are given in Management Discussion and Analysis (MD&A).

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Board of Directors constituted a CSR Committee comprising Mr. Per Hofvander, (Chairman), Mr. Pathai Chakornbundit and Mr. Adun Saraban.

The Company adopted the CSR Policy and the same has been uploaded on the Company's website.

On account of the losses incurred by the Company, there was no average net profit in the three immediately preceding financial years as computed in accordance with the CSR Rules and the Company was therefore not in a position to spend any amount on CSR activities for the year under report.

The disclosures required to be given under Section 135 of the Act read with Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 are in Annexure 3 and form part of this Report.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

The Board of Directors has constituted an NRC comprising Mr. D.E. Udwadia, Mr. Premchai Karnasuta, Mr. Pathai Chakornbundit and Mr. Per Hofvander. Mr. D.E. Udwadia is the Chairman of this Committee.

The details pertaining to the composition of the NRC are included in the Report on Corporate Governance, which forms part of this Report.

The Nomination and Remuneration Policy on Directors' appointment and remuneration is given in Annexure 4 and forms part of this Report.

The Company has adopted the Nomination and Remuneration Policy and the same has been uploaded on the Company's website.

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

Particulars of employees as required under Section 197 of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Board's Report and marked as Annexure 5. In accordance with the provisions of Section 136 of the Act, the Annual Report and Accounts are being sent to all the Members of the Company excluding the aforesaid information and the said particulars will be made available on request and also made available for inspection at the Registered Office of the Company. Any Member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Act, read with the Rules therein, the Secretarial Audit Report issued by M/s Parikh & Associates, Practicing Company Secretaries is attached and marked as Annexure 6 to this Report.

EXTRACT OF THE ANNUAL RETURN

Pursuant to Section 92(3) and Section 134 (3)(a) of the Act read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return in Form MGT-9 is attached and marked as Annexure 7 to this Report.

DEPOSITS

The Company has not accepted any deposit from the public falling under Section 73 of the Act and the Companies (Acceptance of Deposits) Rules, 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Pursuant to Listing Regulations, 2015, the Management Discussion and Analysis is attached hereto and forms part of this Report and marked as Annexure 8 to this Report.

CORPORATE GOVERNANCE

Pursuant to Listing Regulations, 2015, the Report on Corporate Governance alongwith a certificate of compliance from the Auditors are attached hereto and marked as Annexure 9 to this Report.

BUSINESS RESPONSIBILITY REPORT

As required under Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2015, the Business Responsibility Report forms part of this Annual Report.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year under review and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there were no significant and material orders passed by any regulator or court or tribunal, impacting the going concern status of the Company and its future operations.

DISCLOSURES UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder.

REPORTING OF FRAUD

The Auditors of the Company have not reported any fraud as specified under the second proviso of Section 143(12) of the Act.

A case has been registered by the Anti-Corruption Bureau against some officers at the State Tax Enforcement Wing at Vijayawada and an employee of the Company along with a representative of the Company for allegedly bribing an Additional Commissioner of Commercial Taxes, Andhra Pradesh. While investigation process is on, the concerned employee has been suspended.

ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007

The Company has an established Integrated Management System comprising Quality Management System (QMS) conforming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001: 2015 and Occupational Health and Safety Management System conforming to OHSAS 18001:2007 at all offices, project sites and depots. During the year, the Company's Management System has been audited and compliance to the requirements of the International Standards has been confirmed by DNV GL-Business Assurance (DNV GL- BA).

The Company is amongst the few construction companies who have established an Integrated Management System and is adequately maintaining the system to ensure customer satisfaction, compliance to legal and other non-regulatory requirements as per the Standards along with continual improvements to the system.

OUTLOOK

Infrastructure is a key enabler of growth in India; estimates suggest that every rupee invested in infrastructure development has a ripple effect and helps the GDP grow by ~2. According to S&P Global Rankings (August, 2016), the country's poor infrastructure is the biggest hurdle to government's flagship Make in India programme. Yet despite all the policies and promotion by the government and the initiatives undertaken by the private sector, the infrastructure deficit continues to be colossal. A paper presented at the India Infra Summit 2017 quoted, "India needs about $1.5 trillion investment in the infrastructure sector in the coming 10 years. The figure is roughly equal to the nominal GDP of the second largest country in the world in terms of land mass – Canada."

Yet it is this very disadvantage that poses an immense opportunity to various stakeholders. Due to India's fast-paced growth and its consistent role as a forerunner among emerging markets, it has become an attractive destination for global investment. At the same time, it gives the government and the ECP community the opportunity to provide environment-friendly, state-of-the-art infrastructure that meets unique local needs to the end users.

Against this backdrop, the Company is advantageously placed to harness this opportunity. With its pedigree parentage and the expertise that it has developed over the years, while executing various complex and intricate projects, the Company maintains its focus on project selection for bidding after due evaluation of risks, profitability and project cashflow.

Once again, it has been able to build a strong and diverse order book worth ₹ 751,320 lakhs as on 31st December, 2017. The Company looks forward to honing its capabilities in the future, and deliver project executions that provide immense utility to end-users, pride to its people and economic gains to its shareholders.

PARENT COMPANY

Italian-Thai Development Public Company Limited (ITD), founded in 1958, is a leading civil engineering & infrastructure construction and development company in Thailand. With a well-diversified presence across the construction space that includes MRT, airports, buildings, dams & tunnels, highways, expressways & bridges, industrial works, mining and telecommunications, ITD is listed in Nikkei Asia300; a list of Asia's biggest and fastest growing companies among 11 economies in the continent.

ITD has been a leader in infrastructure construction in Thailand for more than 59 years and has since then expanded its operations across several other countries in south east and south Asia.

ITD is the only Thai construction company to win the prestigious International Federation of Asian and Western Pacific Contractor's Association (IFAWPCA) Gold Medal Award for civil engineering in 1982. It was awarded to ITD for the construction of the largest and most challenging civil engineering project ever attempted in Thailand - the Khao Laem Dam.

The Royal Seal of The Garuda was awarded to the company by His Majesty the King on 23rd December, 1985. The Royal Seal of the Garuda is the highest and most honourable achievement under the Royal Patronage of the King of Thailand.

One of the landmark projects which ITD has been proudly associated with is the construction of the Suvarnabhumi International Airport, approximately 25 km east of Bangkok, which ITD successfully completed in 2006. This is the twentieth busiest airport in the world and the ninth busiest airport in Asia for the year 2016.

ITD has an experienced in-house training division responsible for maintaining the high level of construction skills and safety - a prime company objective.

In 2016, ITD posted revenues of over 47 billion Thai Baht (about ₹ 935,500 lakhs) and had 25,678 employees on its rolls.

DEPOSITORY SYSTEM

It is mandatory that the shares of the Company are traded in electronic form. The Company has entered into Agreements with both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

FINANCIAL YEAR

Financial Year of the Company under report is January-December for which the Company Law Board, New Delhi had granted permission to the Company.

Consequent upon issue and allotment of 16,629,684 fully paid up equity shares of ₹ 1/- each to Qualified Institutional Buyers through Qualified Institutions Placement on 2nd February, 2018, the shareholding percentage of ITD, Thailand in the paid up share capital of the Company reduced from 51.63% to 46.64%. The Company thereupon ceased to be a subsidiary company of ITD, Thailand effective 2nd February, 2018. In view of this, the Company would be required to align its financial year as per the provisions of Section 2(41) of the Act and the Rules framed thereunder and hence the exemption granted by the Company Law Board to the Company to follow 1st January to 31st December as the Company's financial year will no longer be available to the Company. Accordingly, the next financial year of the Company would be for a period of fifteen months from 1st January, 2018 to 31st March, 2019 and thereafter the financial years of the Company would be for a period of 12 months commencing on 1st April and ending on 31st March every year.

INDUSTRIAL RELATIONS

Relations with staff and labour remained peaceful and cordial during the year under review.

ACKNOWLEDGEMENT

The Directors thank ITD for the continued support extended by it and the guidance provided to your Company.

The Directors thank all employees for their contribution and the shareholders, customers and bankers for their continued support.

For and on behalf of the Board

22nd February, 2018

Premchai Karnasuta
(DIN: 00233779)
Chairman

ANNEXURE 1

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ in lakhs)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	ITD Cementation Projects India Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st January, 2017 – 31st December, 2017
3.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	INR
4.	Share capital	5.00
5.	Reserves & surplus	(0.65)
6.	Total assets	4.42
7.	Total liabilities	4.42
8.	Investments	NIL
9.	Turnover	0.26
10.	Profit before taxation	(0.09)
11.	Provision for taxation	NIL
12.	Profit after taxation	(0.09)
13.	Proposed Dividend	NIL
14.	% of shareholding	100%

Notes:

1. Names of subsidiaries which are yet to commence operations - None
2. Names of subsidiaries which have been liquidated or sold during the year -None
3. Financial year of the subsidiary is April to March.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies / Joint Ventures

Name of Associates/ Joint Ventures	ITD-ITD Cem JV (Consortium of ITD-ITD Cementation)	ITDCem-Maytas Consortium	ITD-ITD Cem JV	ITD Cemindia JV	CEC-ITD CEM-TPL JV
Latest audited Balance Sheet Date	31.12.2017	31.12.2017	31.12.2017	31.12.2017	31.12.2017
Shares of Associate/Joint Ventures held by the Company on the year end	NIL	NIL	NIL	NIL	NIL
No.	NIL	NIL	NIL	NIL	NIL
Amount of Investment in Associates/Joint Venture	671.20	76.44	35,888.17	19,305.97	81.21
Extend of Holding %	40%	95%	49%	80%	60%
Description of how there is significant influence	Joint Venture	Joint Venture	Joint Venture	Joint Venture	Joint Venture
Reason why the Associate/Joint Venture is not consolidated	Consolidated-equity method	Consolidated as Subsidiary	Consolidated-equity method	Consolidated as Subsidiary	Consolidated-equity method
Net worth attributable to shareholding as per latest audited Balance Sheet	1,672.07	95.10	40,524.02	18,975.11	19.01
Profit/(Loss) for the year	(1.08)	1.78	(2,820.87)	54.77	NIL
i. Considered in Consolidation	(0.43)	1.69	(1,382.23)	43.82	NIL
ii. Not Considered in Consolidation	(0.65)	0.09	(1,438.64)	10.95	NIL

1. Names of associates or joint ventures which are yet to commence operations – None
2. Names of associates or joint ventures which have been liquidated or sold during the year – None
3. Names of associates or joint ventures is not consolidated – None

Adun Saraban
Managing Director

Pathai Chakornbundit
Director

Prasad Patwardhan
Chief Financial Officer

Rahul Neogi
Company Secretary

22nd February, 2018

ANNEXURE 2

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Information pursuant to Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014:

Research and Development

The Company lays significant emphasis on improvements in methods and processes in its areas of construction and operations. The Company has an in-house Research & Development Division. The primary focus of research is to continually refine the frequently used systems at our project sites to derive optimisation, reduction in the breakdowns, improve effectiveness and efficiency of use and hence provide a competitive edge for any project.

A) Conservation of Energy

(i) Steps taken or impact on conservation of energy:

- Production of concrete is one of the most energy intensive process in construction industry. Out of all ingredients in concrete, Cement accounts for embodied energy in concrete. To reduce embodied energy in concrete the Company is using pozzolanic materials (Fly ash / GGBS) replacing ordinary portland cement at suitable proportions in compliance with contract and codal specification, blended at site mixing plant to produce various grades of concrete. The production of GGBS/Fly Ash consumes much lesser amount of energy compared to cement and thereby less energy consumption for production of concrete.

- The Company has started replacing existing conventional lighting system to energy efficient LED systems.

- The Company continues using the Translucent Polycarbonate sheets at all project sites stores in place of conventional roofing material allowing daylight, thereby saving on electricity.

- The Company continues phase wise replacement of power consuming Transformer welding machines with rectifier welding machines and now with new generation IGBT based Welding machine leading to much savings in energy.

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

- The Company has started using Solar Renewable products such as Solar Blinkers, required for safer road diversions, for major Road and Metro project sites.

(iii) Capital investment on energy conservation equipment:

- Traditionally, construction industry in India has been using mechanical cranes at construction sites. The Company has taken a conscious decision to progressively replace the mechanical cranes with the more efficient, energy conserving hydraulic cranes.

- Recycle of Returned Concrete: In major Metro project sites the quantity of returned concrete from the pouring is a burden and adds to wastage in terms of energy & cost. The Company introduced concrete reclaimers at one of the major project sites to recycle the aggregates out of the returned concrete as a trial step to conservation of energy.

B) Technology absorption

(i) Efforts made towards technology absorption - Nil

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

- Saving of fuel.
- Saving of electricity.
- The Company continues to utilise Secant pile forming a continuous wall of soft and hard piles, alternating to each other with the harder pile cutting into adjacent soft pile in project involving deep excavation with shallow ground water table. This process is extensively used for Mumbai underground Metro shaft construction and also for Nagpur Metro Project.

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a) the details of technology imported: None

(b) the year of import: N.A.

(c) whether the technology been fully absorbed: N.A.

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A.

and

(iv) **Expenditure incurred on Research and Development-** Nil

C) Foreign Exchange Earnings and Outgo

a. The Company did not have any export during the year under report.

b. The foreign exchange received during the year under report from sale of two old used equipments is ₹ 85.09 lakhs. The foreign exchange outgo on account of travelling, import of consumables, capital goods, tools and spare parts, fees, royalty etc. aggregated to ₹ 3,113.47 lakhs (previous year ₹ 3,051.39 lakhs).

For and on behalf of the Board

Premchai Karnasuta
Chairman

22nd February, 2018

ANNEXURE 3

Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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

   CSR Policy aims at implementing its CSR activities in accordance with Section 135 of the Companies Act, 2013 and the notified Rules. The CSR Committee shall periodically review the implementation of the CSR Policy and the same has been uploaded on the Company's website with the following link:
   http://www.itdcem.co.in/about-us/csr/

2. The Composition of the CSR Committee:

   The CSR Committee comprises of Mr. Per Hofvander (Chairman), Mr. Pathai Chakornbundit and Mr. Adun Saraban.

3. Average net profit of the Company for last three financial years: (₹ 1,095.16 lakhs)

4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Not Applicable

5. Details of CSR spent during the financial year.

   (a) Total amount to be spent for the financial year: NIL

   (b) Amount unspent, if any: NIL

6. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board's Report. – On account of the losses incurred by the Company, there was no average net profit in the three immediately preceding financial years and therefore the Company was not in a position to spend any amount on CSR activities during the year under report.

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

Adun Saraban
Managing Director

Per Hofvander
Chairman

22nd February, 2018

ANNEXURE 4

Extract from Nomination and Remuneration Policy on Directors' appointment and Remuneration

In terms of Nomination and Remuneration Policy of the Company, present members of Nomination and Remuneration Committee are comprised of Mr. D.E. Udwadia, Mr. Premchai Karnasuta, Mr. Pathai Chakornbundit and Mr. Per Hofvander.

1. The Nomination and Remuneration Committee is applicable to

- Directors (Executive and Non-Executive)
- Key Managerial Personnel
- Senior Management Personnel

2. Role and Functions of the Committee relating to Nomination:

(a) Review the Board structure, size and composition and make recommendations to the Board in this regard;

(b) To identify persons who are qualified to become directors (including appointments to committees) and who may be appointed in Senior Management in accordance with the criteria laid-down, recommend to the Board their appointment and removal and to carry out evaluation of every director's performance;

(c) To formulate the criteria for determining qualifications, positive attributes and independence of a director;

(d) To recommend to the Board plans for succession, in particular, of the Managing Director, the Executive Directors, Key Managerial Personnel and Senior Management Personnel;

(e) To evaluate the performance of the Board and Senior Management Personnel on certain pre-determined parameters as may be laid down by the Board as part of the self-evaluation process.

3. Functions and Responsibilities of the Committee relating to Remuneration:

The functions and responsibilities of the Committee in relation to remuneration will be as under:

3.1 Relating to the Company:

- The Committee to formulate and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees.

- The Committee while formulating the above policy shall ensure that –

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

  (b) relationship of remuneration to performance be clear and meets appropriate performance benchmarks; and

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

- Evaluate and approve the Company's remuneration plan, annual salary increase principles and budgets, policies and programmes such as succession planning, employment agreements, severance agreements and any other benefits.

- Review progress on the Company's leadership development programmes, including for promotion to the board, employee engagement initiatives and employee surveys.

- Evaluate issues pertaining to the appointment of and remuneration payable to, Senior Management Personnel.

- Evaluate terms and conditions relating to the Annual and Long Term Incentive Plans of the Company, including plan design, supervision and payouts.

- Consider and approve matters relating to normal retirement plans, Voluntary Retirement and Early Separation Schemes for employees of the Company.

3.2 Relating to the Performance and Remuneration of the Managing Director, Key Managerial Personnel and Senior Management Personnel:

- Establish key performance metrics to measure the performance of the Managing Director, Key Managerial Personnel and Senior Management Personnel including the use of financial, non-financial and qualitative measures.

- Evaluate Senior Management Personnel team performance regularly to strengthen the cumulative annual assessment and to provide timely feedback to the assessed individuals.

- Review and recommend to the Board the remuneration and performance bonus or commission to the Managing Director and Key Managerial Personnel.

3.3 Relating to the Performance and Remuneration of the Non-Executive Directors:

Define the principles, guidelines and process for determining the payment of commission to non-executive directors of the Company.

4. Other Functions:

Perform such other activities within the scope of this Policy as may be requested by the Board of Directors or under any regulatory requirements.

5. Nomination Duties:

Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective.

6. Remuneration Duties:

The duties of the Committee in relation to remuneration matters include:

(a) to consider and determine the Remuneration Policy, based on the performance and also bearing in mind that the remuneration is reasonable and sufficient to attract, retain and motivate members of the Board and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board;

(b) to approve the remuneration of the Senior Management including Key Managerial Personnel of the Company maintaining a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company;

(c) to delegate any of its powers to one or more of its members or the Secretary of the Committee;

(d) to consider any other matters as may be requested by the Board;

(e) professional indemnity and liability insurance for Directors and senior management.

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ANNEXURE 6

FORM No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st DECEMBER, 2017

(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)

To,
The Members,
ITD Cementation India Limited
National Plastic Building, A- Subhash Road,
Paranjape B Scheme, Vile Parle (East),
Mumbai - 400057

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st December, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st December, 2017 according to the provisions of:

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

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

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

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

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

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

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

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely :

1 The Contract Labour (R&A)Act,1970 and Rules made thereunder;

2 The Building & Other Construction (RE&CS) Act,1996 and Rules made thereunder;

3 The Inter-state Migrant Workmen Act, 1976 and Rules made thereunder;

4 The Explosive Act 1884 and Rules made thereunder;

5 Air (Prevention and Control of Pollution) Act, 1981and Rules made thereunder;

6 Water (Prevention and Control of Pollution) Act, 1974and Rules made thereunder;

7 The Maharashtra Muncipal, Councils, Nagar Panchayats and Industrial Townships Act;

8 The Factories Act, 1948 and Rules made thereunder.

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

(i) Secretarial Standards of The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

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

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

Decisions at the Board Meetings were taken unanimously.

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

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

For Parikh & Associates
Company Secretaries

Signature:
P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Place: Mumbai
Date : 22nd February, 2018

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

ANNEXURE A

To,
The Members
ITD Cementation India Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

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

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

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.

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

For Parikh & Associates
Company Secretaries

Signature:
P. N. Parikh
Partner
FCS No: 327 CP No: 1228

Place: Mumbai
Date : 22nd February, 2018

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ANNEXURE 7

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31.12.2017

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

I REGISTRATION & OTHER DETAILS

i	CIN	L61000MH1978PLC020435
ii	Registration Date	24th June, 1978
iii	Name of the Company	ITD Cementation India Limited
iv	Category/Sub-category of the Company	Public Company limited by Shares
v	Address of the Registered Office & Contact details	National Plastic Building, A- Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai – 400 057 Tel: +91 22 66931600/67680600 Fax: +91 22 66931628/67680841 Emails: rahul.neogi@itdcem.co.in investors.relation@itdcem.co.in Website: www.itdcem.co.in
vi	Whether listed Company	Yes
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032 Tel: +91 40 67162222 Fax:+91 40 23420814 Emails: einward.ris@karvy.com raju.sv@karvy.com

II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:-

Sl No	Name and Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Construction & Civil Engineering	4290	100%

III PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name and Address of the company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Italian-Thai Development Public Company Limited, 2034/132-161 Italthai Tower, New Petchburi Road, Bangkapi, Huaykwang, Bangkok - 10320, Thailand	F2273	Holding	51.63	2(46)
2	ITD Cementation Projects India Limited, National Plastic Building, A-Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai - 400 057	U45205MH2007PLC171896	Subsidiary	100	2(87)

(IV) (I) CATEGORY - WISE SHARE HOLDING BETWEEN 01/01/2017 AND 31/12/2017

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 01/01/2017				No. of shares held at the end of the year 31/12/2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	**PROMOTER AND PROMOTER GROUP**									
(1)	INDIAN									
(a)	Individual /HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(1) :	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
(2)	FOREIGN									
(a)	Individuals (NRIs/Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	80113180	0	80113180	51.63	80113180	0	80113180	51.63	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total A(2) :	**80113180**	**0**	**80113180**	**51.63**	**80113180**	**0**	**80113180**	**51.63**	**0.00**
	Total A=A(1)+A(2)	**80113180**	**0**	**80113180**	**51.63**	**80113180**	**0**	**80113180**	**51.63**	**0.00**
(B)	**PUBLIC SHAREHOLDING**									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	38534738	1000	38535738	24.84	34431886	1000	34432886	22.19	2.64
(b)	Financial Institutions / Banks	42118	1300	43418	0.03	161430	500	161930	0.10	-0.08
(c)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year 01/01/2017				No. of shares held at the end of the year 31/12/2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(f)	Foreign Institutional Investors	4192377	0	4192377	2.70	4345180	0	4345180	2.80	-0.10
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(1) :	**42769233**	**2300**	**42771533**	**27.57**	**38938496**	**1500**	**38939996**	**25.10**	**(2.46)**
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	4377816	31180	4408996	2.84	5317382	22730	5340112	3.44	0.60
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹ 1 lakh	17856945	1403530	19260475	12.41	21474244	1038375	22512619	14.51	2.10
	(ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	7597035	0	7597035	4.90	6889393	0	6889393	4.44	(0.46)
(c)	Others									
	CLEARING MEMBERS	85749	0	85749	0.06	102268	0	102268	0.07	0.01
	FOREIGN BANKS	0	500	500	0.00	0	0	0	0.00	0.00
	I E P F	0	0	0	0.00	293560	0	293560	0.19	0.19
	NON RESIDENT INDIANS	743377	5500	748877	0.48	742617	1500	744117	0.48	0.00
	NRI NON-REPATRIATION	163555	0	163555	0.11	218704	0	218704	0.14	0.03
	TRUSTS	8000	0	8000	0.01	3951	0	3951	0.00	0.01
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total B(2) :	**30832477**	**1440710**	**32273187**	**20.80**	**35042119**	**1062605**	**36104724**	**23.27**	**2.48**
	Total B=B(1)+B(2) :	**73601710**	**1443010**	**75044720**	**48.37**	**73980615**	**1064105**	**75044720**	**48.37**	**0.00**
	Total (A+B) :	**153714890**	**1443010**	**155157900**	**100.00**	**154093795**	**1064105**	**155157900**	**100.00**	**0.00**
(C)	Shares held by custodians, against which Depository Receipts have been issued									
(1)	Promoter and Promoter Group	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Public	0	0	0	0.00	0	0	0	0.00	0.00
	GRAND TOTAL (A+B+C) :	**153714890**	**1443010**	**155157900**	**100.00**	**154093795**	**1064105**	**155157900**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (As on 01/01/2017)			Shareholding at the end of the year (As on 31/12/2017)			% change in share holding during the year
		No. of Shares (Face Value of ₹ 1/- each)	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares (Face Value of ₹ 1/- each)	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	ITALIAN-THAI DEVELOPMENT PUBLIC COMPANY LIMITED	80113180	51.63	-	80113180	51.63	-	NIL
	Total	**80113180**	**51.63**	**-**	**80113180**	**51.63**	**-**	**NIL**

(iii) Change in Promoters' Shareholding (Specify if there is no change)*

Sl No.		Shareholding at the beginning of the year (As on 01/01/2017)		Cumulative Shareholding during the year	
		No. of Shares (Face Value of ₹ 1/- each)	% of total Shares of the Company	No. of Shares (Face Value of ₹ 1/- each)	% of total Shares of the Company
1	At the beginning of the year	80113180	51.63		
2	Date wise increase / decrease in Promoter's shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc)	-	-	-	-
3	At the end of the year (As on 31/12/2017)			80113180	51.63

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

Sl No.	Top 10 Shareholders	Shareholding at the beginning of the year (As on 01/01/2017)		Cumulative Shareholding at the end of the year (As on 31/12/2017)*	
		No. of Shares (Face Value of ₹ 1/- each)	% of total Shares of the Company	No. of Shares (Face Value of ₹ 1/- each)	% of total Shares of the Company
1	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	10576780	6.82	955600	0.62
2	RELIANCE CAPITAL TRUSTEE CO. LTD. - A/C RELIANCE T	0	0	9376105	6.04
3	UTI-MNC FUND	7633041	4.92	5649430	3.64
4	SBI MAGNUM MIDCAP FUND	5460315	3.52	5401284	3.48
5	HITESH RAMJI JAVERI	4150000	2.67	4000020	2.58
6	IDFC INFRASTRUCTURE FUND	150000	0.1	3563055	2.3
7	SUNDARAM MUTUAL FUND A/C SUNDARAM SMILE FUND	3535069	2.28	2657499	1.71
8	EASTSPRING INVESTMENTS INDIA INFRASTRUCTURE EQUITY	3418958	2.2	2584178	1.67
9	FRANKLIN TEMPLETON MUTUAL FUND A/C FRANKLIN INDIA	2850000	1.84	4000000	2.58
10	L AND T MUTUAL FUND TRUSTEE LTD-L AND T MONTHLY IN	2318779	1.49	648948	0.42

** The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.*

(v) Shareholding of Directors and Key Managerial Personnel

Sl. No	Name of Director / Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year - (As on 01/01/2017)		Cumulative Shareholding during the year	
				No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	Mr. Premchai Karnasuta	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
2	Mr. Pathai Chakornbundit	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
3	Mr. D.E. Udwadia	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
4	Mr. Per Hofvander	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
5	Mr. D.P. Roy	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
6	Mrs. Ramola Mahajani	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
7	Mr. Piyachai Karnasuta	01/01/2017	Appointed w.e.f. 05/08/2015	0	0	0	0
		31/12/2017	At the end of the year			0	0
8	Mr. Adun Saraban	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
9	Mr. S. Ramnath (upto 15th July, 2017)	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
10	Mr. Prasad Patwardhan (w.e.f. 16th July, 2017)	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0
11	Mr. R.C.Daga (upto 31st January, 2017)	01/01/2017	At the beginning of the year	100	0	100	0
		31/12/2017	At the end of the year			100	0
12	Mr. Rahul Neogi (w.e.f. 1st February, 2017)	01/01/2017	At the beginning of the year	0	0	0	0
		31/12/2017	At the end of the year			0	0

V Indebtedness

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	18,121	17,500	NIL	35,621
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	6	NIL	NIL	6
Total (i+ii+iii)	**18,127**	**17,500**	NIL	**35,627**
Change in Indebtedness during the financial year				
Additions	15,586	17,500	NIL	33,086
Reduction	-2,323	-17,500	NIL	-19,823
Net Change	13,263	NIL	NIL	13,263
Indebtedness at the end of the financial year				
i) Principal Amount	31,360	17,500	NIL	48,860
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	30	NIL	NIL	30
Total (i+ii+iii)	**31,390**	**17,500**	**NIL**	**48,890**

VI Remuneration of Directors and Key Managerial Personnel

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

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of the Managing Director	Total Amount
		Mr. Adun Saraban	
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	98.55	98.55
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	19.25	19.25
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL
2	Stock option	NIL	NIL
3	Sweat Equity	NIL	NIL
4	Commission	17.50	17.50
	- as % of profit	0.16	0.16
	- others (specify)	NIL	NIL
5	Others, please specify	NIL	NIL
	Total (A)	**135.30**	**135.30**
	Ceiling as per the Act		**548.21**

B. Remuneration to other directors

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors	Mr. D.E. Udwadia	Mr. D.P. Roy	Mrs. Ramola Mahajani	Mr. Per Hofvander	
	(a) Fee for attending Board and Committee meetings	5.10	3.60	2.30	NIL	11.00
	(b) Commission	5.00	5.00	5.00	NIL	15.00
	(c) Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	**10.10**	**8.60**	**7.30**	**NIL**	**26.00**
2	Other Non Executive Directors	Mr. Premchai Karnasuta	Mr. Pathai Chakornbundit	Mr. Piyachai Karnasuta		
	(a) Fee for attending Board and Committee meetings	NIL	NIL	NIL		NIL
	(b) Commission	NIL	NIL	NIL		NIL
	(c) Others, please specify	NIL	NIL	NIL		NIL
	Total (2)	**NIL**	**NIL**	**NIL**		**NIL**
	Total (B)=(1+2)	**10.10**	**8.60**	**7.30**	**NIL**	**26.00**
	Total Managerial Remuneration					**161.30**
	Overall Cieling as per the Act.					**657.85**

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

(₹ in lakhs)

Sl. No	Particulars of Remuneration	Key Managerial Personnel				Total
		Company Secretary (Mr. Rahul Neogi) -with effect from 1st February, 2017	**Company Secretary (Mr. R.C. Daga) - till 31st January, 2017**	**CFO (Mr.Prasad Patwardhan) -with effect from 16th July, 2017**	**CFO (Mr. S. Ramnath) - till 15th July, 2017**	
1	Gross salary a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	38.70	3.96	34.12	46.60	123.38
	(b) Value of perquisites under Section 17(2) of the Income tax Act, 1961	2.82	0.23	1.86	3.79	8.69
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL
4	Commission					
	- as % of profit	NIL	NIL	NIL	NIL	NIL
	- others (specify)	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total	**41.51**	**4.18**	**35.99**	**50.39**	**132.07**

VII Penalties/Punishment/Comppounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made, if any (give details)
A. COMPANY					
Penalty					
Punishment			NIL		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			NIL		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			NIL		
Compounding					

ANNEXURE – 8

Management Discussion and ***Analysis***

COMPANY PROFILE

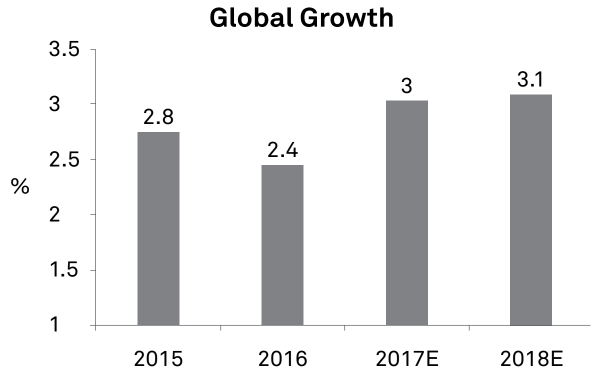
ITD Cementation India Limited is a leading engineering, procurement and construction (EPC) player in the infrastructure and construction industry. With proven competence in civil engineering, the Company undertakes projects in the realm of:

- Maritime structures
- Hydroelectric power projects, tunnels, dams and irrigation projects
- Urban infrastructure projects/mass rapid transit systems/airports
- Highways, bridges and flyovers
- Buildings & other industrial civil works
- Water and wastewater treatment
- Specialist ground improvement & foundation engineering

ECONOMIC OVERVIEW

Global economy

According to both, the World Bank and the IMF, global growth in 2017 was much stronger than expected. According to the World Bank's Global Economic Perspective (January 2018), benign financing conditions, generally accommodative policies, improved confidence and the dissipating impact of the earlier commodity price collapse also contributed to growth. As a result of all these factors, the World Bank expects global growth to reach 3.1% for 2018.



Source: World Bank, Global Economic Perspective (January 2018)

The IMF, on the other hand, estimated that global output has grown by 3.7% in 2017. It stated, in its World Economic Outlook Update (January 2018) that the pick-up in growth has been broad-based, with notable upside surprises in Europe and Asia.

While the World Bank opined that the current, broad-based growth acceleration could be self-reinforcing, it also expressed concerns that the current demand-led recovery is likely to run up against supply constraints due to a declining trend in total factor productivity. The IMF's view was also in line with that of the World Bank as it projected that risks to the global growth forecast appear broadly balanced in the near term, but remain skewed to the downside over the medium term. It also clarified that on the upside, the cyclical rebound could prove stronger in the near term as the pick-up in activity and easier financial conditions reinforce each other.

Emerging Markets and Developing Economies (EMDEs)

On the back of firming activity in commodity exporting countries and robust growth in countries that import commodities, the World Bank estimated growth among EMDEs to have climbed to 4.3% in 2017. Effectively, most EMDE regions benefited from a recovery in exports. Economic activity among commodity exporters, was driven by a rise in the prices of most commodities, an improvement in confidence levels, amelioration of the drag from earlier policy tightening and a bottoming-out of investment growth after a prolonged period of weakness. Further, key economies, such as Brazil and the Russian Federation, emerged from recession.

According to the World Bank, growth in EMDEs is expected to accelerate to 4.5% in 2018 and an average of 4.7% in 2019-20. This expected spurt is attributed to a further pickup in the growth in commodity exporting countries, as oil and other commodity prices firm and the effects of the earlier commodity price collapse dissipate.

Financial markets

The improved global growth outlook and historically low interest rates resulted in benign global financing conditions across the globe. The U.S. Federal Reserve hiked policy interest rates three times in 2017 and the ECB announced a further reduction of its asset

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purchase programme from January 2018. Nevertheless, bond yields remained low in both regions. The financial liquidity in major advanced economies drove investments towards EMDE assets in 2017. As a result, bond spreads declined, particularly for EMDE investment grade borrowers, and side by side, capital flows, including portfolio and international bond issuances, increased.

Global Economic Outlook

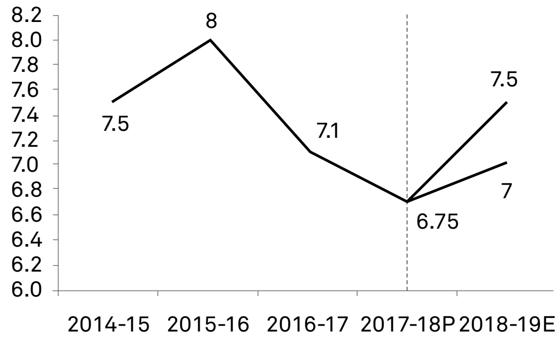
Despite the acceleration in growth in 2017 and expectations that this momentum will continue in 2018, there are concerns about growth in the next decade. The deceleration could be triggered by the lagged effect of recent investment weakness, coupled with slowing productivity growth, as reflected by falling total factor productivity, and unfavourable demographic trends. The growth in labour force has been slowing in many parts of the world and this indicates that the pace of economic growth could be subdued in the future. The World Bank, in its Global Economic Perspective (January 2018) suggests that efforts to invest in infrastructure and education, health and other human skills and wellbeing, as well as initiatives to promote economic diversification and liberalise trade, will boost growth prospects and improve standards of living.

(Source: http://www.worldbank.org/en/publication/global-economic-prospects)

Indian economy

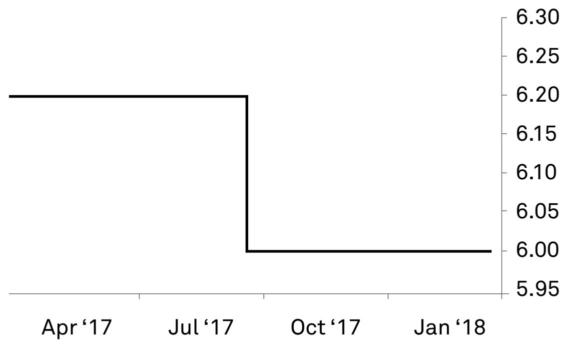
Despite the economic impact of the demonetisation exercise and implementation of GST, the Indian economy is expected to clock an acceptable growth of 6.75% during FY18 according to the Economic Survey 2017-18. The report further projects that the economy will perform well in FY19, achieving a growth of between 7 and 7.5%, to claim its position of the fastest growing major economy in the world once more. Alongside the bottoming out of growth, the finance ministry aims to reduce the fiscal deficit from an estimated 3.2% of GDP in FY18 to 3% in FY19. While inflation too declined to a six-year low of 3.3% during FY18, the RBI has raised its inflation forecast in the February 2018 Monetary Policy Meet, as inflation began climbing once more. According to the RBI, the inflation outlook is clouded by several uncertainties, but likely to be higher on account of higher minimum support price for farmers, a larger than expected fiscal deficit figure for FY18 as well as FY19, increased food and fuel prices and higher house rent allowances (HRA) for government employees under the 7th Central Pay Commission (CPC). Accordingly, the RBI has left its benchmark rate, the repo rate, unchanged at 6% at the February 2018 Monetary Policy Meet.

India's GDP Growth



Source: Economic Survey, 2017-18

Repo Rate



Source: Tradingeconomics.com I Reserve Bank of India

India has been undergoing rigorous policy reforms on various fronts-social, business and economic-over the past few years. Due to the sustained reform focus, the country is being viewed more favourably by the global investment community; the World Bank moved India's ranking up 30 places to 100 in its 'Ease of Doing Business' report for 2018.

In addition to its strong macro-economic fundamentals and policy reforms, other indicators that make India one of the most attractive destinations for business and investment opportunities are its huge manpower base and diversified natural resources.

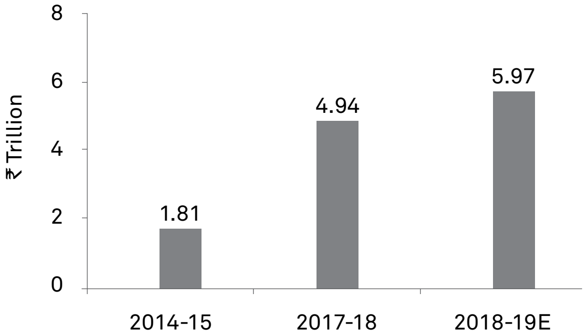
Most importantly, for India to progress further, its physical infrastructure-water and sanitation, power, transport, telecommunications, etc. must become efficient, reliable and affordable and it has become abundantly clear that the government has made infrastructure development as one of the key priorities.

Some of the proposals relating to infrastructure in the Union Budget 2018-19.

- Investment of ₹ 5.97 trillion towards creating and upgrading infrastructure in FY19

- Largest-ever rail and road budget of ₹ 1.48 trillion and ₹ 1.21 trillion, respectively, in FY19

Budget Allocation for Infrastructure



- Ambitious plans such as Sagarmala (estimated investment of ₹ 8 trillion) and Bharatmala (estimated investment of ₹ 10 trillion) to improve its transport infrastructure continue to receive focus
- India has been constructing highways at the rate of 27-28kms per day; aim to speed up construction rate to 41kms per day
- Aim to connect 56 unserved airports and 31 helipads
- UdeDeshKaAamNagrik (UDAN) scheme proposed; at least half the seats on every flight to have a fare cap of ₹ 2,500 per seat per hour of flying
- Introduction of seaplanes and passenger-friendly toll policy
- To raise resources, state-owned firms will access the equity and bond markets
- Monetising vehicles like Infrastructure Investment Trust (InvIT) and Real Estate Investment Trust (ReITs) to be developed
- NHAI to organise its road assets into SPVs and use innovative monetising structures like TOT and InvITs

Indian construction sector

According to a study titled Construction in India-Key Trends and Opportunities to 2020, India's construction industry will continue to expand over the period 2016 to 2020, with investments in residential, infrastructure and energy projects continuing to drive growth. This rise in the demand for construction services will be driven by industrialisation, urbanisation, a rise in disposable income and population growth in the country. The study also mentioned that the government's efforts to improve the country's residential and transport infrastructure would support growth. Some of the government programmes that would be growth drivers for the sector were the Smart Cities Mission, Housing for All, Atal Mission for Urban Rejuvenation and Transformation (AMRUT), Make in India and Power for All. The study estimated that the industry's output value is expected to rise at a CAGR of 5.65%, in real terms, over the period 2016 to 2020; this was considerably higher than the CAGR of 2.95% that was witnessed during the immediately preceding period between 2011 and 2015.

Yet against this backdrop, India's construction industry still faces certain tangible challenges. These include limited funding, slow policy reforms and a weak currency.

The Indian construction industry, according to the Planning Commission, comprises two broad segments-Real Estate construction and Infrastructure construction.

INFRASTRUCTURE INDUSTRY STRUCTURE

In India, the infrastructure sector primarily includes the following:

Category	Infrastructure Sub Sectors
1. Transport	• Roads and bridges • Ports • Shipyards • Inland waterways • Airport • Railway track, tunnels, viaducts, bridges, terminal infrastructure including stations and adjoining commercial infrastructure
2. Energy	• Electricity generation • Electricity transmission • Electricity distribution • Oil Pipelines • Oil/Gas/Liquefied Natural Gas (LNG) storage facility • Gas pipelines
3. Water and Sanitation	• Solid waste management • Water supply pipelines • Water treatment plants • Sewage collection, treatment and disposal system • Irrigation (dams, channels, embankments, etc.) • Storm water drainage system • Slurry pipelines
4. Communication	• Telecommunication (fixed network) • Telecommunication towers • Telecommunication & Telecom services

Category		Infrastructure Sub Sectors
5.	Social and Commercial Infrastructure	• Education institutions (capital stock) • Sports infrastructure • Hospitals (capital stock) • Tourism infrastructure viz. (i) three-star or higher category classified hotel located outside cities with a population of more than 1 million, (ii) ropeways and cable cars • Common infrastructure for Industrial Parks and other parks with industrial activity such as food parks, textile parks, Special economic zones, tourism facilities and agriculture markets • Post-harvest storage infrastructure for agriculture and horticultural produce including cold storage • Terminal markets • Soil-testing laboratories • Cold chain • Affordable housing

[Source: Department of Economic Affairs, (Infrastructure Policy and Programme Section) http://dea.gov.in/sites/default/files/Gazette Notification dated 17th October, 2017.pdf)

Engineering, Procurement and Construction (EPC) business

Being a highly specialised and large-scale activity, the infrastructure construction industry is increasingly tapping into the expertise provided by Engineering, Procurement and Construction (EPC) companies. These companies usually offer turnkey solutions that comprise design, procurement of materials, execution and commissioning of infrastructure projects before they are handed over to the end-users or owners. In order to ensure that the projects are undertaken by the most cost-efficient company that possesses all the required technology, capital and skill, the owner/end-users float tenders which comprise all the necessary specifications of the project. Interested EPC companies can then bid for these contracts.

With the increasing competition that has bourgeoned in this industry, construction companies have begun to focus on developing in-house design and engineering capabilities to respond adequately and to remain relevant whilst simultaneously improving their risk management processes to handle their evolving role.

OPPORTUNITIES & DEVELOPMENTS IN RELEVANT INFRASTRUCTURE SUB-SECTORS

Urban infrastructure-mass transit systems

Indian cities are growing rapidly. There is a need to direct growth in a planned manner with adequate attention to the transport systems in the early stages in their development. Cities are witnessing faster growth in the number of personal motor vehicles, with severe congestion and pollution being the most visible manifestation of the growth in the number of motor vehicles. Efforts at remedying the situation involve focussing on improving the public transport system. In several cities, this involves implementation of Mass Transit Systems, such as metro rail, bus rapid transit, light rail, etc.

Mass Rapid Transit Systems (MRTS)

The mass transit systems in cities/urban agglomeration can be broadly classified into the following 5 categories:

a. Busways and Bus Rapid Transit System

b. Light Rail Transit

c. Tramways

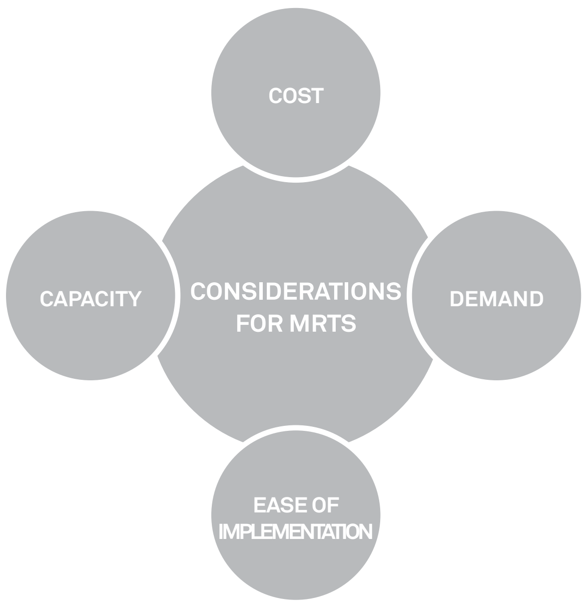
d. Metro Rail

e. Regional Rail

(Source: http://moud.gov.in/upload/whatsnew/59a3f7f130eecMetro_Rail_Policy_2017.pdf)

Metro Rail as a Mode of Mass Transit:

Urban Rail, popularly referred to as Metro Rail, has seen substantial growth in India in the recent years. More cities are experiencing the need for metro rail to meet their day-to-day mobility requirements. A number of the metro rail projects have been financed by the Central government in partnership with the state governments, while some have been funded by the state governments either on their own or with private partnership. Funding from international agencies, like World Bank, AIIB, JICA, etc. have also played a major role in the development of metro rail projects across India. Metro rail projects provide high capacity public transit and are capital intensive.

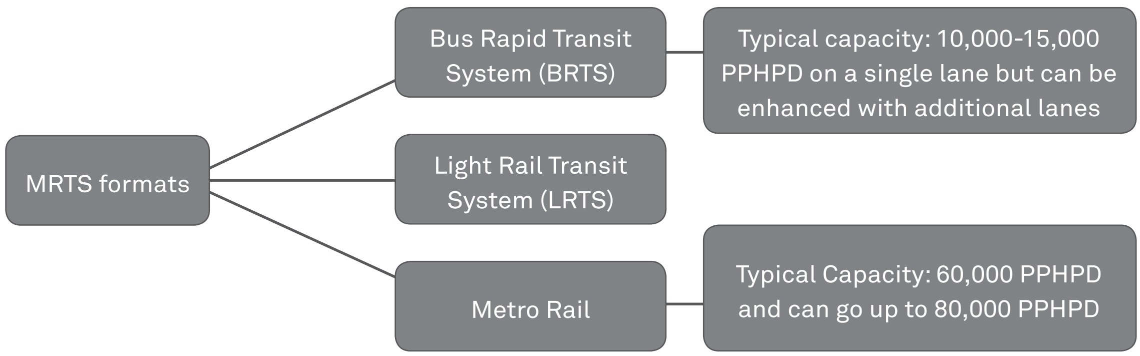


Advantages

- Rail-based systems generally provide rapid service, a higher quality ride and service regularity due to grade separation

Disadvantages

- May require a linear pathway to be carved out of the existing land
- If additional space cannot be made available on the sideways, rail-based systems will reduce the space for other traffic, depending on the width of existing roads
- LRTs and Tramways without horizontal separation will have reduced speed and hence reduced capacity



(Source: http://moud.gov.in/upload/whatsnew/59a3f7f130eecMetro_Rail_Policy_2017.pdf)

Considering the rapid urbanisation and the imminent need for enhancing mobility in cities, alternatives and innovative sources of funds are being explored to supplement the budgetary resources. At the same time, it is also important to ensure that proposals are prepared and appraised in a comprehensive manner to enhance urban mobility as well as the speed and quality of implementation of metro projects. It is in this context that the need for a policy on metro rail has been felt necessary to ensure that such systems are decided upon and implemented in the most sustainable manner from the social, economic and environmental perspectives.

Models of financing metro rail in India:

1 50: 50 Joint Venture Model
- Delhi Metro Rail Corporation
- Other metros like Mumbai Line-3, Chennai, Bengaluru, Nagpur, Lucknow, Kochi and Ahmedabad

2 Complete Funding by Central Government
- First metro in the city of Calcutta (now Kolkata) by the Indian Railways
- East-West corridor in Kolkata (74% funding by Ministry of Railways and 26% by Ministry of Housing and Urban Affairs)

3 Complete Funding by State Government
- Metro rail in Jaipur
- Monorail in Mumbai

4 Public Private Partnership (PPP)
- Mumbai Metro Line-1 (Viability Gap Funding (VGF) from GoI)
- Hyderabad metro rail (Viability Gap Funding (VGF) from GoI)
- Rapid Metro in Gurugram (Complete funding is by the private concessionaire)

5 International Agency Funding
- JiCA funding for Chennai Metro Rail (Official Development Assistance Loan)
- Mumbai Urban Transport Project-III jointly financed by Asian Infrastructure Investment Bank (AIIB) and World Bank in 40:60 ratio
- IFC was the lead Transaction Advisor for the Chennai Metro Rail Project

(Source: http://moud.gov.in/upload/whatsnew/59a3f7f130eecMetro_Rail_Policy_2017.pdf)

Ports / Marine

India's Cargo Capacity was slated to increase to 2,493.1 MMT in FY17. The Maritime Agenda 2010-20 has a 2020 target of 3,200 MT of port capacity. By FY17, the cargo

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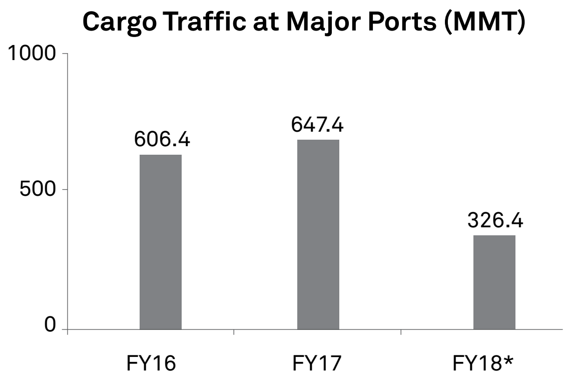
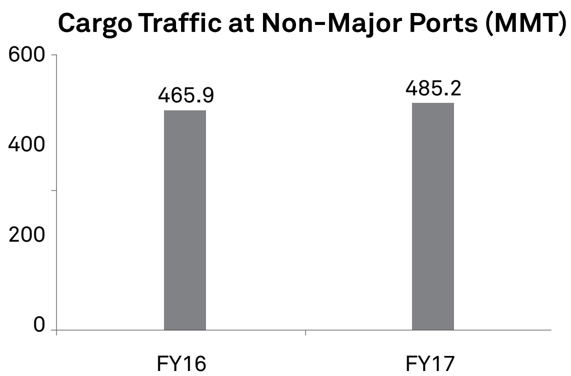
capacity at major ports grew to 1,065 MMT from 965.36 MMT in FY16, indicating a year-on-year (y-o-y) growth of 10.32 per cent.

India has 12 major ports and over 200 non-major ports with cargo traffic on the rise at both kinds of ports. In H1FY18, major ports in India have handled 326.4 Million Tonnes (MMT) of cargo traffic. In FY17, the 12 major ports in India handled 647.43 MMT of cargo as compared to 606.37 MMT in FY16, showing a y-o-y growth of 6.77 per cent.



(FY18: Till September 2017)*



(Source: http://ipa.nic.in/WriteReadData/Links/State-wise%20traffic%20handled%20at%20portsea7965ce-8715-4924-8b9a-f3fd6e9d7a1a.pdf)

National Maritime Agenda

The National Maritime Agenda 2010-20 is aimed at all-round development of the Indian maritime sector. Following are some of the highlights of the agenda:

- **Focus on increasing capacity:** To create a port capacity of around 3,200 MT to handle the expected traffic of about 2,500 MT by 2020
- Proposed investments in major ports by 2020 are expected to total USD 18.6 billion, while those in non-major ports would be USD 28.5 billion
- **World-class infrastructure:** To implement full mechanisation of cargo handling and movement at ports, thereby bringing Indian ports on par with the best international ports in terms of performance and capacity
- **Strategically building ports:** To develop two major ports (one each on East and West coast) to promote trade as well as two hub ports (one each on the West coast and the East coast) – Mumbai (JNPT), Kochi, Chennai and Visakhapatnam

Notable trends in the port sector in India:

Increasing private participation: Strong growth potential, favourable investment climate and sops provided by state governments have encouraged domestic and foreign private players to enter the Indian ports sector. In addition to the development of ports and terminals, the private sector has extensively participated in port logistics services.

Setting up of port-based SEZs: SEZs are being developed in close proximity to several ports, thereby providing strategic advantage to industries within these zones. Plants being set up include:

- Coal-based power plants to take advantage of imported coal
- Steel plants and edible oil refineries

Specialist terminal-based ports: Focus on terminals that deal with a particular type of cargo. This is useful for handling specific cargo such as LNG that requires specific equipment and hence high capital costs. Forming specialist terminals for such cargo results in optimal use of resources and increased efficiencies. Examples of specialist terminals: ICTT in Cochin, LNG terminal in Dahej Port.

Landlord port model: To promote private investments, the government has reformed the organisational model of seaports-

- From: A 'service port' model where the port authority offers all the services
- To: A 'landlord port' model where the port authority acts as a regulator and landlord while port operations are carried out by private companies

Ports to operate on Green energy: Government of India aims to make the country the first in the world to operate all 12 major domestic government ports on renewable energy. The government plans to instal almost 200 MW wind and solar power generation capacity by 2019 at the ports. The energy capacity could be ramped up to 500 MW in future years.

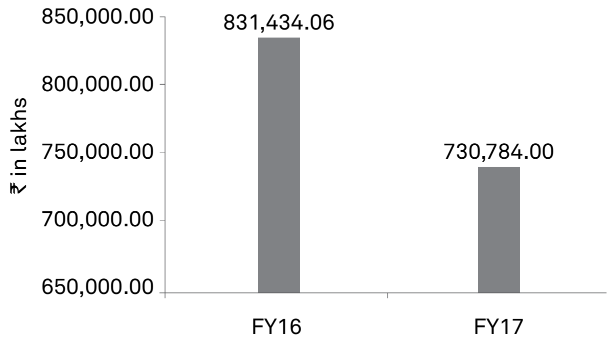
(Source: https://www.ibef.org/download/Ports-October-2017.pdf)

Irrigation

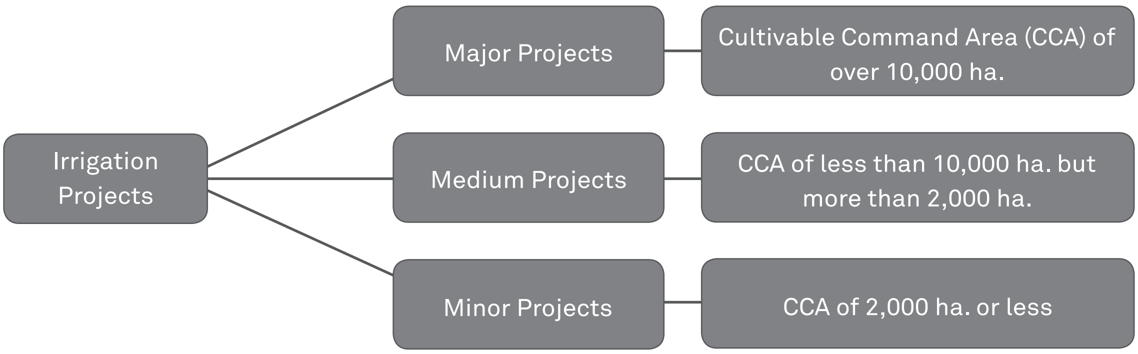
Sustainable development and efficient management of water is an increasingly complex challenge in India. The increasing population, growing urbanisation and rapid industrialisation combined with the need for raising agricultural production generates competing claims for water and good irrigation systems. Additionally, as a result of uncertain rainfall and a growing sense of an impending water crisis in the country, irrigation has become essential in India.

An amount of ₹ 638,866.52 lakhs was provided for Major Irrigation projects and ₹ 67,762.20 lakhs for Minor Irrigation projects in the Budget for the year 2016-17.

Plan outlay for the irrigation and flood control



(Source: http://www.apsdps.ap.gov.in/dp/downloads/Annual_Plan_2016_17.pdf)

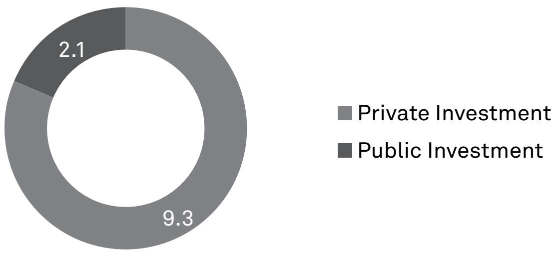


Aviation

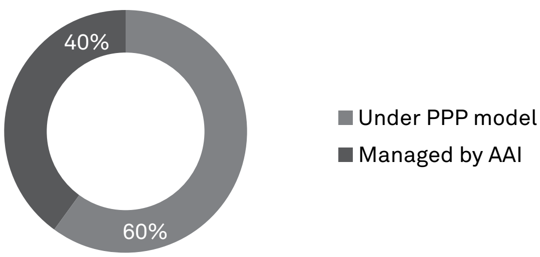
The aviation industry's potential in India is massive. India is set to become the 3rd largest aviation market by 2020.

The government has been encouraging private sector participation. The foreign equity cap of activities of Regional Air Transport Service and Scheduled Air Transport Service/Domestic Scheduled Passenger Airline has been increased from 49% to 100%, with 49% under automatic route, and beyond that through government approval route. Further, the foreign equity cap on activities of Non-Scheduled Air Transport Service, Ground Handling Services has been increased from 74% to 100% under the automatic route.

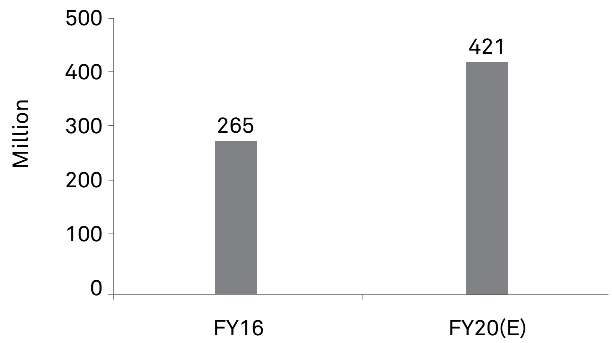
Investments in the Airport sector in the 12th Five Year Plan (E) (USD Billion)



Airport traffic



Passenger Traffic at Indian Airports



Some Trends in Aviation

Rising private participation: Currently, five international airports have been completed successfully under PPP mode. Investment made by private sector during the 12th Five Year Plan (2012-17) is expected to increase by 69.1 per cent to USD 9.3 billion over that during the 11th Five Year Plan. Four existing airports and two Greenfield projects will be offered on PPP basis which is expected to attract investments from private players.

Greater use of non-scheduled airlines: Rising business activity has led to higher demand for non-scheduled airlines. As of July 2017, there were 112 operators (NSOP).

Focus on non-aeronautical revenue: Indian airports are emulating the SEZ-aerotropolis model to enhance revenues; the focus will be on revenues from retail, advertising, vehicle parking, etc.

Policy Initiatives

Greater focus on infrastructure: The Indian government is planning to invest USD 1.83 billion for the development of airport infrastructure along with aviation navigation services by 2026.

Liberalisation, Open sky policy: With the opening of the airport sector to private participation, six airports across major cities are being developed under the PPP model.

Taxes and duties: 100% tax exemption for airport projects for a period of 10 years is given. Indian aircraft Manufacture, Repair and Overhaul (MRO) service providers are exempted completely from customs and countervailing duties.

(Source: https://www.ibef.org/download/Aviation-October-20171.pdf)

Road Transport

Road transport is a critical infrastructure for the economic development of a country. It influences the pace, structure and pattern of development

India's road network consist of 5.21 million kilometres of national highways, expressways, state highways, major district roads, other district roads and village roads with the following distribution

Indian Roads

- Second largest road network in the world
- 5.21 million kilometres (km) consisting of national highways, expressways
- Transports over 64.5% of total goods
- Transports 90% of total passenger traffic
- National highways comprise only 1.9% of network but carry 40% of traffic

National Highways/Expressways	103,933 kms
State Highways	161,487 kms
Other Roads	5,207,044 kms

The following table states the distribution of national highways in terms of width:

Single lane/Intermediate lane	19,330 kms
Double lane	40,658 kms
Four lane/six lane/eight lane	19,128 kms

The Ministry of Road Transport and Highways has been entrusted with the responsibility for construction and maintenance of national highways. All roads other than national highways in the states fall within the jurisdiction of respective state governments.

(Source: https://www.ibef.org/download/Roads-October-2017.pdf)

Government initiative to develop 83,677 kms of roads by 2022

Towards improving transport infrastructure, boosting economic activity and creating employment, the government has proposed a plan for construction of roads and highways across the country, including:

- 34,800 kms of highways under the Bharatmala scheme
- 9,000 kms of economic corridors
- 6,000 kms of inter-corridor and feeder routes
- 2,000 kms of border and international connectivity routes
- 5,000 kms to be upgraded under the national corridor efficiency programme
- 800 kms of greenfield expressways
- 10,000 kms under the national highway development programme
- 2,000 kms of coastal and port connectivity roads

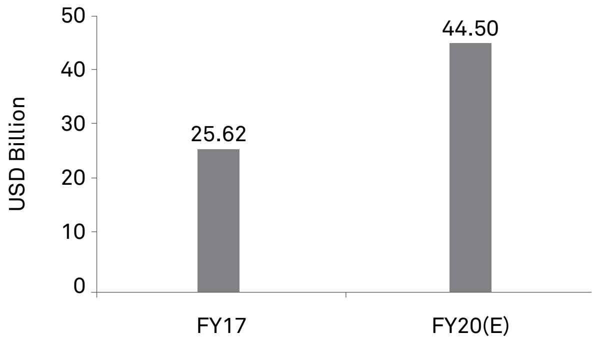
Rail Transport

The Indian Railways has delivered robust revenue over the years. During the financial years 2007-17, the revenue had increased at a CAGR of 9.8%.

Indian Railways

- Fourth largest rail network in the world
- 12,617 passenger trains carrying over 23 million passengers daily
- 1,107.1 million tonnes of freight was transported via trains in FY17
- Up to August 2017, freight traffic stood at 466.82 million tonnes

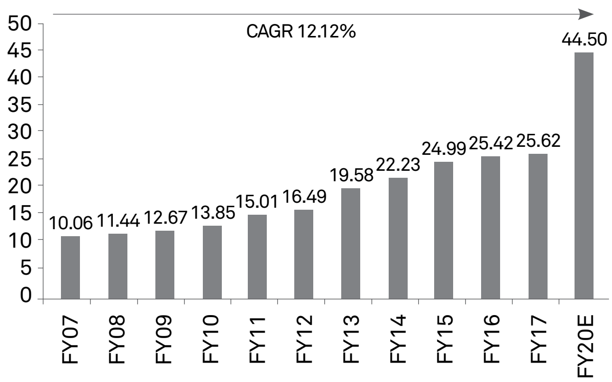
Indian Railways Revenue



Overall, revenues are expected to expand at a CAGR of 12.12 per cent during FY07-20.

The Indian Railways has attracted increasing foreign investment through strategic alliances with various countries over the last few years.

Gross revenue trends over the years (USD billion)



Notable Trends in the Railways Sector

Demand for urban transport: There is a rapid increase in demand for urban mass transportation systems in the country. Several metro rail projects are in progress to improve connectivity within cities; the Delhi Metro has emerged as an internationally-acclaimed venture.

International investment: Indian Railways has attracted increasing foreign investments through strategic alliances with various countries over the last few years. Indian Railways received foreign investments worth ₹ 42,000 crore (USD 6.59 billion) in May 2016 over two contracts with one European and one American company. 6 major global players have shown keen interest in developing ultra-high-speed trains in India.

High speed rails: In coordination with the Japanese government, a high speed passenger train corridor, between Ahmedabad and Mumbai is being undertaken. As part of the Railway Budget 2016-17, the government launched a new train "Mahamana Express" connecting Varanasi and Delhi and is considering increasing the average speed of freight trains to 50 km/h and mail or express trains to 80 km/h by the end of 2020. In April 2017, the government announced intentions to develop 180 Kms Delhi-Rewari-Alwar Regional Rapid Transport System with an investment of around USD 5.5 billion. The project would enable passengers to travel from Delhi to Alwar in just 104 mins.

Modernisation/Technology: In October 2017, the Indian Railways decided to modernise 20 train stations by installing infrastructure and passenger facilities. Indian Railways is planning to launch an integrated mobile application for availing all travel-related services such as hiring taxis, pre-ordering a meal, requesting for porter services, lodging at a retiring room, etc. Indian Railways is also considering introduction of lightweight aluminium coaches in the rail network to reduce the travelling time between metropolis by 2018. Manufacturing of Modern Linke Hofmann Busch coaches has started in 2017 in India. These coaches are equipped with modern technology and can prevent capsising during derailment.

Expanding Scope of Public Private Partnership: In December 2012, the Cabinet approved the new policy of 'participative models for rail-connectivity and capacity augmented projects'. The policy addressed the issues of ownership of the railway line and repayment of investment. Since the launch of the policy, railway authorities have received various proposals from private investors and have already given approval (can now acquire land and begin construction) for four port connectivity projects, to ease congestion.

(Source: https://www.ibef.org/download/Railways_-_October-2017.pdf)

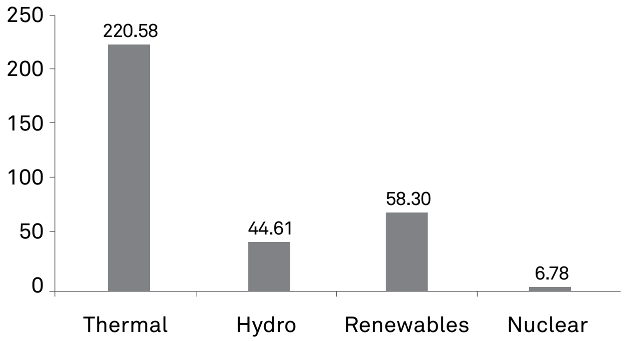
Power Sector

Power generation in India has grown rapidly over the years. While electricity production stood at 1,160.1 BU in FY17, it witnessed a growth of around 4.72% over the previous fiscal year. Over FY10- FY17, electricity production grew at a CAGR of 7.03%. The 12th Five Year Plan projects that total domestic energy production would reach 844 million tonnes of oil equivalent (MTOE) by 2021-22. A total of 13,872 villages out of 18,452 un-electrified villages in India have been electrified up to June 30, 2017 as part of the target to electrify all villages by May 1, 2018.

India's Power Sector

- Third largest producer of electricity in the world
- Fourth largest consumer of electricity in the world
- Fifth largest installed capacity in the world
- Installed power capacity at 330.86 GW in November 2017

Installed capacity for different sources of power - FY 18* (GW)



Notes: GW-Gigawatt; FY18-Data up to June 2017*
Source: Ministry of Coal, NHPC, Central Electricity Authority (CEA), Corporate Catalyst India

The following table states the all India installed capacity (in MW) of power stations as on November 30, 2017:

Ownership	Thermal				Nuclear	Hydro	RES (MNRE)	Total
	Coal	Gas	Diesel	Total				
State	63,780.50	7,078.95	363.93	**71,223.38**	0.00	29,858.00	1,976.90	**103,058.27**
Private	74,496.00	10,580.60	473.70	**85,550.30**	0.00	3,394.00	58,180.76	**147,125.06**
Central	54,695.00	7,490.83	0.00	**62,185.83**	6,780.00	11,711.42	0.00	**80,677.25**
Total	**192,971.50**	**25,150.38**	**837.63**	**218,959.51**	**6,780.00**	**44,963.42**	**60,157.66**	**330,860.58**

(Source: http://www.cea.nic.in/reports/monthly/installedcapacity/2017/installed_capacity-11.pdf)

Power is one of the key sectors attracting FDI inflows into India. From April 2000 to June 2017, India recorded FDI of USD 5.85 billion in non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000. Power sector accounted for 3.44 per cent of total FDI inflows till March 2017. Cumulative FDI inflows into the power sector from April 2000 to June 2017 were USD 11.77 billion.

An increase in industrial activity coupled with increasing penetration, per capita consumption and a growing middle class and consumer base has led to a growth in demand for power. This growth has been supported by various government policies.

Hydroelectric Power

Hydropower is a renewable, economic and non-polluting source of energy. Hydropower stations have the inherent ability of quick starting, stopping and load variations. These advantages offer operational flexibility and help in improving the reliability of power supply. The generation cost is not only inflation-free but reduces with time. In addition to conserving scarce fossil fuels, hydroelectric projects have a long useful life, extending to over 50 years. They also help in opening avenues for development of remote and backward areas. India has an estimated hydro potential of about 176,990 MW, out of which only 21.5% that is 38,160 MW is commissioned.

(Source: http://www.eai.in/ref/ae/hyd/hyd.html)

Industrial Civil Works

Industrial civil works largely consist of plant, building, chimneys, silos, conveyers, furnace and administrator buildings which form an integral part of the manufacturing capacities.

The last few years have been one of the toughest for the Indian manufacturing sector. The slowdown was visible through dramatic fall in the cumulative growth rate of eight core industries and of Index of Industrial Production (IIP) over the last three years. The IIP registered a growth of 3.8% in September 2017, over the Index of September 2016. The growth for Index of Manufacturing, Mining and Electricity was 3.4%, 7.9% and 3.4% respectively, during September 2017.

(Source: http://www.eaindustry.nic.in/iip/IIP_Highlights.pdf)

OUTLOOK

Infrastructure is a key enabler of growth in India; estimates suggest that every rupee invested in infrastructure development has a ripple effect and helps the GDP grow by ~2. According to S&P Global Rankings (August 2016), the country's poor infrastructure is the biggest hurdle to government's flagship Make in India programme. Yet despite all the policies and promotion by the government and the initiatives undertaken by the private sector, the infrastructure deficit continues to be colossal. A paper presented at the India Infra Summit 2017 quoted, "India needs about $1.5 trillion investment in the infrastructure sector in the coming 10 years. The figure is roughly equal to the nominal GDP of the second largest country in the world in terms of land mass – Canada."

Yet it is this very disadvantage that poses an immense opportunity to various stakeholders. Due to India's fast-paced growth and its consistent role as a forerunner among emerging markets, it has become an attractive destination for global investment. At the same time, it gives the government and the EPC community the opportunity to provide environment-friendly, state-of-the-art infrastructure that meets the unique local needs of the end users.

Against this backdrop, the Company is advantageously placed to harness this opportunity. With its pedigree parentage and the expertise that it has developed over the years, while executing various complex and intricate projects, the Company maintains its focus on project selection for bidding after due evaluation of risks, profitability and project cashflow.

Once again, it has been able to build a strong and diverse order book worth ₹ 751,320 lakhs as on 31st December, 2017. The Company looks forward to honing its capabilities in the future, and deliver project executions that provide immense utility to end-users, pride to its people and economic gains to its shareholders.

RISKS AND CONCERNS

External Risks

- **Business environment risk:** Economic cycles, changes in government policies and spending and the development of the infrastructure sector directly impact the demand for the Company's services. Any change in policies or downturn in the economy which result in lower spending on construction projects (including privately-funded infrastructure projects) could affect revenues.

  Mitigation: Infrastructure is the core of any government's agenda due to the stage of development at which India currently is. There may be some shift in allocations between sectors, depending on the priority of the government. The Company has capabilities to service a wide range of infrastructure activities and, as a result, is able to shift its resources from one infrastructure sub-sector to another, depending on the existing prospects. This gives the Company an inherent hedge against this risk.

- **Price escalation risk:** Multi-year infrastructure projects are subject to the possibility of price escalation, in the event of design changes, increasing cost of materials, machinery and labour, as well as client delays. This can potentially cause time and cost overruns, impacting profitability.

  Mitigation: The Company utilises the contract escalation provisions and also provides for costs in contracts to protect it from volatile external conditions. The Company also has the potential for contractual remedy. Further, the Company's strong parentage and seamless access to appropriate technology and equipment, helps it to engage in value engineering as a partial hedge against rising costs.

- **Competition risk:** Infrastructure project are usually subject to bidding. Price competitiveness determines the allocation of projects. If the Company is unable to bid for, and win construction projects, it could fail to increase or maintain its order book.

  Mitigation: The Company is present in multiple sectors within the infrastructure industry, helping mitigate concentration risks arising out of an excessive dependence on a few areas. Further, the Company enters into joint ventures with players for large and complex projects. The Company's promoter group enjoys an international reputation in handling complex challenging projects and this provides the Company with a credible brand with strong project execution skills, thereby continuously working on cost efficiency.

- **Qualification risk:** Bidding for government tenders can take long and complex qualification requirements.

  Mitigation: The Company has the backing of parent company with robust and renowned capabilities. It also enters into joint ventures and consortium partnerships if a project calls for additional capabilities. The Company pre-qualifies for large government and private projects across many industries. All these stratagem allows the Company to enhance its civil engineering competence and bid for projects, with reasonable competitive environment.

Internal Risks

- **Operational risk:** Any operational inefficiency, internal failures, lack of adequate regulatory approvals and several hazards (risk of equipment failure and work accidents that may cause injury and loss of life) could result in sub-optimal operation levels.

Mitigation: To pre-empt project hazards, the Company engages in careful project screening and evaluation. The Company has also made arrangements for appropriate insurance coverage or provisions of assessed costs that enable it to comply with such obligations. Most importantly, the key personnel of the Company and professional project managers have adequate industry experience. The Company has access to superior equipment and technologies, due to its internationally-acclaimed parent Company. All this facilitates in reduction in operational risks. The Company operates through Quality Management Systems (QMS) to participate in government projects backed by appropriate/requisite regulatory approvals, ensuring uninterrupted execution and secured cash flows.

- **Delay in receipt of outstanding receivables:** There are times when EPC companies experience delays in the collection of receivables from clients for various reasons. This upsets the working capital schedules, especially in the event that claims cannot be recovered for long periods of time.

  Mitigation: The Company chooses its partners very carefully, ensuring they have sound credibility and robust track record and funding arrangements through domestic/international agencies in project execution and payment. In the event of payment delays, the Company has access to short-term borrowings to tide over its working capital needs.

- **Design risks:** The Company is involved in large projects, where change or inadequacies in design, construction or systems failures can result in injury or damage to third parties. The Company could face claims for damages if a project suffers from defects in the quality of design, engineering or construction.

  Mitigation: The Company engages reputed consulting organisation for design of EPC Project. This, in addition to, in-house Technical Team ensures the mitigation process. The Company also takes insurance in accordance with industry standards.

- **Equipment failure:** There could be breakdowns in equipment. This could impact the project in terms of time and cost overruns if not attended to promptly.

  Mitigation: The Company regularly conducts maintenance operations on its equipment to minimise the scope for any equipment failure. The Company has a large equipment base which can be deployed at different sites. In addition, it has built up lasting and loyal relations with reputed vendors who could make available suitable equipment, in case necessary.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has implemented internal control systems that are commensurate with its size and the nature of its business. Following processes documented in a manual, the Company complies with well-defined systems and operating procedures (SOP). Delegation of authority is prudently exercised across various managerial levels based on the manual.

To ensure constant vigilance in the areas of adequacy of internal systems and improvements, an internal audit cell conducts audits around the year. These internal audit reports and adequacy of internal controls are regularly reviewed by the Board's Audit Committee.

REVIEW OF FINANCIAL PERFORMANCE

Despite the difficult economic and operational environment prevailing in the economy and stresses and pressures that the construction industry has been faced with, the Company, through a selective bidding strategy that was adopted and emphasis on execution, was able to build a strong and diversified order book which stands at ₹ 751,320 lakhs as on 31st December, 2017.

On a standalone basis, the Company achieved revenue from operations of ₹ 187,292.02 lakhs in 2017, a decrease of 35.80% over the revenues of ₹ 291,735.11 lakhs reported in the last year, due to completion of some large contracts in the beginning of the year and delays in securing orders, resulting in delays in the execution of work.

The Company made a profit before exceptional items and tax of ₹ 14,619.53 lakhs in 2017, in comparison to profit before exceptional items and tax of ₹ 9,896.92 lakhs achieved in 2016, marking an increase of 47.72%.

The Company made a profit before tax of ₹ 12,435.59 lakhs in 2017, in comparison to profit before tax of ₹ 9,896.92 lakhs achieved in 2016.

On a consolidated basis, the revenue from operations stood at ₹ 206,050.89 lakhs during the year 2017, against a revenue of ₹ 293,772.01 lakhs achieved in 2016.

The consolidated profit before exceptional items and tax was ₹ 14,758.08 lakhs in 2017, in comparison to profit before exceptional items and tax of ₹ 9,908.29 lakhs in 2016.

The consolidated profit before tax was ₹ 12,574.14 lakhs in 2017, in comparison to profit before tax of ₹ 9,908.29 lakhs in 2016, which translates into a growth of 26.91%.

The Company's consolidated order book as at 31st December, 2017 stood at ₹ 751,320 lakhs, representing a growth of 14.12% over the order book of ₹ 658,346 lakhs as at 31st December, 2016. This provides good visibility for the business for the next 2-3 years.

Human Resources Development and Industrial Relations

The Company prides itself in its ability to retain talent by empowering its people and equipping them with well-tested systems and processes that facilitate decision-making.

Taking the issue of safety very seriously, the Company offers its people a safe and environment-friendly workplace and constantly strives to make its construction sites injury-free through safety supervision and audits and a grassroot feedback mechanism.

As on 31st December, 2017, there were 2,010 employees on the Company's steady roster and 3,138 employees engaged on a project-to-project basis.

DISCLOSURE OF ACCOUNTING TREATMENT

The financial statements have been prepared in accordance with all applicable accounting standards.

ANNEXURE 9

Report on Corporate **Governance**

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Your Company believes that good corporate governance is an important constituent in enhancing stakeholder value. The corporate governance framework oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. The Company's corporate governance structure plays a pivotal role in realising this long term goal.

Your Company has in place processes and systems whereby the Company complies with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations, 2015). Your Company is committed in its responsibility towards the community and environment in which it operates, towards its employees and business partners and towards society in general.

2. BOARD OF DIRECTORS

(i) Composition

The Board has an optimum combination of Executive and Non-Executive Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations, 2015. As on date the Company has eight (8) Directors with a Non- Executive Chairman. Of the eight (8) Directors, seven (7) are Non-Executive Directors of which four (4) are Independent Directors.

(ii) The names and categories of the Directors on the Board, their attendance at Board Meetings and at the Annual General Meeting held during the year and the number of Directorships and Committee Chairmanships/ Memberships held by them in other companies are given below:

Name of the Director	Category	No. of Board Meetings held during the Year 2017		Last AGM attended	No. of Directorships held in other Indian Public Limited companies including as an alternate Director	Total No. of Memberships/ Chairmanships of Committees of Directors held in other Indian Public Limited companies
		Held	Attended			
Mr. Premchai Karnasuta (Chairman)	Non- Independent, Non- Executive	9	2	Yes	Nil	Nil
Mr. Pathai Chakornbundit (Vice Chairman)	Non- Independent, Non– Executive	9	6	Yes	Nil	Nil
Mr. D. E. Udwadia	Independent, Non– Executive	9	9	Yes	6	7 (includes 1 Chairmanship)
Mr. Per Hofvander	Independent, Non– Executive	9	5	Yes	Nil	Nil
Mr. D. P. Roy	Independent, Non– Executive	9	9	Yes	2	2
Mrs. Ramola Mahajani	Independent, Non– Executive	9	9	Yes	3	3
Mr. Piyachai Karnasuta	Non- Independent, Non– Executive	9	5	Yes	Nil	Nil
Mr. Adun Saraban (Managing Director)	Executive	9	9	Yes	1	Nil

(iii) Number of Board meetings held, dates on which held

Nine (9) meetings of the Board were held during the financial year ended 31st December, 2017. The dates on which the meetings were held are 27th January, 21st February, 10th April, 11th May, 3rd July, 9th August, 21st September, 12th October, 8th November and 10th November, 2017 (adjourned meeting of 8th November, 2017).

(iv) During the year, information as required by Regulation 17(7) read with Part A of Schedule II of the Listing Regulations, 2015, was placed before the Board.

(v) There are no relationships between Directors inter-se.

(vi) Non-Executive Directors do not hold any shares in the paid-up share capital of the Company.

(vii) Familiarisation Programme imparted to the Independent Directors is disclosed on the Company's website: www.itdcem.co.in

3. AUDIT COMMITTEE

Audit Committee of the Directors was constituted by the Company in March 1994. The terms of reference of the Audit Committee were last amended on 6th August, 2014.

(i) Composition, number of meetings held and attendance of Directors thereat

The Audit Committee comprises four (4) Non-Executive Directors of which three (3), namely Mr Per Hofvander, Mr D. E. Udwadia and Mr D. P. Roy are Independent Directors. During the financial year ended 31st December, 2017 the Audit Committee held Six (6) meetings on 21st February, 10th April, 11th May, 15th June, 9th August, and 8th November, 2017. Attendance of the Directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Per Hofvander	6	4
Mr. D.E. Udwadia	6	6
Mr. Pathai Chakornbundit	6	5
Mr. D. P. Roy	6	6

Mr Per Hofvander, the Chairman of Audit Committee, was present at the last Annual General Meeting held on 11th May, 2017.

Mr Rahul Neogi, who was appointed as the Company Secretary w.e.f. 1st February, 2017, attended all the meetings of the Audit Committee held during the financial year 2017.

(ii) Terms of reference, role and scope of the Audit Committee are in line with Regulation 18(3) read with Part C of Schedule II of the Listing Regulations, 2015. The Company has also complied with the provisions of Section 177 of the Companies Act, 2013 (the 'Act') and Rules framed thereunder pertaining to the Audit Committee and its functioning.

Minutes of the Audit Committee meetings are placed before the meeting of the Board of Directors immediately following the Audit Committee meeting.

4. NOMINATION AND REMUNERATION COMMITTEE

The erstwhile Remuneration Committee of Directors was renamed as the Nomination and Remuneration Committee (NRC) on 8th May, 2014.

Terms of reference of the NRC were last amended on 24th February, 2016.

(i) Composition, number of meetings held and attendance of Directors thereat

The NRC comprises four (4) Non-Executive Directors namely Mr D.E. Udwadia, Mr Premchai Karnasuta, Mr Pathai Chakornbundit and Mr Per Hofvander. Mr D.E. Udwadia and Mr Per Hofvander are the Independent Directors of the Committee. The Committee held four (4) meetings during the financial year ended 31st December, 2017 on 27th January, 21st February, 11th May, and 8th November, 2017. Attendance of the Directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. D.E. Udwadia	4	4
Mr. Premchai Karnasuta	4	1
Mr. Pathai Chakornbundit	4	4
Mr. Per Hofvander	4	3

Mr. D.E. Udwadia, the Chairman of NRC was present at the last Annual General Meeting held on 11th May, 2017.

Mr. R.C. Daga, Company Secretary attended NRC meeting held on 27th January, 2017 before his retirement on 31st January, 2017.

Mr Rahul Neogi, who was appointed as the Company Secretary w.e.f. 1st February, 2017, attended the rest of the meetings of the NRC held during the financial year 2017.

(ii) Terms of reference of the NRC are in line with Regulation 19(4) read with Part D of Schedule II of the Listing Regulations, 2015. The Company has complied with the provisions of Section 178 of the Companies Act, 2013 and the Rules framed thereunder pertaining to NRC and its functioning.

Minutes of the NRC meetings are placed before the meeting of the Board of Directors immediately following the NRC meeting.

(iii) During the year, NRC evaluated performance of every Director, Chairperson and Board as a whole based on their roles, functions and duties and their contribution to the Board/Committees of the Board.

Further, two meetings of the Independent Directors of the Company were held on 21st February and 8th November, 2017. The performance evaluation of the Chairman and Non – Independent Directors was carried out by them.

The Board of Directors evaluated performance of the Independent Directors based on the time spent, input and guidance given from time to time by the Independent Directors to the Board and Management of the Company.

5. REMUNERATION OF DIRECTORS

a) None of the Non-Executive Directors had any pecuniary relationship or transaction with the Company other than the sitting fees and commission received by the Non-Executive Directors resident in India.

b) Criteria for making payments to Non-Executive Directors

Non-Executive Directors resident in India are paid remuneration by way of sitting fees for attending the meetings of the Board and Committees thereof. In addition to sitting fees, they are also entitled to commission not exceeding in the aggregate 1% of the net profits of the Company computed in the manner laid down in Section 198 of the Act, subject to a maximum of ₹ 500,000/- (Rupees Five Lakhs only) per annum to each such Director. The Members of the Company at their Annual General Meeting held on 12th May, 2016, approved payment of commission only to resident non-executive directors for each of the five financial years of the Company commencing on and from 1st January, 2016, based on the number of Board / Committee Meetings attended by them and input given at the meetings.

During the financial year 1st January, 2017 to 31st December, 2017, the Company paid ₹ 1,301,100/- to M/s Udwadia & Co., Solicitors & Advocates, Mumbai, of which Mr D. E. Udwadia, Independent Director is the Proprietor, by way of fees for professional services rendered to the Company on specific legal matters that were entrusted by the Company from time to time. The Board does not consider the above association with the Company to be of a material nature so as to affect or impair the independence and objectivity of judgement of Mr D. E. Udwadia as an Independent Director of the Company.

c) Disclosure with respect to remuneration

Executive Director is paid remuneration by way of salary, commission, perquisites and retirement benefits as recommended by the NRC and approved by the Board and shareholders of the Company.

Notice period is six months and no severance pay is payable on termination of appointment.

The Company does not have any Stock Option Scheme.

Details of remuneration payable to Executive and Non - Executive Directors of the Company for the financial year ended 31st December, 2017 are given below:

Sl. No.	Name of the Director	Service Contract Years/ months	Salary ₹	Commission ₹	Perquisites and cost of providing furnished residential accommodation ₹	Retirement Benefits (PF and Gratuity)* ₹	Total sitting fees ₹
(a)	Executive Director						
1.	Mr. Adun Saraban, Managing Director	3 years 01.01.2016 to 31.12.2018	9,855,000	1,750,000	2,132,360	1,182,600	NIL

* *As the future liability for gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to the director is not ascertainable and therefore, not included above.*

(b)	Non-Executive Directors						
1.	Mr. D.E. Udwadia	-	NIL	500,000	NIL	NIL	510,000
2.	Mr. D. P. Roy	-	NIL	500,000	NIL	NIL	360,000
3.	Mrs. Ramola Mahajani	-	NIL	500,000	NIL	NIL	230,000
	Total		9,855,000	3,250,000	2,132,360	1,182,600	1,100,000

Note: Sitting fees are paid only to the Non- Executive Directors resident in India for attending meetings of the Board and the Committees of the Board.

6A. STAKEHOLDERS RELATIONSHIP COMMITTEE

The erstwhile Shareholders/Investors' Grievance Committee was renamed as Stakeholders Relationship Committee (SRC) on 8th May, 2014.

Terms of reference of the SRC were adopted on 6th August, 2014 and are in line with Regulation 13(3) of the Listing Regulations, 2015.

(i) Composition, number of meetings held and attendance of Directors thereat

The SRC comprises two (2) Non-Independent Directors viz. Mr. Adun Saraban- Managing Director and Mr. Pathai Chakornbundit, Non-Executive Director. The Committee held four (4) meetings during the financial year ended 31st December, 2017 on 21st February, 11th May, 9th August and 8th November, 2017. Attendance of the Directors was as under:

Name of the Director	No. of Meetings held	No. of Meetings attended
Mr. Pathai Chakornbundit	4	4
Mr. Adun Saraban	4	4

Mr. Pathai Chakornbundit is the Chairman of SRC.

Mr. Rahul Neogi, Company Secretary, attended all the meetings of the SRC held during the year 2017.

(ii) Brief description of terms of reference

SRC considers and resolves the grievances, if any, of all the security holders of the Company.

Minutes of the SRC meetings are placed before the meeting of the Board of Directors immediately following the SRC meeting.

(iii) Number of shareholders' complaints received and resolved to the satisfaction of the shareholders

During the financial year ended 31st December, 2017, Seventy Seven (77) complaint letters were received from the shareholders which were replied / resolved to the satisfaction of the shareholders. No complaints remained unresolved at the end of the year.

(iv) Name and designation of Compliance Officer

Mr. Rahul Neogi is the Company Secretary and Compliance Officer with effect from 1st February, 2017.

Mr. R.C.Daga who retired from the services of the Company was the Company Secretary and Compliance Officer till 31st January, 2017.

6B. SHARE TRANSFER COMMITTEE

Share Transfer Committee was constituted in 1980. The terms of reference of Share Transfer Committee were last amended on 11th January, 2010. During the financial year ended 31st December, 2017, the Committee had twenty eight (28) meetings.

Pursuant to Regulation 40 (2) of the Listing Regulations, 2015, Share Transfer Committee Meetings are regularly held at least once a fortnight.

(i) Terms of reference

(a) The Committee is authorised to approve share transfers and transmissions, change and transposition of names, demat / remat of shares, rectification of entries, renewal/split/consolidation of share certificates and issue of duplicate share certificates and also to issue share certificates in respect thereof under the Common Seal of the Company.

(b) Quorum for a meeting shall be any two members present, except that the quorum for the purpose of authorising issue of duplicate certificates shall be any three (3) members present at the meeting.

(ii) Number of pending share transfers

As on 31st December, 2017, there was no pending request/letter involving transfer/transmission of shares.

(iii) Pursuant to Regulation 36 (3) of the Listing Regulations, 2015, the particulars of Directors who are proposed to be appointed/ re-appointed at the 40th Annual General Meeting ('AGM') have been provided in the annexure to the Notice of the AGM.

7. SUBSIDIARY COMPANY

As on 31st December, 2017, the Company has one wholly owned, non-material and unlisted subsidiary, namely ITD Cementation Projects India Limited. The Financial Statements of the subsidiary are reviewed by the Audit Committee. All minutes of the meetings of the subsidiary are placed before the Company's Board regularly.

8. GENERAL BODY MEETINGS

(i) Last three annual general meetings were held as under:

For Financial year ended	Date, Time and Location	Special Resolutions passed	
		No.	Nature
31.12.2016	11th May, 2017 3.00 p.m. Rama Watumull Auditorium, Mumbai	1	Approval for conversion of loan into equity shares of the Company on the occurrence of default by the Company, if any, in repayment of loan and/or interest thereon.
31.12.2015	12th May, 2016 3.00 p.m. Rama Watumull Auditorium, Mumbai.	1	Reappointment of Mr. Adun Saraban, Managing Director.
31.12.2014	13th May, 2015 3.00 p.m. Rama Watumull Auditorium, Mumbai.	1	Alteration of Articles of Association under Section 61 and Section 14 of the Companies Act, 2013.

(ii) Details of Special Resolution passed last year through Postal Ballot

During the financial year ended 31st December, 2017, the Company passed a Special Resolution through Postal Ballot relating to issue of further shares/ securities under Sections 42 and 62(1)(c) of the Act, as under:

"To authorise the Board of Directors to raise funds by way of issue of equity shares or financial instruments convertible into equity shares including warrants or securities convertible into equity shares in one or more tranches to institutions, corporate bodies, mutual funds, individuals, pension funds and / or any other category of investors through Private Placement or Qualified Institutional Placement (QIP) or on preferential allotment basis upto an amount not exceeding ₹ 350 crore."

Electronic Voting (E:voting/Remote e-Voting) facility was also made available to the shareholders. The Board of Directors of the Company had appointed Mr. P.N. Parikh or failing him Ms. Sarvari Shah of M/s. Parikh & Associates, Practicing Company Secretaries, as Scrutiniser for conducting the Postal Ballot voting process in a fair and transparent manner.

Result of the Postal Ballot – Voting Pattern was as under:

Particulars	Total Votes	Total Valid Votes Cast	Total Valid Votes cast in favour of the Resolution	Total Valid Votes cast against the Resolution
Special Resolution	107,510,949	107,504,426	107,503,450 (99.99%)	976 (0.01%)

There is no business proposed to be transacted at the ensuing Annual General Meeting which requires passing of a Special Resolution through Postal Ballot.

9. MEANS OF COMMUNICATION

(i) The extracts of the quarterly Consolidated Unaudited Financial Results and Consolidated Audited Financial Results are published in prominent daily newspapers. Such Financial Results were published in the Free Press Journal and/ or Financial Express and Navshakti and/ or Mumbai Lakshdeep. Quarterly Standalone and Consolidated Unaudited Financial Results and Annual Standalone and Consolidated Audited Financial Results are available on Company's website: www.itdcem.co.in.

(ii) Codes of Ethical Conduct for (a) Directors and Senior Management Personnel and (b) Executive Directors and Employees of the Company, Whistle-Blowing and Prevention of Sexual Harassment Policy and Procedures; Corporate Social Responsibility Policy; Nomination and Remuneration Policy; Related Party Transactions Policy; Board Diversity Policy; Prevention of Insider Trading Policy; Preservation of Documents Policy; Policy on Determination and Materiality of an Event/ Information; Archival Policy and Dividend Distribution Policy are available on the Company's website: www.itdcem.co.in.

(iii) Copy of the Chairman's Statement circulated to the members of the Company at the Annual General Meeting of the shareholders is sent to all shareholders after the meeting for information.

(iv) Presentations on Quarterly Business Operations Overview were disseminated to the Stock Exchanges and were made available on the Company's website: www.itdcem.co.in. These presentations were also shared with the Institutional Investors/Analysts.

(v) Management Discussion and Analysis (MD&A)

The statement on Management Discussion and Analysis forms part of the Annual Report to the shareholders of the Company.

10. GENERAL SHAREHOLDERS' INFORMATION

(i) Annual General Meeting

Date: 10th May, 2018

Time: 4.00 p.m.

Venue: Rama and Sundri Watumull Auditorium, Kishinchand Chellaram College, Vidyasagar Principal K.M. Kundnani Chowk, 124, Dinshaw Wachha Road, Churchgate, Mumbai- 400 020

(ii) Financial Year of the Company

1st January to 31st December

(iii) Dividend Payment Date

The dividend, if declared at the ensuing AGM, will be paid on 16th May, 2018

(iv) Stock Exchanges

The equity shares of the Company are listed on:

BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 023

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block 'G'
Bandra-Kurla Complex, Bandra (East),
Mumbai 400 051

The listing fees for the financial year 2017-2018 (upto 31.03.2018) of the above mentioned stock exchanges have been paid.

(v) Stock Code

BSE Limited (BSE): 509496

The National Stock Exchange of India Limited (NSE): ITDCEM

(vi) Market Price Data

Tables given below are the monthly highs and lows of the Company's shares with corresponding Sensex at BSE and NSE showing performance of Company's share prices vis-a-vis BSE Sensex (closing) and Nifty (closing):

High and Low prices of the Company's shares at BSE with corresponding BSE Sensex January to December 2017

Months	High		Low		Close	
	ITD Cem price ₹	BSE Sensex	ITD Cem price ₹	BSE Sensex	ITD Cem price ₹	BSE Sensex
January	176.00	27980.39	149.05	26447.06	160.50	27655.96
February	167.90	29065.31	144.75	27590.10	151.15	28743.32
March	173.95	29824.62	147.60	28716.21	171.15	29620.50
April	191.35	30184.22	167.00	29241.48	190.00	29918.40
May	193.35	31255.28	164.00	29804.12	171.90	31145.80
June	188.40	31522.87	164.50	30680.66	169.25	30921.61
July	179.30	32672.66	160.40	31017.11	164.35	32514.94
August	167.00	32686.48	146.55	31128.02	161.10	31730.49
September	181.40	32524.11	160.10	31081.83	170.80	31283.72
October	183.00	33340.17	164.00	31440.48	181.75	33213.13
November	234.90	33865.95	179.35	32683.59	206.00	33149.35
December	221.85	34137.97	186.95	32565.16	217.85	34056.83

High and Low prices of the Company's shares at NSE with corresponding Nifty January to December 2017

Months	High		Low		Close	
	ITD Cem price ₹	Nifty	ITD Cem price ₹	Nifty	ITD Cem price ₹	Nifty
January	169.70	8672.70	149.50	8133.80	161.25	8561.30
February	168.50	8982.15	145.00	8537.50	151.40	8879.60
March	173.80	9218.40	147.70	8860.10	171.30	9173.75
April	193.00	9367.15	166.65	9075.15	190.60	9304.05
May	193.90	9649.60	163.85	9269.90	173.40	9621.25
June	188.50	9709.30	164.00	9448.75	169.75	9520.90
July	179.95	10114.85	160.45	9543.55	165.00	10077.10
August	168.00	10137.85	146.50	9685.55	161.70	9917.90
September	182.50	10178.95	159.50	9687.55	171.65	9788.60
October	182.75	10384.50	164.50	9831.05	181.35	10335.30
November	235.20	10490.45	179.50	10094.00	206.90	10226.55
December	223.30	10552.40	183.95	10033.35	217.95	10530.70

(vii) Registrars and Share Transfer Agents

M/s. Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, Tel: +91 40 67162222, Fax : +91 40 23420814, Email ID : einward.ris@karvy.com are the Registrars and Share Transfer Agents of the Company.

(viii) Share Transfer Systems

Shares lodged for transfers are registered and duly transferred Share Certificates are despatched to the lodger within a period of fifteen days from the date of receipt, if the documents are otherwise in order.

The Share Transfer Committee meets as often as is necessary to approve transfers and related matters as may be required by the Registrars and Share Transfer Agents.

(ix) Shareholding Pattern as on 31st December, 2017

Sl No.	Particulars	No. of shares held	Percentage to total share capital
(i)	Promoter – Italian-Thai Development Public Company Limited	80113180	51.63
(ii)	General Public	29402012	18.96
(iii)	Banks/IFI	161930	0.10
(iv)	Mutual Funds	34432886	22.19
(v)	Corporate Bodies	5336962	3.44
(vi)	NRI/OCB/FII/FOREIGN /BANK/FPB/FPI	5308001	3.42
(vii)	Clearing Members	102268	0.07
(viii)	NBFC	3150	0.00
(ix)	Trust	3951	0.00
(x)	IEPF	293560	0.19
	Total	**155157900**	**100.00**

(x) Distribution of Shareholding as on 31st December, 2017

Sl No.	Category (Shares)	No. of Holders	% to Holders	No. of Shares	% to Equity
1	1-500	20718	66.92	4719388	3.04
2	501-1000	5909	19.09	4340588	2.80
3	1001-2000	2291	7.40	3448561	2.22
4	2001-3000	712	2.30	1812160	1.17
5	3001-4000	383	1.24	1380340	0.89
6	4001-5000	253	0.82	1184534	0.76
7	5001-10000	357	1.15	2583635	1.67
8	10001 & above	335	1.08	135688694	87.45
	Total:	**30958**	**100.00**	**155157900**	**100.00**

(xi) Dematerialisation of Shares

The shares of the Company are in compulsory demat segment and are available for trading in the Depository System. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company is INE686A01026.

As on 31st December, 2017, out of the 30,958 shareholders 29,748 shareholders have dematerialised their shares aggregating to 154,093,795 shares i.e. around 99.31% of the total paid-up capital of the Company.

(xii) Dates of Book Closure

The Company's Register of Members and Share Transfer Books will remain closed from Friday, 4th May, 2018, to Thursday, 10th May, 2018 (both days inclusive).

(xiii) Investor correspondence

All enquiries, clarifications and correspondence should be addressed to the Registrars and Share Transfer Agents or to the Compliance Officer at the following addresses:

Registrars and Share Transfer Agents
Karvy Computershare Private Limited
Unit: ITD Cementation India Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad – 500 032.
Tel: +91 40 67162222 | Fax: +91 40 23420814
Emails: einward.ris@karvy.com
raju.sv@karvy.com

and / or

Branch Office at
24-B Raja Bahadur Mansion,
Ground Floor,
Ambalal Doshi Marg, Behind BSE,
Fort, Mumbai – 400 023
Tel: +91 22 66235454
Email: ircfort@karvy.com

Compliance Officer
Mr Rahul Neogi
Company Secretary
ITD Cementation India Limited
National Plastic Building,
A- Subhash Road,
Paranjape B Scheme,
Vile Parle (East),
Mumbai - 400 057.
Tel : + 91 22 66931600/67680600
Fax: + 91 22 66931628/67680841
Emails: rahul.neogi@itdcem.co.in
investors.relation@itdcem.co.in

11. OTHER DISCLOSURES

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

There were no materially significant related party transactions having potential conflict with the interests of the Company at large during the financial year ended 31st December, 2017.

(ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years - There were none.

(iii) Whistle Blower Policy

The Company has in place a Whistle-Blowing and Prevention of Sexual Harassment Policy and Procedures that no personnel has been denied access to the Audit Committee.

(iv) (a) The Company has complied with the mandatory requirements of the Listing Regulations, 2015

(b) As regards non-mandatory requirment, the Company has constituted a Risk Management Committee on 24th February, 2015.

(v) Policy dealing with Related Party Transactions is displayed on the Company's website: www.itdcem.co.in.

(vi) CEO/CFO Certification

A Certificate from the CEO/CFO of the Company in terms of Regulation 17 (8) of Listing Regulations, 2015 read with Part B of Schedule II was placed before the Board at its meeting held on 22nd February, 2018 to approve the Audited Financial Statements for the financial year ended 31st December, 2017.

12. DISCRETIONARY REQUIREMENTS

(i) The Chairman of the Company is a Non-Executive Director.

(ii) Shareholders' Rights

The quarterly and yearly financial results are published in the newspapers and they are also available on the website of the Company and that of the Stock Exchanges where the shares of the Company are listed i.e. BSE

Limited and National Stock Exchange of India Limited. The Company has not sent any half yearly declaration of financial performance including summary of significant events in the last six months to each household of shareholders of the Company.

(iii) Audit Qualifications: The Auditors opinion on the Financial Statements is unmodified.

(iv) Separate posts of Chairman and CEO: The positions of the Chairman and the Managing Director /CEO in the Company are separate.

(v) Internal Auditor reports directly to the Audit Committee.

13. The Company has complied with the corporate governance requirements as specified in Regulations 17 to 27 of the Listing Regulations, 2015 regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, etc. and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 pertaining to dissemination of certain information on the Company's website.

14. CODE OF CONDUCT

The Company has in place Code of Ethical Conduct for (a) Directors and Senior Management Personnel and (b) Executive Directors and Employees of the Company. As per Regulation 46 of the Listing Regulations, 2015, the same have been posted on the website of the Company. The Managing Director of the Company has given a declaration to the effect that all the Directors and Senior Management personnel of the Company have given their affirmation of compliance with the Codes of Ethical Conduct.

15. None of the shareholder's shares is lying in the suspense account and hence no disclosure is required under Schedule V of Part F of Listing Regulations, 2015.

16. Other Items which are not applicable to the Company have not been separately commented upon.

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of ITD Cementation India Limited

We have examined the compliance of conditions of corporate governance by ITD Cementation India Limited ("the Company") for the year ended on 31st December, 2017, as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant, and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

This certificate is issued solely for the purpose of complying with the aforesaid regulations and may not be suitable for any other purpose.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

per **Rakesh R. Agrawal**
Partner
Membership No: 109632

Place: Mumbai
Date: 22 February 2018

Business Responsibility **Report**

(Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY		
1.	Corporate Identity (CIN) of the Company	L61000MH1978PLC020435
2.	Name of the Company	ITD Cementation India Limited
3.	Registered address	National Plastic Building, A - Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai- 400057
4.	Website	www.itdcem.co.in
5.	E-mail id	admin@itdcem.co.in investors.relation@itdcem.co.in
6.	Financial Year reported	2017
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Construction and Civil Engineering (4290).
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	(a) Maritime structures. (b) Urban infrastructure projects/ mass rapid transit systems/ airports. (c) Highways, Bridges and Flyovers.
9.	Total number of locations where business activity is under taken by the Company • Number of International Locations (provide details of major 5) • Number of national locations	 Nil. 60 sites across 14 Indian states.
10.	Markets served by the Company-Local/State/ National/ International	At National level.

SECTION B: FINANCIAL DETAILS OF THE COMPANY		
1.	Paid up capital (as at 31st December, 2017)	₹ 1,551.58 lakhs.
2.	Total turnover (for the year ended 31st December, 2017): Revenue from standalone operations	₹ 187,292.02 lakh.
3.	Total profit after taxes (for the year ended 31st December, 2017): On standalone basis	₹ 7,281.64 lakhs.
4.	Total spending on Corporate Social Responsibility (CSR) as a percentage of profit after tax (%)	On account of losses incurred by the Company, there was no average net profit in the 3 immediately preceding financial years. (Amount spent in 2017 - Nil).
5.	List of activities in which expenditure in 4 above has been incurred	Not Applicable.

SECTION C: OTHER DETAILS

1.	Does the Company have any subsidiary company/ companies?	Yes - ITD Cementation Projects India Ltd.
2.	Do the subsidiary company/companies participate in the business responsibility initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	No.
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Currently less than 30% of value chain entities participate in the Company's BR initiatives and there is a constant effort by the Company to extend the initiatives to a larger base. The suppliers and vendors are provided awareness on environmental and social issues. Vendor/sub-contractor meets are used as a platform to raise awareness on health, safety and environmental initiatives of the Company.

SECTION D: BR INFORMATION

1.	**Details of Director/Directors responsible for BR**			
	(a) Details of Director/Directors responsible for implementation of the BR policy/policies	1.	Director Identification Number	01312769
		2.	Name	Mr. Adun Saraban
		3.	Designation	Managing Director
	(b) Details of the BR Head	1.	Director Identification Number	Not Applicable
		2.	Name	Mr. Prasad Patwardhan
		3.	Designation	Chief Financial Officer
		4.	Telephone No.	022 67680806
		5.	e-mail id	Prasad.Patwardhan@itdcem.co.in
2.	**Principle – wise (as per NVGs) BR policy/policies**			

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

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	No	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Yes.								
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, all the policies conform to national standards. The Company has an established Integrated Management System comprising Quality Management System (QMS) conforming to ISO 9001:2015, Environmental Management System (EMS) conforming to ISO 14001:2015 and Occupational Health and Safety Management System conforming to OHSAS 18001:2007 at all offices, project sites and depots.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Some policies have been approved by the Board and these have been signed by the MD.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	The Company has in place a CSR Committee of the Board with powers to oversee the implementation of the CSR activities. For other policies, the Company has in place adequate internal control mechanism to oversee their implementation.								

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
6.	Indicate the link for the policy to be viewed online?	Whistle Blowing and Prevention of Sexual Harassment Policy and Procedures http://www.itdcem.co.in/upload/Whistle_Blower_Policy.pdf Dividend Distribution Policy: http://www.itdcem.co.in/upload/Dividend_Distribution_Policy.pdf IMS Policy: http://www.itdcem.co.in/about-us/ims-policy/ Corporate Social Responsibility: http://www.itdcem.co.in/about-us/csr/ Code of Conduct • http://www.itdcem.co.in/upload/ITD_Code_of_Ethical_Conduct_Directors.pdf • http://www.itdcem.co.in/upload/ITD_Code_of_Ethical_Conduct_for_Ex_Dirs_and_Emplys.pdf								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. Policies relevant to the internal and external stakeholders have been communicated accordingly.								
8.	Does the Company have in-house structure to implement the policy/policies	Yes. Policies themselves contain methodology of implementation of the policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes, the Company has provided a mechanism for grievance redressal by setting up a Stakeholders Relationship Committee and by putting in place Whistle Blowing and Prevention of Sexual Harassment Policy and Procedures.								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes. Some of the policies in place have been evaluated internally and some have been evaluated externally.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why:(Tick up to 2 options)

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

3. Governance related to BR

(a)	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year	6 monthly.
(b)	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	Yes, link is http://www.itdcem.co.in/investors/financial/annual-reports/ Annually

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1.	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?	Yes, it covers the Company and also extends to suppliers and contractors.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so	The Company received 77 complaints in the financial year ended 31st December, 2017 and all the complaints have been resolved satisfactorily.

Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities	The Company's services cover the following areas: (a) Maritime structures (b) Urban infrastructure projects/ mass rapid transit systems/ airports (c) Highways, Bridges and Flyovers The Company has in place an Integrated Management System Policy covering aspects on quality, environment, safety and health.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional)	
	(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?	Not applicable since the Company does not manufacture any product.
	(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Not applicable
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)?	Yes.
	If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so	The Company continually works with its vendors and suppliers to reduce the environmental impact of sourcing.
4.	Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?	Yes, wherever feasible.
	If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company provides support to local and small vendors by way of supply of machinery items and financial assistance including free issue of material.
5.	Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so	Not applicable.

Principle 3

Businesses should recognise that over consumption results in unsustainable exploitation of our planet's resources and should therefore promote sustainable consumption including recycling of resources.

1.	Please indicate the total number of employees	5,148		
2.	Please indicate the total number of employees hired on temporary/ contractual/casual basis	3,138		
3.	Please indicate the number of permanent women employees	37		
4.	Please indicate the number of permanent employees with disabilities	1		
5.	Do you have an employee association that is recognised by management	Yes, the Company has two Employee associations i.e. Engineering Mazdoor Sabha, Mumbai and ITD Cementation India Workers' Union, Kolkata.		
6.	What percentage of your permanent employees is members of this recognised employee association?	1.55%		
7.	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year	Category	No. of complaints filed during the financial year	No. of complaints pending as at the end of the financial year
		Child labour/forced labour/involuntary labour	Nil	Nil
		Sexual harassment	Nil	Nil
		Discriminatory employment	Nil	Nil
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (a) Permanent Employees (b) Permanent Women Employees (c) Casual/Temporary/Contractual Employees (d) Employees with Disabilities	Yes. On a continuous basis.		

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1.	Has the Company mapped its internal and external stakeholders? Yes/No	Yes.
2.	Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders	Yes.
3.	Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders. If so, provide details thereof, in about 50 words or so	The Company's CSR Policy has been designed to cater to the physically challenged or differently abled, socially and economically backward groups.

Principle 5

Businesses should respect and promote human rights.

1.	Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/Suppliers/ Contractors/ NGOs/Others?	Yes, it covers the Company and also extends to suppliers and contractors.
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	The Company has not received any complaints in the area of human rights.

Principle 6

Business should respect, protect and make efforts to restore the environment.

1.	Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/ Others.	Yes, it covers the Company and also extends to suppliers and contractors.
2.	Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	No
3.	Does the Company identify and assess potential environmental risks? Y/N	Yes
4.	Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	No
5.	Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	No
6.	Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year	Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1.	Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with	Yes • Bombay Chamber of Commerce • Construction Federation of India • National Highway Builders' Association
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others)	No

Principle 8
Businesses should support inclusive growth and equitable development.

1.	Does the Company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof	Yes. The Company has a CSR policy and the activities laid down in the policy pertain to the 8 focal areas for its social development projects/activities.
2.	Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organisation?	Yes, through in-house team.
3.	Have you done any impact assessment of your initiative?	Not yet.
4.	What is your Company's direct contribution to community development projects- Amount in and the details of the projects undertaken	Nil for the year ended 31st December, 2017.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so	CSR activities are being pursued in line with the Company's policy and framework. The Company identifies communities that require the Company's direct intervention for community development in or near about the Company's project sites.

Principle 9
Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year	• Customer complaints are regularly addressed at project sites. • Percentage of Customer complaints pending as at the end of the financial year (31st December, 2017): Nil • There are no consumer cases pending as at the end of the financial year (31st December, 2017)
2.	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. / Remarks (additional information)	Not Applicable.
3.	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so	Not to the Company's knowledge.
4.	Did your Company carry out any consumer survey/ consumer satisfaction trends?	Yes.

Independent Auditor's **Report**

To
The Members of
ITD Cementation India Limited

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

1. We have audited the accompanying standalone financial statements of ITD Cementation India Limited ('the Company'), which comprise the Balance Sheet as at 31 December 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

AUDITOR'S RESPONSIBILITY

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

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these standalone financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 December 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

OTHER MATTER

9. The Company had prepared separate sets of statutory financial statements for the years ended 31 December 2016 and 31 December 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports to the shareholders of the Company dated 21 February 2017 and 24 February 2016, respectively. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:

    a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

    c) the standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under Section 133 of the Act;

    e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as at 31 December 2017 from being appointed as a director in terms of Section 164(2) of the Act;

    f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as at 31 December 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 22 February 2018 as per Annexure II expressed an unmodified opinion;

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

        i. the Company, as detailed in Note 29 (iv) to 29 (vii) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

        ii. the Company has made provisions for material foreseeable losses, if any, on long-term contracts including derivative contracts; and

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 22 February 2018

Annexure I to the Independent Auditor's Report of even date to the members of ITD Cementation India Limited, on the standalone financial statements for the year ended 31 December 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.

(c) The title deeds of all the immovable properties are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) There are no dues in respect of service tax and duty of customs that have not been deposited with the appropriate authorities on account of any dispute.

The dues outstanding in respect of income-tax, sales-tax, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of statue	Nature of dues	Amount (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Sales Tax Act/Works Contract Tax Act/Value Added Tax	Value Added Tax	478.17	70.00	2012-2013	The West Bengal Taxation Tribunal, Salt Lake Kolkata
		279.05	37.06	2009-10 and 2010-11	Joint Commissioner of Commercial Taxes, Rajkot
		511.61	35.00	2011-12	Deputy Commissioner of Commercial Taxes, Gujarat
		307.59	-	2013-14	Senior Joint Commissioner Appeals, West Bengal
		44.09	-	2008-09	West Bengal Taxation Tribunal

Name of statue	Nature of dues	Amount (₹ in Lakhs)	Amount paid under protest (₹ in Lakhs)	Period to which the amount relates	Forum where dispute is pending
		412.02	-	2011-12 and 2012-13	Additional Commercial Tax Officer, Goa
		10.38	2.70	2005-06	The Joint Commissioner, Sales Tax, Mumbai
		263.25	-	2007-08	Appellate and Revisional board, West Bengal
	Sales Tax	16.60	-	1994-95	Revision Board (Tribunal) Kolkata
		31.97	-	2004-05	Deputy Commissioner of Commercial Taxes, Bihar
		202.05	101.41	2011-12	Maharashtra Sales Tax Tribunal
		105.80	-	2010-11	Commissioner, Commercial Taxes, Kolkata
		265.81	-	2011-12	Joint Commissioner sales tax, West Bengal
		79.23	-	2004-05 and 2006-07	Appellate and Revisional Board, West Bengal
		78.51	19.63	2007-08 and 2008-09	Madras High Court
		21.78	5.44	2006-07 and 2009-10	Deputy Commissioner of Commercial Taxes, Tamil Nadu
Central Excise Act,1944	Excise Duty	51.70	-	May 1998 to January 1999	Commissioner of Central Excise
Income Tax Act, 1961	Income Tax	210.75	-	A.Y. 2004-05	High Court, Mumbai
		286.85	-	A.Y. 2010-11, 2011-12 and 2012-13	Income Tax Appellate Tribunal, Kolkata
		153.64	-	A.Y. 2013-14	Commissioner of Income Tax (Appeals), Kolkata
		161.30	-	A.Y.2012-13 and 2013-14	Commissioner of Income Tax (Appeals), Mumbai

(viii) The Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained.

(x) Except for the matter referred to in Note 37 to the standalone financial statements relating to certain allegations against an employee of the Company, in our opinion, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) In our opinion, managerial remuneration has been paid by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 22 February 2018

Annexure II to the Independent Auditor's Report of even date to the members of ITD Cementation India limited on the standalone financial statements for the year ended 31 December 2017

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of ITD Cementation India Limited ('the Company') as at and for the year ended 31 December 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Company's Board of Directors 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 (the "Guidance Note") 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 the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. 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 IFCoFR.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2017, 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 issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 22 February 2018

Balance **Sheet**

as at 31 December 2017

₹ lakhs

	Note No.	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	40,639.68	38,181.99	33,313.29
Capital work-in-progress		1,673.44	560.20	196.84
Financial assets				
Investments	4	62.49	62.49	62.49
Trade receivables	5	309.00	2,863.37	2,863.37
Loans	6	225.29	248.56	254.83
Other financial assets	7	39.00	8,677.57	8,694.61
Deferred tax assets (net)	8	293.98	200.06	3,922.17
Income tax assets (net)	8	928.06	6,309.04	4,084.92
Other non-current assets	9	19,369.16	14,886.43	12,594.35
Total non-current assets		**63,540.10**	**71,989.71**	**65,986.87**
Current assets				
Inventories	10	11,960.46	10,991.33	14,521.05
Financial assets				
Investments	11	-	0.26	0.26
Trade receivables	5	22,388.38	20,535.24	24,028.96
Cash and cash equivalents	12	10,698.91	16,200.48	7,830.14
Other bank balances	13	249.91	269.11	6,257.82
Loans	6	58,426.29	17,112.11	12,619.26
Other financial assets	7	49,611.10	44,106.40	73,973.51
Other current assets	9	5,413.14	3,707.41	11,467.75
Total current assets		**158,748.19**	**112,922.34**	**150,698.75**
TOTAL ASSETS		**222,288.29**	**184,912.05**	**216,685.62**
EQUITY AND LIABILITIES				
Equity				
Share capital	14	1,551.58	1,551.58	1,551.58
Other equity		60,176.66	53,650.88	48,709.61
Total equity		**61,728.24**	**55,202.46**	**50,261.19**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15	2,461.76	4,062.13	982.81
Provisions	16	1,110.31	902.36	692.16
Total non-current liabilities		**3,572.07**	**4,964.49**	**1,674.97**
Current liabilities				
Financial liabilities				
Borrowings	17	42,238.52	29,348.43	45,168.90
Current maturities of long-term-borrowings	15	4,159.57	2,210.61	2,684.22
Trade payables	18	51,201.87	60,423.20	71,678.04
Other financial liabilities	19	6,553.55	4,175.96	3,596.78
Other current liabilities	20	50,432.32	26,605.30	40,024.00
Provisions	16	2,402.15	1,981.60	1,597.52
Total current liabilities		**156,987.98**	**124,745.10**	**164,749.46**
TOTAL EQUITY AND LIABILITIES		**222,288.29**	**184,912.05**	**216,685.62**

Notes 1 to 39 form an integral part of the standalone financial statements
This is the Balance Sheet referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Statement of Profit and **Loss**

for the year ended 31 December 2017

₹ lakhs

	Note No.	Year ended 31 December 2017	Year ended 31 December 2016
Income			
Revenue from operations	21	187,292.02	291,735.11
Other income	22	3,423.69	2,661.92
Total income		**190,715.71**	**294,397.03**
Expenses			
Cost of construction materials consumed	23	54,351.72	65,536.17
Subcontracting expenses		42,597.64	128,612.76
Employee benefits expense	24	23,614.78	21,921.76
Finance costs	25	8,553.80	8,878.32
Depreciation expense	3	5,520.30	4,583.49
Other expenses	26	41,457.94	54,967.61
Total expenses		**176,096.18**	**284,500.11**
Profit before exceptional items and tax		**14,619.53**	**9,896.92**
Exceptional items	27	(2,183.94)	-
Profit before tax		**12,435.59**	**9,896.92**
Tax expense	8		
Current income tax		5,144.47	1,014.31
Deferred income tax		9.48	3,797.99
		5,153.95	**4,812.30**
Profit for the year (A)		**7,281.64**	**5,084.62**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
- Loss on fair value of defined benefit plans as per actuarial valuation		(317.16)	(219.23)
- Tax effect on above		109.77	75.88
Items that will be reclassified subsequently to profit or loss			
- Fair value change on designated cash flow hedges, net		18.38	-
- Impairment of investment carried at fair value		(0.26)	-
- Income tax effect on above		(6.36)	-
Other comprehensive loss for the year, net of tax (B)		**(195.63)**	**(143.35)**
Total comprehensive income for the year, net of tax (A+B)		**7,086.01**	**4,941.27**
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	28	4.69	3.28

Notes 1 to 39 form an integral part of the standalone financial statements

This is the statement of profit and loss referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Cash Flow **Statement**

for the year ended 31 December 2017

₹ lakhs

			Year ended 31 December 2017	Year ended 31 December 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		12,435.59	9,896.92
	Adjustments for			
	Depreciation expense		5,520.30	4,583.49
	Finance cost		8,553.80	8,878.32
	Interest income		(2,276.92)	(2,024.65)
	Impairment allowance on financial assets		11,709.23	1,784.87
	Share of loss from unincorporated entities (net)		1,337.16	5,579.60
	Loss on disposal of property, plant and equipment (net)		657.80	416.27
	Excess provision no longer required written back		(9,393.43)	(206.93)
	Exchange loss/(gain) (net)		5.00	(25.64)
	Operating profit before working capital changes		**28,548.53**	**28,882.25**
	Adjustment for change in working capital			
	(Increase)/decrease in Inventories		(969.13)	3,529.72
	(Increase)/decrease in trade receivables		(2,611.49)	1,470.62
	(Increase)/decrease in loans and advances		(43,682.30)	25,382.51
	Increase/(decrease) in trade and other payables		16,966.94	(23,565.07)
	Cash (used in)/generated from operations		**(1,747.44)**	**35,700.03**
	Direct taxes paid/(refund) [net]		236.51	(3,238.43)
	Net cash (used in)/generated from operating activities	**(A)**	**(1,510.93)**	**32,461.60**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (including capital work in progress, capital advances and creditors for capital expenses)		(9,808.98)	(9,422.11)
	Proceeds from disposal of property, plant and equipment		351.23	82.04
	Proceeds from fixed deposit with bank (maturity beyond three months)		21.20	6,000.00
	Interest received		1,284.52	1,442.45
	Net cash used in investing activities	**(B)**	**(8,152.03)**	**(1,897.62)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long-term borrowings		2,672.00	5,812.63
	Repayment of long-term borrowings		(2,323.42)	(3,206.92)
	Proceeds from short term borrowings (net)		12,890.10	(15,820.47)
	Interest and other finance costs		(8,517.06)	(8,978.89)
	Dividend paid		(465.46)	-
	Tax on distributed profits		(94.77)	-
	Net cash generated/(used) in financing activities	**(C)**	**4,161.39**	**(22,193.65)**
	Net (decrease)/increase in cash and cash equivalents	**(A + B + C)**	**(5,501.57)**	**8,370.33**
	Cash and cash equivalents at the beginning of year		16,200.48	7,830.15
	Cash and cash equivalents at the end of year		**10,698.91**	**16,200.48**

Cash Flow **Statement**

for the year ended 31 December 2017

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Components of cash and cash equivalents (Refer note 12)		
Cash on hand	65.94	56.59
Balance with banks		
- current accounts	2,532.97	2,943.89
- deposit account (with original maturity upto 3 months)	8,100.00	13,200.00
	10,698.91	**16,200.48**

Notes 1 to 39 form an integral part of the standalone financial statements

This is the cash flow statement referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Statement of Changes in ***Equity***

for the year ended 31 December 2017

a) Equity share capital

	Number of equity shares	₹ lakhs
Equity shares of ₹ 1 each issued, subscribed and paid		
As at 1 January 2016	155,157,900	1,551.58
Changes in equity share capital	-	-
As at 31 December 2016	**155,157,900**	**1,551.58**
Changes in equity share capital	-	-
As at 31 December 2017	**155,157,900**	**1,551.58**

b) Other equity

₹ lakhs

	Reserves and surplus			Other comprehensive income			Total equity attributable to equity holders
	Securities premium reserve	General reserve	Retained earnings	Loss on fair value of defined benefit plans	Hedge reserve	Impairment of investment carried at fair value	
As at 1 January 2016	**45,556.44**	**676.48**	**2,476.69**	**-**	**-**	**-**	**48,709.61**
Profit for the year	-	-	5,084.62	-	-	-	**5,084.62**
Other comprehensive income for the year	-	-	-	(143.35)	-	-	**(143.35)**
As at 31 December 2016	**45,556.44**	**676.48**	**7,561.31**	**(143.35)**	**-**	**-**	**53,650.88**
Payment of dividend and dividend distribution tax	-	-	(560.23)	-	-	-	**(560.23)**
Profit for the year	-	-	7,281.64	-	-	-	**7,281.64**
Other comprehensive income for the year	-	-	-	(207.39)	12.02	(0.26)	**(195.63)**
As at 31 December 2017	**45,556.44**	**676.48**	**14,282.72**	**(350.74)**	**12.02**	**(0.26)**	**60,176.66**

Nature and purpose of reserves

i. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

ii. Loss on fair value of defined benefit plans

The Company has recognised remeasurement loss (net of tax) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

iii. Hedge reserve

The Company has recognised changes in the fair value of forward contracts that are designated and effective as hedges of future cash flows in OCI under hedge reserve, net of applicable deferred income taxes. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss.

Notes 1 to 39 form an integral part of the standalone financial statements

This is the Statement of Changes in Equity referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 1 - CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Company') is a public company domiciled in India and was incorporated in 1978 under the provisions of the erstwhile Companies Act, 1956. The Company having CIN L61000MH1978PLC020435, is engaged in construction of a wide variety of structures like maritime structures, mass rapid transport systems (MRTS), dams & tunnels, airports, highways, bridges & flyovers and other foundations and specialised engineering work. The activities of the Company comprise only one business segment viz Construction. Its shares are listed on two recognised stock exchanges in India - the BSE Limited and the National Stock Exchange of India Limited. The registered office of the Company is located at National Plastic Building, A Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai 400057, India.

The standalone financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2018.

NOTE 2.1 - SIGNIFICANT ACCOUNTING POLICIES

i Basis of Preparation

The financial statements of the Company have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods upto and including year ended 31 December 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 December 2017 are the first financial statements prepared by the Company in accordance with Ind AS. Refer note 2.3 for information on how the Company adopted Ind AS.

The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis.

The Company's financial statements are reported in Indian Rupees, which is also the Company's functional currency, and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

ii Operating cycle for current and non-current classification:

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Company as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Company covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

iii Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

of the Company. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Company, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) No change in design and the geological factors will be same as communicated; and (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recoverability of claims

The Company has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact ultimate realisability of these claims.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Company will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iv Fair value measurement

The Company measures financial instruments, at fair value at each balance sheet date. (Refer Note 34)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

v Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure.

Pursuant to transition to Indian Accounting Standard, on the date of transition i.e. 1 January 2016; the Tools and equipment as at 31 December 2015 hitherto included under inventories have been reclassified to Property, Plant and Equipment.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 January 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 January 2016.

vi Depreciation expenses

Depreciation is calculated on a straight line method using the useful lives as prescribed in Schedule II to the Act or in case of assets where useful lives were determined by technical evaluation and management's experience of use of those assets, over the useful life so determined. Depreciation on additions to/deductions from owned assets is calculated pro-rata to the period of use.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount.

The estimated useful lives of items of Property, Plant and Equipment for current and comparative periods are as follows:

Asset Class	Useful lives
Leasehold improvements	Lease period or 5 years, whichever is lower
Buildings	60 years
Leasehold buildings	Lease period or 60 years, whichever is lower
Plant and equipment (including tools and equipment)	3 - 21 years
Vehicles	8 years
Office equipment	5 years
Furniture and fixtures	10 years
Computer equipment	3 - 6 years
Freehold land is carried at historical costs	

vii Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial Assets

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e., the date that the Company commits to purchase or sell the asset.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

(ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- *Financial Assets at Amortised Cost*

  Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

- *Financial Assets Measured at Fair Value*

  Financial assets are subsequently measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

  Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

  On transition to Ind AS, the Company has opted to continue with the carrying values measured under the previous GAAP as at 1 January 2016 of its equity investments in subsidiary and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 January 2016.

(iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) during the period is recognised as income/expense in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

(iv) De-recognition of Financial Assets

The Company de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

(i) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent Measurement

Non-derivative financial instruments

The measurement of financial liabilities depends on their classification, as described below :

- Financial liabilities at FVPL

  Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

  Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- Financial liabilities at amortised cost

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The Company uses hedging instruments that are governed by the policies of the Company.

Hedge Accounting

The Company uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognized directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognized immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

(iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

viii Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as supperannuation plan, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Provident Fund set up by the Company is administered through trusts of the Company. Interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by Central Goverment under Employees Provident Fund and Miscellaneous Proivisions Act, 1952 and shortfall, if any, shall be made good by the Company. The contribution paid or payable including the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. Accordingly the Provident Fund is treated as a defined benefit plan. Further, the pattern of investments for investible funds is

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

The Company also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Company's obligation into current and non-current is as per the actuarial valuation report.

c **Leave entitlement and compensated absences**

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d **Short-term Benefits**

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

ix Inventories

i. Construction materials are valued at lower of cost and net realisable value. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the Company from the taxing authorities). Net Realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

ii. Spares that are of regular use are charged to the statement of profit and loss as and when consumed.

x Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

xi Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Company as one segment of "Construction". Thus, as defined in Ind AS 108 "Operating Segments", the Company's entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xii Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a **Initial Recognition**

Foreign currency transactions are initially 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.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

xiii Revenue Recognition

a Accounting of Construction Contracts

Revenue from construction contracts is recognised on the basis of percentage completion method. The stage of completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of certification has been classified as "Unbilled revenue" under Other Financial Asset and certification in excess of contract revenue has been classified as "Amount due to customer" under Other Current Liabilities in the financial statements.

In addition, if it is expected that the contract will make a loss, the estimated loss is immediately provided for in the books of account.

Advance payments received from contractee for which no services are rendered are presented as 'Advances from contractee'.

b Share of profit and loss from Unincorporated Entities in the nature of Subsidiary, Joint Venture or Joint Operations

In case of Unincorporated Entities in the nature of subsidiary / joint venture, share of profit and loss are recognised in the Statement of Profit and Loss as and when the right to receive the profit share or obligation to settle the loss is established.

In case of Unincorporated Entities in the nature of a Joint Operation; the Company recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

c Accounting for Claims

Amounts recoverable in respect of the price and other escalation, bonus claims adjudication and variation in contract work required for performance of the contract to the extent that it is probable that they will result in revenue.

d Finance and Other Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable effective interest rate. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

xiv Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

a **Current Income Tax**

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b **Deferred Income Tax**

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Company will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

xv Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation.

Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xvi Impairment of Non-Financial Assets

As at each Balance Sheet date, the Company assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Company determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xvii Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xviii Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xix Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Company and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xx Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

xxi Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

NOTE 2.2 - RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Company from 1 January 2018.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

NOTE 2.3 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD

The Company has adopted Ind AS with effect from 1 January 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 January 2016 and all the periods presented have been restated accordingly.

i Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has availed the following exemptions:

a. Since, there is no change in the functional currency of the Company, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.

b. The Company has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for equity investments on the date of transition to Ind AS.

c. Fair value measurement of financial assets or liabilities at initial recognition: The Company has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.

d. Designation of previously recognised financial instruments: The Company does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

ii Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a Estimates

The estimates as at 1 January 2016 and 31 December 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

(i) Impairment of financial assets based on the expected credit loss model; and

(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Company to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b Classification and movement of financial assets and liabilities

The Company has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

iii Reconciliation of equity as previously reported under previous GAAP to Ind AS:

₹ lakhs

	Refer note	Balance sheet as at 31 December 2016			Opening balance sheet as at 1 January 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	2.3 (iii) 1	33,560.87	4,621.12	38,181.99	29,312.93	4,000.36	33,313.29
Capital work-in-progress		560.20	-	560.20	196.84	-	196.84
Financial assets							
Investments	2.3 (iii) 2	5.00	57.49	62.49	5.00	57.49	62.49
Trade receivables		2,863.37	-	2,863.37	2,863.37	-	2,863.37
Loans	2.3 (iii) 3	266.21	(17.65)	248.56	295.26	(40.43)	254.83
Other financial assets		8,677.57	-	8,677.57	8,694.61	-	8,694.61
Deferred tax assets (net)	2.3 (iii) 7	3.06	197.00	200.06	3,622.20	299.97	3,922.17
Income tax assets (net)		6,309.04	-	6,309.04	4,084.92	-	4,084.92
Other non-current assets	2.3 (iii) 3	14,883.74	2.69	14,886.43	12,581.95	12.40	12,594.35
Total non-current assets		**67,129.06**	**4,860.65**	**71,989.71**	**61,657.08**	**4,329.79**	**65,986.87**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

₹ lakhs

	Refer note	Balance sheet as at 31 December 2016			Opening balance sheet as at 1 January 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
Current assets							
Inventories	2.3 (iii) 1	15,612.45	(4,621.12)	10,991.33	18,521.41	(4,000.36)	14,521.05
Financial assets							
Investments		0.26	-	0.26	0.26	-	0.26
Trade receivables	2.3 (iii) 4	22,744.76	(2,209.52)	20,535.24	26,116.29	(2,087.33)	24,028.96
Cash and cash equivalents		16,200.48	-	16,200.48	7,830.14	-	7,830.14
Other bank balances		269.11	-	269.11	6,257.82	-	6,257.82
Loans	2.3 (iii) 2	17,109.41	2.70	17,112.11	12,613.14	6.12	12,619.26
Other financial assets	2.3 (iii) 4	42,571.28	1,535.12	44,106.40	72,767.68	1,205.83	73,973.51
Other current assets	2.3 (iii) 3	3,693.36	14.05	3,707.41	11,439.72	28.03	11,467.75
Total current assets		**118,201.11**	**(5,278.77)**	**112,922.34**	**155,546.46**	**(4,847.71)**	**150,698.75**
TOTAL ASSETS		**185,330.17**	**(418.12)**	**184,912.05**	**217,203.54**	**(517.92)**	**216,685.62**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		1,551.58	-	1,551.58	1,551.58	-	1,551.58
Other equity	2.3 (iii) 8	53,520.95	129.93	53,650.88	49,270.23	(560.62)	48,709.61
Total equity		**55,072.53**	**129.93**	**55,202.46**	**50,821.81**	**(560.62)**	**50,261.19**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings		4,062.13	-	4,062.13	982.81	-	982.81
Provisions		902.36	-	902.36	692.16	-	692.16
Total non-current liabilities		**4,964.49**	**-**	**4,964.49**	**1,674.97**	**-**	**1,674.97**
Current liabilities							
Financial liabilities							
Borrowings		29,348.43	-	29,348.43	45,168.90	-	45,168.90
Current maturities of long-term-borrowings		2,210.61	-	2,210.61	2,684.22	-	2,684.22
Trade payables		60,423.20	-	60,423.20	71,678.04	-	71,678.04
Other financial liabilities	2.3 (iii) 2	4,163.78	12.18	4,175.96	3,554.08	42.70	3,596.78
Other current liabilities		26,605.30	-	26,605.30	40,024.00	-	40,024.00
Provisions	2.3 (iii) 5 and 8	2,541.83	(560.23)	1,981.60	1,597.52	-	1,597.52
Total current liabilities		**125,293.15**	**(548.05)**	**124,745.10**	**164,706.76**	**42.70**	**164,749.46**
TOTAL EQUITY AND LIABILITIES		**185,330.17**	**(418.12)**	**184,912.05**	**217,203.54**	**(517.92)**	**216,685.62**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

Reconciliation of net profit as previously reported under previous GAAP to Ind AS

₹ lakhs

	Refer note	Year ended 31 December 2016		
		Previous GAAP	**Effects of transition to Ind AS**	**Ind AS**
Income				
Revenue from operations	-	291,735.11	-	291,735.11
Other income	2.3 (iii) 2, 3	1,975.78	686.14	2,661.92
Total income		**293,710.89**	**686.14**	**294,397.03**
Expenses				
Cost of construction materials consumed		65,536.17	-	65,536.17
Subcontracting expenses		128,612.76	-	128,612.76
Employee benefits expense	2.3 (iii) 5	22,140.99	(219.23)	21,921.76
Finance costs	2.3 (iii) 2 and 3	8,874.36	3.96	8,878.32
Depreciation expense	2.3 (iii) 1	3,230.78	1,352.71	4,583.49
Other expenses	2.3 (iii) 1, 3, 4	56,868.78	(1,901.17)	54,967.61
Total expenses		**285,263.84**	**(763.73)**	**284,500.11**
Profit before tax		**8,447.05**	**1,449.87**	**9,896.92**
Tax expense				
Current income tax		1,014.31	-	1,014.31
Deferred income tax	2.3 (iii) 7	3,619.14	178.85	3,797.99
		4,633.45	**178.85**	**4,812.30**
Profit for the year (A)		**3,813.60**	**1,271.02**	**5,084.62**
Other comprehensive income	2.3 (iii) 6			
Items not to be reclassified subsequently to profit or loss				
- Loss on fair value of defined benefit plans as per actuarial valuation	2.3 (iii) 5	-	(219.23)	(219.23)
- Tax effect on above		-	75.88	75.88
Other comprehensive loss for the year, net of tax (B)		**-**	**(143.35)**	**(143.35)**
Total comprehensive income for the year, net of tax (A+B)		**3,813.60**	**1,127.67**	**4,941.27**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

Explanation for reconciliation

1. ***Property, Plant and Equipment***

   The Company has elected to continue with the carrying value for all of its property, plant and equipment (PPE) as recognised in its previous GAAP financial as deemed cost at the transition date.

   Pursuant to transition to Indian Accounting Standard, on the date of transition i.e. 1 January 2016; the written down value of tools and equipment as at 31 December 2015 hitherto included under inventories have been reclassified to Property, plant and equipment.

2. ***Financial guarantees***

   Under Ind AS, financial guarantees given by the Company for its unincorporated entities is initially recognised as an investment and guarantee liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

3. ***Loans and other current assets***

   Security deposits paid are recognised at fair value on initial recognition. Fair value of the deposits is arrived at by discounting the future cash flows at incremental borrowing rate or market rate on the date of deposits. Subsequently these deposits are measured at amortised costs.

4. ***Trade receivables and other financial assets***

   The Company recognizes loss allowances using the expected credit loss (ECL) model for trade receivables and unbilled work-in-progress which are not fair valued through profit or loss. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit or loss.

5. ***Employee benefits***

   Under Ind AS, actuarial gains and losses are recognised in the other comprehensive income (“OCI”) as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

6. ***Other comprehensive income***

   Under the previous GAAP, the Company has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

7. ***Tax expenses***

   Deferred income tax

   Deferred tax have been recognised on the adjustments made on transition to Ind AS.

8. ***Other equity***

   Adjustments to retained earnings and OCI have been made in accordance with Ind AS, for the above mentioned transition items.

   In previous GAAP, dividend payable is recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognized as a liability in the period in which the obligation to pay is established. Accordingly, proposed dividends and the related tax have increased the retained earnings by ₹ 560.23 lakhs, as on 31 December 2016.

iv Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (TANGIBLE ASSETS)

Gross carrying value

₹ lakhs

	Freehold land	Leasehold improvements	Leasehold buildings	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Balance as at 1 January 2016 (deemed cost)	**548.71**	**155.72**	**-**	**962.64**	**31,031.98**	**39.72**	**242.17**	**163.04**	**169.31**	**33,313.29**
Additions	1.21	39.86	528.18	170.39	9,019.36	4.55	50.82	22.63	113.50	**9,950.50**
Disposals	-	-	-	-	(1,401.45)	(1.53)	(5.68)	(9.63)	(81.18)	**(1,499.47)**
Balance as at 31 December 2016	**549.92**	**195.58**	**528.18**	**1,133.03**	**38,649.89**	**42.74**	**287.31**	**176.04**	**201.63**	**41,764.32**
Additions	-	66.22	623.68	-	7,980.04	12.86	75.95	34.77	193.50	**8,987.02**
Disposals	-	-	-	-	(1,993.84)	(12.38)	(26.67)	(13.59)	(10.76)	**(2,057.24)**
Balance as at 31 December 2017	**549.92**	**261.80**	**1,151.86**	**1,133.03**	**44,636.09**	**43.22**	**336.59**	**197.22**	**384.37**	**48,694.10**
Accumulated depreciation										
Balance as at 1 January 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge	-	32.47	0.23	18.86	4,334.02	9.83	45.63	65.68	76.77	**4,583.49**
Accumulated depreciation on disposals	-	-	-	-	(907.83)	(1.49)	(5.44)	(9.63)	(76.77)	**(1,001.16)**
Balance as at 31 December 2016	**-**	**32.47**	**0.23**	**18.86**	**3,426.19**	**8.34**	**40.19**	**56.05**	**-**	**3,582.33**
Depreciation charge	-	40.79	15.06	19.39	5,201.37	5.87	68.85	67.63	101.34	**5,520.30**
Accumulated depreciation on disposals	-	-	-	-	(1,019.83)	-	(17.81)	-	(10.57)	**(1,048.21)**
Balance as at 31 December 2017	**-**	**73.26**	**15.29**	**38.25**	**7,607.73**	**14.21**	**91.23**	**123.68**	**90.77**	**8,054.42**
Net carrying value										
Balance as at 1 January 2016 (deemed cost)	548.71	155.72	-	962.64	31,031.98	39.72	242.17	163.04	169.31	**33,313.29**
Balance as at 31 December 2016	549.92	163.11	527.95	1,114.17	35,223.70	34.40	247.12	119.99	201.63	**38,181.99**
Balance as at 31 December 2017	**549.92**	**188.54**	**1,136.57**	**1,093.78**	**37,028.36**	**29.01**	**245.36**	**73.54**	**293.60**	**40,639.68**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 4 - NON-CURRENT INVESTMENTS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Investments valued at deemed cost (Trade)			
Investment in equity shares	5.00	5.00	5.00
Investment in unincorporated entity	57.49	57.49	57.49
Total non-current investments	**62.49**	**62.49**	**62.49**

Note 4.1 Detailed list of non-current investments

Investments valued at deemed cost, unquoted			
a) Investments in equity shares, fully paid:			
In subsidiary			
ITD Cementation Projects India Limited	5.00	5.00	5.00
50,000 equity shares of ₹ 10 each (31 December 2016: 50,000, 1 January 2016: 50,000)			
	5.00	**5.00**	**5.00**
b) Investments in unincorporated entities			
i) In subsidiaries *			
ITD Cemindia JV	-	-	-
ITD Cem-Maytas Consortium	-	-	-
ii) In Joint Ventures *			
ITD - ITDCem JV ^	57.49	57.49	57.49
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	-	-	-
CEC-ITD Cem-TPL JV	-	-	-
* Being unincorporated entities, the Company does not require to have any investment in these entities as per the JV agreement.			
^Represents fair value of financial guarantee			
	57.49	**57.49**	**57.49**
Total non-current investments	**62.49**	**62.49**	**62.49**
Details:			
Aggregate of non-current investments:			
(i) Carrying value of investments	62.49	62.49	62.49
(ii) Market value of investments	-	-	-
(iii) Impairment allowances	-	-	-
(i) Investments carried at deemed cost	62.49	62.49	62.49
(ii) Investments carried at amortised cost	-	-	-
(iii) Investments carried at fair value through profit and loss	-	-	-
	62.49	**62.49**	**62.49**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 5 - TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Trade receivables	309.00	2,863.37	2,863.37
[Including retention Nil (31 December 2016 : ₹ 571.41 lakhs, 1 January 2016 : ₹ 571.41 lakhs)]			
Total non-current trade receivables	**309.00**	**2,863.37**	**2,863.37**
Current			
Trade receivables			
- considered good [(Refer note 35 (c)]	22,388.38	20,535.24	24,028.96
- considered doubtful	4,816.95	6,149.78	4,469.56
[Including retention ₹ 13,348.98 lakhs (31 December 2016: ₹ 11,946.64 lakhs, 1 January 2016 : ₹ 12,728.13 lakhs)]	**27,205.33**	**26,685.02**	**28,498.52**
Impairment allowance for doubtful debts	(4,816.95)	(6,149.78)	(4,469.56)
Total current trade receivables	**22,388.38**	**20,535.24**	**24,028.96**
Total trade receivables	**22,697.38**	**23,398.61**	**26,892.33**

Note: Trade Receivables are non-interest bearing and are generally on credit terms of 30-90 days.

NOTE 6 - LOANS

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Security deposits	225.29	248.56	254.83
Total non-current loans	**225.29**	**248.56**	**254.83**
Current			
Security deposits			
- considered good	2,403.30	2,314.83	1,452.88
- considered doubtful	63.36	55.83	97.55
Receivable from unincorporated entities (Refer note 35)	56,022.99	14,797.28	11,166.38
Total	**58,489.65**	**17,167.94**	**12,716.81**
Less : Impairment allowance	(63.36)	(55.83)	(97.55)
Total current loans	**58,426.29**	**17,112.11**	**12,619.26**
Total loans	**58,651.58**	**17,360.67**	**12,874.09**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 7 - OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Unbilled revenue	-	8,677.57	8,677.57
Bank deposits with original maturity of more than 12 months	39.00	-	12.00
Interest accrued on bank deposits	-	-	5.04
Total non-current financial assets	**39.00**	**8,677.57**	**8,694.61**
Current			
Unbilled revenue			
- considered good	48,067.54	43,945.98	73,737.33
- considered doubtful	119.21	408.71	649.67
Interest accrued on deposits	27.27	28.81	115.06
Employee advances	12.86	11.32	18.29
Foreign currency forward contract ^	1,478.73	-	-
Others	24.70	120.29	102.83
	49,730.31	**44,515.11**	**74,623.18**
Less: Impairment allowance	(119.21)	(408.71)	(649.67)
Total current financial assets	**49,611.10**	**44,106.40**	**73,973.51**
Total other financial assets	**49,650.10**	**52,783.97**	**82,668.12**

^ *Financial assets carried at fair value through other comprehensive income*

NOTE 8 - INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
a) Income tax assets	8,148.52	8,766.02	5,146.81
b) Current income tax liabilities	(7,220.46)	(2,456.98)	(1,061.89)
Net income tax assets	**928.06**	**6,309.04**	**4,084.92**

ii. The gross movement in the current tax asset:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Net current income tax assets at the beginning	6,309.04	4,084.92
Income tax paid/(refund), net	(236.51)	3,238.43
Current Income tax expense	(5,144.47)	(1,014.31)
Net current income tax assets/liabilities at the end	**928.06**	**6,309.04**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

iii. Income tax expense in the Statement of Profit and Loss comprises:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Current income taxes	5,144.47	1,014.31
Deferred income taxes	9.48	3,797.99
Income tax expenses (net)	**5,153.95**	**4,812.30**

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Profit before income tax	12,435.59	9,896.92
Applicable income tax rate	34.61%	34.61%
Computed expected tax expense	**4,303.96**	**3,425.32**
Effect of expenses not allowed for tax purpose	690.80	1,938.49
Tax adjustments for earlier years	159.19	(137.90)
Effect of change in tax rate	-	(413.61)
Income tax expense charged to the Statement of Profit and Loss	**5,153.95**	**4,812.30**

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Impairment allowance for doubtful debts, deposits and unbilled revenue	1,730.22	2,289.09	1,644.69
Provision for employee benefits	1,719.09	1,471.44	981.76
Disallowance for forseeable losses as per Income Computation and Disclosure Standards (ICDS)	-	163.59	356.54
Brought forward business loss	-	-	4,211.57
Others	229.04	0.36	11.01
Deferred tax assets	**3,678.35**	**3,924.48**	**7,205.57**
Deferred income tax liability			
Timing difference on amount of depreciation on tangible assets	3,384.37	3,708.74	3,278.28
Others	-	15.68	5.12
Deferred tax liability	**3,384.37**	**3,724.42**	**3,283.40**
Deferred tax assets (net)	**293.98**	**200.06**	**3,922.17**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 9 - OTHER ASSETS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Capital advances	855.89	499.90	1,212.05
Balances with government authorities	18,434.58	14,383.84	11,369.90
Prepaid expenses	78.69	2.69	12.40
Total other non-current assets	**19,369.16**	**14,886.43**	**12,594.35**
Current			
Advance to suppliers and subcontractors	1,527.08	1,548.65	9,317.87
Balances with government authorities	2,674.95	-	-
Prepaid expenses	1,211.11	2,158.76	2,149.88
Total other current assets	**5,413.14**	**3,707.41**	**11,467.75**
Total other assets	**24,782.30**	**18,593.84**	**24,062.10**

NOTE 10 - INVENTORIES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Construction materials	10,370.42	9,697.33	13,154.32
Spares	1,590.04	1,294.00	1,366.73
Total inventories	**11,960.46**	**10,991.33**	**14,521.05**

NOTE 11 - CURRENT INVESTMENTS

Investments in unquoted equity shares

	As at 31 December 2017		As at 31 December 2016		As at 1 January 2016	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs	No. of shares	₹ lakhs
AVR Infra Private Limited ^	2,600	0.26	2,600	0.26	2,600	0.26
Less: impairment allowance		(0.26)		-		-
Total current investments		**-**		**0.26**		**0.26**

^ Face value of ₹ 10 each

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 12 - CASH AND CASH EQUIVALENTS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Balances with banks			
- in current accounts	2,532.97	2,943.89	3,395.16
- in deposit account (with original maturity upto 3 months)	8,100.00	13,200.00	4,300.00
Cash on hand	65.94	56.59	134.98
Total cash and cash equivalents	**10,698.91**	**16,200.48**	**7,830.14**

NOTE 13 - OTHER BANK BALANCES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Earmarked balances with banks for:			
Bank deposits with maturity of more than 3 months but less than 12 months (Refer note 13.1 below)	242.45	263.65	6,251.65
Balances with bank for unclaimed dividend (Refer note 13.2 below)	7.46	5.46	6.17
Total other bank balances	**249.91**	**269.11**	**6,257.82**

Note 13.1 Includes ₹ 242.45 lakhs (31 December 2016 ₹ 241.65 lakhs, 1 January 2016 ₹ 241.65 lakhs) earmarked against bank guarantees taken by the Company and Nil (31 December 2016 ₹ 22 lakhs, 1 January 2016 ₹ 10 lakhs) placed as earnest money deposit.

Note 13.2 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at each reporting period.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 14 - SHARE CAPITAL

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Authorised share capital			
300,000,000 Equity shares of ₹ 1 each (31 December 2016: 300,000,000; 1 January 2016: 300,000,000)	3,000.00	3,000.00	3,000.00
45,000,000 Redeemable preference shares of ₹ 10 each (31 December 2016: 45,000,000; 1 January 2016: 45,000,000)	4,500.00	4,500.00	4,500.00
Total authorised share capital	**7,500.00**	**7,500.00**	**7,500.00**
Issued equity share capital:			
155,183,160 Equity shares of ₹ 1 each (31 December 2016:155,183,160; 1 January 2016:155,183,160)	1,551.83	1,551.83	1,551.83
Total issued equity share capital	**1,551.83**	**1,551.83**	**1,551.83**
Subscribed and fully paid-up equity share capital:			
155,157,900 Equity shares of ₹ 1 each fully paid up (31 December 2016:155,157,900; 1 January 2016: 155,157,900)	1,551.58	1,551.58	1,551.58
Total Subscribed and fully paid-up equity share capital	**1,551.58**	**1,551.58**	**1,551.58**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	₹ lakhs
As at 1 January 2016	**155,157,900**	**1,551.58**
Changes in equity share capital	-	-
As at 31 December 2016	**155,157,900**	**1,551.58**
Changes in equity share capital	-	-
As at 31 December 2017	**155,157,900**	**1,551.58**

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts,if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

c. Shares held by holding Company

	31 December 2017		31 December 2016		1 January 2016	
	% held	No. of shares	% held	No. of shares	% held	No. of shares
Equity shares of ₹ 1 each						
Italian-Thai Development Public Company Limited, Thailand	51.63%	80,113,180	51.63%	80,113,180	51.63%	80,113,180

d. Shareholding of more than 5%:

Name of the Shareholder	% held	No. of shares	% held	No. of shares	% held	No. of shares
Promoter						
Italian-Thai Development Public Company Limited, Thailand	51.63%	80,113,180	51.63%	80,113,180	51.63%	80,113,180
Non-promoter						
HDFC Trustee Company Limited	-	-	6.82%	10,576,780	7.11%	11,033,180
Reliance Capital Trustee Co. Limited	6.04%	9,376,105	-	-	-	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - **Nil**

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - **Nil**

(iii) Aggregate number and class of shares bought back - **Nil**

f. Out of the total issued capital, 25,260 (31 December 2016: 25,260; 1 January 2016 25,260) equity shares of ₹ 1 each have been kept in abeyance pending final settlement of rights issues.

g. Subsequent to 31 December 2017, pursuant to the approval of the QIP Committee of Directors of the Board of the Company at its meeting held on 30 January 2018, the Company issued 16,629,684 equity shares of ₹ 1 each, at an issue price of ₹ 202.55 per equity share (of which ₹ 201.55 per share is towards securities premium) aggregating ₹ 33,683.42 lakhs to Qualified Institutionals Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013, as amended, and the rules made thereunder.

h. The Board of Directors of the Company has recommended Equity dividend of ₹ 0.40 per share (Previous Year: ₹ 0.30) for the year ended 31 December 2017.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 15 - BORROWINGS

Non-current portion:

	Effective interest rate		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
	31 December 2017	31 December 2016	₹ lakhs	₹ lakhs	₹ lakhs
Secured					
(A) Rupee term loans					
(i) From Banks	10.15%	10.15%	-	2,650.00	-
(ii) From Others	13.50%	13.50%	-	-	315.04
(B) Plant loans					
(i) From Banks	9.65%-11.03%	9.65%-11.03%	1,205.30	484.56	212.91
(ii) From Others	11.00%-12.50%	11.00%-12.50%	1,144.74	843.61	364.77
(C) Vehicle loans from banks	9.50%-10.50%	9.50%-10.50%	111.72	83.96	90.09
Total non-current borrowings			**2,461.76**	**4,062.13**	**982.81**

Current maturities of long-term borrowings

	Effective interest rate		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
	31 December 2017	31 December 2016	₹ lakhs	₹ lakhs	₹ lakhs
Secured					
(A) Rupee term loans					
(i) From Banks	10.15%	10.15%	2,650.00	1,350.00	1,989.04
(ii) From Others	13.50%	13.50%	-	-	273.94
(B) Plant loans					
(i) From Banks	9.65%-11.03%	9.65%-11.03%	752.10	361.94	100.76
(ii) From Others	11.00%-12.50%	11.00%-12.50%	699.42	435.32	281.04
(C) Vehicle loans from banks	9.50%-10.50%	9.50%-10.50%	58.05	63.35	39.44
Total current maturities of long-term borrowings			**4,159.57**	**2,210.61**	**2,684.22**
Total borrowings			**6,621.33**	**6,272.74**	**3,667.03**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

Terms of repayment and details of security

Note 15.1: Rupee term loan - from banks

Term loans from banks are repayable in 3 equal quaterly installments starting from November 2017. These loans are secured by hypothecation of Kolkata area depot land.

Note 15.2 - Rupee term loans from others

Term Loan from others has been fully repaid during the year. This loan was secured by hypothecation of Kolkata office premises.

Note 15.3 - Plant loans from banks

Loans obtained for purchase of construction equipments are repayble in 36 to 58 monthly structured installments. These loans are secured by first and exclusive charge on specific equipments financed by the bank.

Note 15.4 - Plant loans from others

Loans obtained for purchase of construction equipment are repayable in 29 to 60 monthly structured installments. These loans are secured by first and exclusive charge on specific equipments financed by the financial institution.

Note 15.5 - Vehicle loans from banks

Loans obtained for purchase of vehicles are repayble in 60 monthly structured installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

NOTE 16 - PROVISIONS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Provision for employee benefits (Refer note 33)			
- Leave entitlement and compensated absences	1,110.31	902.36	692.16
Total non-current provisions	**1,110.31**	**902.36**	**692.16**
Current			
Provision for employee benefits (Refer note 33)			
- Gratuity	2,051.00	1,653.81	1,315.03
- Leave entitlement and compensated absences	144.44	131.13	100.38
- Provident fund	206.71	196.66	182.11
Total current provisions	**2,402.15**	**1,981.60**	**1,597.52**
Total provisions	**3,512.46**	**2,883.96**	**2,289.68**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 17 - CURRENT BORROWINGS

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
I.	**Secured**			
	Rupee loan from banks (Repayable on demand)			
	Cash credit facilities	12,977.26	3,361.23	19,181.70
	Working capital demand loan	11,761.26	8,487.20	8,487.20
		24,738.52	**11,848.43**	**27,668.90**
II.	**Unsecured**			
	Commercial paper from others	17,500.00	17,500.00	17,500.00
Total current borrowings (I+II)		**42,238.52**	**29,348.43**	**45,168.90**

Note 17.1 - Cash credit facilities (secured) :

Cash credit facilities are availed from consortium bankers carries various effective interest rates ranging from 11.02 to 14.50 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Plant loans. These facilities are payable on demand.

Note 17.2 - Working capital demand loan :

Working capital demand loans carry an effective interest rate ranging from 9.70 to 12.00 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Plant loans. This facility is payable on demand.

Note 17.3 - Commercial Paper (unsecured) :

Commercial Paper carry effective interest rate ranging between 10.00 to 10.50 percent per annum.

NOTE 18 - TRADE PAYABLES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 18.1)	77.80	709.27	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	51,124.07	59,713.93	71,678.04
Total trade payables	**51,201.87**	**60,423.20**	**71,678.04**

Note 18.1 The Company has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 December 2017.

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
The disclosure pursuant to the said Act is as under:			
Principal amount due to suppliers under MSMED Act	77.80	709.27	-
Interest accrued and due to suppliers under MSMED Act on the above amount	2.47	6.78	-
Payment made to suppliers (other than interest) beyond appointed day during the year	916.04	632.89	-

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Interest paid to suppliers under MSMED Act	-	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	18.57	5.10	-
Interest accrued and remaining unpaid at the end of the accounting year	21.04	6.78	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	21.04	6.78	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 18.2 Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

NOTE 19 - OTHER FINANCIAL LIABILITIES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Current			
Interest accrued but not due	73.93	37.20	137.77
Unpaid dividends ^	7.46	5.46	6.17
Amount due to parent company (Refer note 35(c))	246.66	-	-
Creditors for capital expenses	1,006.26	358.99	179.39
Employee related dues	3,263.03	3,149.48	2,541.04
Financial guarantees	-	12.18	42.69
Foreign currency forward contract ^^	1,497.60	-	-
Others	458.61	612.65	689.72
Total other financial liabilities	**6,553.55**	**4,175.96**	**3,596.78**

^ *Not due for credit to Investor Education and Protection Fund*

^^ *Financial liability carried at fair value through profit and loss*

NOTE 20 - OTHER CURRENT LIABILITIES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Advances from contractee	29,989.63	12,786.32	37,269.90
Amount due to customers	19,838.60	13,169.84	1,892.66
Statutory dues payable	309.27	328.49	587.33
Others	294.82	320.65	274.11
Total other current liabilities	**50,432.32**	**26,605.30**	**40,024.00**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 21 - REVENUE FROM OPERATIONS

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Contract revenue	1,86,629.79	2,91,529.43
Other operating revenues - Service income from unincorporated entities	662.23	205.68
Total revenue from operations	**1,87,292.02**	**2,91,735.11**

NOTE 22 - OTHER INCOME

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Interest income		
- on bank deposits	1,015.51	1,157.92
- on financial assets carried at amortised cost	890.38	651.67
- on income tax refund	244.43	183.28
- on sales tax refund	103.56	21.82
- others	23.04	9.96
Other non-operating income		
- Excess provision no longer required written back	345.20	206.93
- Insurance claim	387.85	34.87
- Exchange gain (net)	-	25.64
- Miscellaneous income	413.72	369.83
Total other income	**3,423.69**	**2,661.92**

NOTE 23 - COST OF CONSTRUCTION MATERIALS CONSUMED

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Stock at beginning of the year	9,697.33	13,702.35
Add: Purchases	55,024.81	61,531.15
	64,722.14	**75,233.50**
Less: Stock at the end of the year	10,370.42	9,697.33
Total cost of construction materials consumed	**54,351.72**	**65,536.17**

NOTE 24 - EMPLOYEE BENEFITS EXPENSE

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Salaries and wages	21,481.67	19,964.22
Contribution to provident and other funds (Refer note 33)	1,685.33	1,531.58
Gratuity (Refer note 33)	380.02	369.69
Staff welfare	67.76	56.27
Total employee benefits expense	**23,614.78**	**21,921.76**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 25 - FINANCE COSTS

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Interest on:		
- Cash credit facilities	3,318.56	3,233.13
- Term loans	665.67	333.68
- Commercial papers	1,313.04	1,668.62
- Advances from customers	414.88	772.93
- Letter of credit	255.88	367.25
- Others	26.40	35.17
Other borrowing costs		
- Bank charges and guarantee commission	2,559.37	2,467.54
Total finance costs	**8,553.80**	**8,878.32**

NOTE 26 - OTHER EXPENSES

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Plant hire expenses	5,159.38	5,466.13
Power and fuel	8,235.82	7,666.65
Rates and taxes	8,554.12	17,791.01
Travelling expenses	1,108.13	930.32
Site transport and conveyance	2,140.20	2,507.61
Repairs and maintenance:		
- Plant and machinery	1,015.41	1,218.21
- Others	195.70	177.62
Insurance	1,005.34	1,082.45
Professional fees	2,118.53	1,088.13
Rent (Refer note 26.2)	2,458.76	2,591.98
Share of loss from unincorporated entities (net) [(Refer note 35(b)]	1,337.16	5,579.60
Consumption of spares	1,868.01	2,104.66
Security charges	779.11	830.73
Temporary site installations	384.82	397.93
Postage, telephone and telegram	185.32	209.71
Auditor remuneration (Refer note 26.1)	81.32	73.98
Impairment allowance on financial assets (net)	477.06	1,784.87
Water charges	597.07	791.69
Printing and stationery	154.46	159.19
Infotech expenses	237.68	259.89
Royalty expense [(Refer note 35(b)]	933.15	-
Exchange loss (net)	5.00	-
Directors' sitting fees [(Refer note 35(b)]	11.00	8.90
CSR expenses ^	-	2.25
Loss on disposal of property, plant and equipment (net)	657.80	416.27
Miscellaneous expenses	1,757.59	1,827.83
Total other expenses	**41,457.94**	**54,967.61**

^ The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

Note 26.1: - Auditor Remuneration

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
- Audit fees	38.10	39.68
- Tax audit fee (including tax accounts)	11.00	12.65
- Limited review	15.78	17.23
- Certification fees	14.39	3.10
- Reimbursement of out of pocket expenses	2.05	1.32
	81.32	**73.98**

Note 26.2 - The Company has taken various residential/commercial premises and construction equipment on cancellable operating lease. These lease agreements are normally renewed on expiry. Rental expenses in the Statement of Profit and Loss for the year includes lease payments towards premises ₹ 1,906.76 lakhs (31 December 2016 - ₹ 2,010.60 lakhs).

The Company, in addition to above, has taken commercial premises on leases (non-cancellable operating leases). The future minimum lease payments in respect of which as at 31 December 2017 are as follows:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Minimum lease rental payments			
- Payable not later than one year	600.30	230.00	552.00
- Payable later than one year and not later than five years	2,264.18	-	230.00
	2,864.48	**230.00**	**782.00**

These leases have no escalation clauses.

Rental expenses in the Statement of Profit and Loss for the year includes ₹ 552.00 lakhs (31 December 2016 - ₹ 552.00 lakhs) towards such non-cancellable leases.

General descriptions of non-cancellable lease terms :
- Lease rentals are charged on the basis of agreed terms.
- Assets are taken on lease over a period of 3-5 years.
- The Company did not sublease any of its assets and hence did not receive any sub lease payments during the current or previous year.

NOTE 27 - EXCEPTIONAL ITEM

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Non-current trade receivables and non-current other financial assets written off	11,232.17	-
Provisions no longer required written back	(9,048.23)	-
	2,183.94	**-**

NOTE 28 - EARNINGS PER SHARE (EPS)

Basic and diluted EPS

		Year ended 31 December 2017	Year ended 31 December 2016
Profit computation for basic earnings per share of ₹ 1 each			
Net profit as per the Statement of Profit and Loss available for equity shareholders	(₹ lakhs)	7,281.64	5,084.62
Weighted average number of equity shares for EPS computation	(Nos.)	15,51,57,900	15,51,57,900
EPS - Basic and Diluted EPS	(₹)	4.69	3.28

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 29 - CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
(i)	Guarantees given by banks in respect of contracting commitments in the normal course of business			
	- for the Company	41,742.08	39,241.31	28,521.08
	- for subsidiary	513.79	513.79	1,027.57
	- for Joint Venture	1,128.79	2,728.16	5,527.79
(ii)	Corporate Guarantee given to bank on behalf of unincorporated entities	138,500.00	48,651.00	48,651.00
(iii)	Letter of credit limit utilized by unincorporated entities	760.53	610.77	63.81
(iv)	Claims against the Company not acknowledged as debts (Refer notes below)	11,945.77	13,116.77	12,016.77
(v)	Sales Tax matters pending in appeals	3,525.28	4,006.27	2,006.88
(vi)	Income Tax matters pending in appeal	813.16	1,480.38	1,319.08
(vii)	Excise matter pending in appeal	51.70	51.70	51.70

Notes-

1. The Company has a number of claims on customers for price escalation and / or variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims. The Company has received legal advice that none of the counter-claims are legally tenable. Accordingly no provision is considered necessary in respect of these counter claims.

2. It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Company does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	639.92	1,362.36	310.28

NOTE 30 - DISCLOSURE IN ACCORDANCE WITH IND AS 11 - CONSTRUCTION CONTRACTS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Contract revenue for the year	186,629.79	291,529.43
Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	669,487.63	599,818.35
Advances received from customers	29,989.63	12,786.32
Retention money	13,348.98	12,518.05
Gross amount due from customers for contract work (net of retention)	57,415.94	63,504.11
Gross amount due to customers for contract work	19,838.60	13,169.84

NOTE 31 - SEGMENT REPORTING

The Company is principally engaged in a single business segment viz. Construction. Also refer note 36 for information on revenue from major customers.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 32 - INTERESTS IN OTHER ENTITIES

Joint Ventures

₹ lakhs

Name of the Joint Venture	Proportion of effective interest			Description of interest	Principal activities
	31 December 2017	31 December 2016	1 January 2016		
ITD - ITD Cem JV	49%	49%	49%	Co-venturer	Construction
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40%	40%	40%	Co-venturer	Construction
CEC-ITD Cem-TPL JV	60%^	60%^	-	Co-venturer	Construction

^ Though the Company's effective interest in the joint venture exceeds 50%, the entity has been classified as a joint venture. The management has assessed whether or not the Company has control over the entity based on whether the Company has practical ability to direct relevant activities unilaterally. In this case, based on specific joint venture agreement, the management concluded that the Company does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other co-venturer.

NOTE 33 - DISCLOSURE RELATING TO EMPLOYEE BENEFITS AS PER IND AS 19 'EMPLOYEE BENEFITS'

A Defined benefit obligations - Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972 under which an employee who has completed five years of service is entitled to specific benefits. The level of benefits provided depends on the member's length of service and salary at retirement age.

₹ lakhs

		Year ended 31 December 2017	Year ended 31 December 2016
a)	Changes in defined benefit obligations		
	Present value of obligation as at the beginning of the year	3,272.28	2,681.54
	Interest cost	238.88	207.61
	Current service cost	258.81	274.49
	Past service cost	0.48	-
	Remeasurements - Net actuarial (gains)/ losses	331.01	281.37
	Benefits paid	(265.10)	(172.73)
	Present value of obligation as at the end of the year	**3,836.36**	**3,272.28**
b)	Changes in fair value of the plan assets of the gratuity plan		
	Plan assets at the beginning of the period	1,618.47	1,366.51
	Interest income	118.15	112.41
	Contribution by employer	299.99	250.00
	Benefit paid	(265.10)	(172.73)
	Return on plan assets (incl. interest income)	13.85	62.28
	Fair value of the plan assets at the end of the year	**1,785.36**	**1,618.47**
c)	Expenses recognised in the Statement of Profit and Loss		
	Interest cost	120.73	95.20
	Current service cost	258.81	274.49
	Past service cost	0.48	-
	Total	**380.02**	**369.69**
d)	Remeasurement losses recognised in OCI		
	Actuarial changes arising from changes in financial assumptions	331.01	281.37
	Return on plan assets (excluding interest income)	(13.85)	(62.14)
	Total	**317.16**	**219.23**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

		31 December 2017	31 December 2016	1 January 2016
e)	**Actuarial assumptions**			
	Discount rate	7.85%	7.30%	8.00%
	Salary escalation rate - over a long-term	6.00%	5.00%	5.00%
	Mortality rate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate	Indian assured lives mortality (2006-08) ultimate

The attrition rate is 5% - for ages 44 years and below, 2.5% - for ages 45 years and above in year 31 December 2017 (31 December 2016 - 5% for ages 44 years and below, 2.5% for ages 45 years and above)

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

f) **Quantities sensitivity analysis for significant assumption is as below:**

Sensitivity for significant actuarial assumptions is computed by varying one actuarial assumption used for the valuation of the defined benefit obligation, keeping all other actuarial assumptions constant. The significant actuarial assumptions are discount rate and salary escalation rate.

₹ lakhs

		31 December 2017	31 December 2016
		1% increase	
i.	Discount rate	(258.72)	(198.48)
ii.	Salary escalation rate - over a long-term	303.04	208.84
		1% decrease	
i.	Discount rate	300.46	224.67
ii.	Salary escalation rate - over a long-term	(265.24)	(192.28)

The sensitivity analysis presented above may not be representative of the actual charge in the defined benefit obligation as it is unlikely that the change in assumption would occur in isolation of one another as the assumptions may be correlated.

g) **Maturity analysis of defined benefit obligation:**

The defined benefit obligation shall mature after 31 December 2017 as follows:

	₹ lakhs
Within the next 12 months	429.81
Between 2 and 5 years	602.60
Between 6 and 10 years	618.36
Total expected payments	**1,650.77**

B Provident Fund

The Company's expense for the provident fund aggregates ₹ 1,107.63 lakhs during the year ended 31 December 2017 (31 December 2016 ₹ 966.47 lakhs).

Provident fund of employees is managed by the Company through trust "ITD Cementation India Limited Workmen Provident Fund", in line with the Provident Fund and Miscellaneous Provision Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund Authorities. The contribution by the employer and employee together with the interest accumulated thereon are payable to employees at the time of separation from the Company or retirement, whichever is earlier. The benefits vests immediately on rendering of the services by the employee.

In terms of the guidance note issued by the Accounting Standards Board (ASB) of the Institute of Chartered Accountants of India for measurement of provident fund liabilities, the valuer has certified that there is no shortfall as at each reporting period.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

C Superannuation

The Company's expense for the superannuation, a defined contribution plan aggregates ₹ 577.70 lakhs during the year ended 31 December 2017 (31 December 2016 ₹ 565.11 lakhs).

D Current/ non-current classification

₹ lakhs

	31 December 2017	31 December 2016	1 January 2016
Gratuity			
Current	2,051.00	1,653.81	1,315.03
	2,051.00	**1,653.81**	**1,315.03**

The expenses for leave entitlement and compensated absences is recognized in the same manner as gratuity and provision of ₹ 1,254.75 lakhs (31 December 2016: ₹ 1,033.49 lakhs; 1 January 2016: ₹ 792.54 lakhs) has been made as at 31 December 2017.

Leave entitlement (including sick leave)			
Current	144.44	131.13	100.38
Non-current	1,110.31	902.36	692.16
	1,254.75	**1,033.49**	**792.54**

NOTE 34 - FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 December 2017 were as follows:

₹ lakhs

	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares (unquoted)	4	-	-	-	62.49	-	62.49	62.49
Trade receivables	5	22,697.38	-	-	-	-	22,697.38	22,697.38
Loans	6	58,651.58	-	-	-	-	58,651.58	58,651.58
Other financial assets	7	48,171.37	-	-	1,478.73	-	49,650.10	49,650.10
Cash and cash equivalents	12	10,698.91	-	-	-	-	10,698.91	10,698.91
Other bank balances	13	249.91	-	-	-	-	249.91	249.91
Liabilities:								
Borrowings	15,17	48,859.85	-	-	-	-	48,859.85	48,859.85
Trade payables	18	51,201.87	-	-	-	-	51,201.87	51,201.87
Other financial liabilities	19	6,553.55	-	-	-	-	6,553.55	6,553.55

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

The carrying value and fair value of financial instruments by categories as at 31 December 2016 were as follows:

₹ lakhs

	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares (unquoted)	4,11	-	-	-	62.75	-	62.75	62.75
Trade receivables	5	23,398.61	-	-	-	-	23,398.61	23,398.61
Loans	6	17,360.67	-	-	-	-	17,360.67	17,360.67
Other financial assets	7	52,783.97	-	-	-	-	52,783.97	52,783.97
Cash and cash equivalents	12	16,200.48	-	-	-	-	16,200.48	16,200.48
Other bank balances	13	269.11	-	-	-	-	269.11	269.11
Liabilities:								
Borrowings	15,17	35,621.17	-	-	-	-	35,621.17	35,621.17
Trade payables	18	60,423.20	-	-	-	-	60,423.20	60,423.20
Other financial liabilities	19	4,175.96	-	-	-	-	4,175.96	4,175.96

The carrying value and fair value of financial instruments by categories as at 1 January 2016 were as follows

₹ lakhs

	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares (unquoted)	4,11	-	-	-	62.75	-	62.75	62.75
Trade receivables	5	26,892.33	-	-	-	-	26,892.33	26,892.33
Loans	6	12,874.09	-	-	-	-	12,874.09	12,874.09
Other financial assets	7	82,668.12	-	-	-	-	82,668.12	82,668.12
Cash and cash equivalents	12	7,830.14	-	-	-	-	7,830.14	7,830.14
Other bank balances	13	6,257.82	-	-	-	-	6,257.82	6,257.82
Liabilities:								
Borrowings	15,17	48,835.93	-	-	-	-	48,835.93	48,835.93
Trade payables	18	71,678.04	-	-	-	-	71,678.04	71,678.04
Other financial liabilities	19	3,596.78	-	-	-	-	3,596.78	3,596.78

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

₹ lakhs

	31 December 2017			31 December 2016			1 January 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investments in Equity shares (unquoted)	-	-	62.49	-	-	62.75	-	-	62.75
Foreign currency forward contract	-	1,478.73	-	-	-	-	-	-	-

NOTE 35 - DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

A) Names of related parties and description of relationship

a) Enterprise where control exists

i) **Holding Company**

Italian-Thai Development Public Company Limited

ii) **Subsidiary Company**

ITD Cementation Projects India Limited

b) Other related parties with whom the Company had transactions

i) **Unincorporated entities - Subsidiary**

ITD Cemindia JV
ITD Cem-Maytas Consortium

ii) **Unincorporated entities - Joint Venture**

ITD - ITD Cem JV
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)
CEC-ITD Cem-TPL JV

iii) **Key managerial personnel (KMP)**

Mr. Adun Saraban – Managing Director
Mr. S. Ramnath – Chief Financial Officer (retired on 15 July 2017)
Mr. Prasad Patwardhan – Chief Financial Officer (appointed w.e.f. 16 July 2017)
Mr. Rahul Neogi - Company Secretary (appointed w.e.f. 1 February 2017)
Mr. R C Daga – Company Secretary (retired on 31 January 2017)
Mr. D.E.Udwadia - Independent Director
Mr. D.P. Roy - Independent Director
Mrs. Ramola Mahajani - Independent Director

iv) **Entities where KMP has significant influence**

Udwadia & Co.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 35 - DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY TRANSACTIONS

B) Nature of Transactions

Transactions with related parties:

₹ lakhs

		Year ended 31 December 2017	Year ended 31 December 2016
Contract Revenue			
Italian-Thai Development Public Company Limited	Holding Company	-	131.61
CEC-ITDCEM-TPL JV	Unincorporated entity (joint venture)	2,179.06	-
		2,179.06	**131.61**
Royalty expense			
Italian-Thai Development Public Company Limited	Holding Company	**933.15**	**-**
Plant and tools hire income (net of expenses)			
ITD Cemindia JV	Unincorporated entity (subsidiary)	534.76	2.96
ITD-ITDCem JV	Unincorporated entity (joint venture)	127.47	202.72
		662.23	**205.68**
Purchases of property, plant and equipment			
ITD-ITDCem JV	Unincorporated entity (joint venture)	**412.69**	**-**
Sale of Construction materials and spares			
ITD Cemindia JV	Unincorporated entity (joint venture)	**4.72**	**29.88**
Purchases of Construction materials and spares			
ITD-ITDCem JV	Unincorporated entity (joint venture)	**-**	**71.61**
Remuneration			
Mr. Adun Saraban	KMP	146.37	132.55
Mr. S. Ramnath	KMP	54.86	62.16
Mr. Prasad Patwardhan	KMP	39.60	-
Mr. Rahul Neogi	KMP	45.60	-
Mr. R. C. Daga	KMP	4.73	54.02
		291.16	**248.73**
Director sitting fees			
Mr. D. E. Udwadia	KMP	5.10	4.50
Mr. D. P. Roy	KMP	3.60	2.80
Mrs. Ramola Mahajani	KMP	2.30	1.60
		11.00	**8.90**
Professional fees			
Udwadia & Co.	Entities where KMP has significant influence	**15.16**	**23.59**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

₹ lakhs

		Year ended 31 December 2017	Year ended 31 December 2016
Share of profit/(loss) after tax in unincorporated entity			
ITD Cemindia JV	Unincorporated entity (subsidiary)	43.81	156.95
ITD-ITDCem JV	Unincorporated entity (joint venture)	(1,382.23)	(5,517.53)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	Unincorporated entity (joint venture)	(0.43)	(184.69)
ITD Cem-Maytas Consortium	Unincorporated entity (subsidiary)	1.69	(34.33)
		(1,337.16)	**(5,579.60)**

All the transactions have been undertaken at arm's length price

C) Outstanding balances:

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Trade receivables				
Italian-Thai Development Public Company Limited	Holding Company	**-**	**2.26**	**25.89**
Creditors for capital expenses				
ITD-ITDCem JV	Unincorporated entity (joint venture)	**79.70**	**70.02**	**70.02**
Balances - payable				
Italian-Thai Development Public Company Limited	Holding Company	**246.66**	**-**	**-**
Balances - receivable				
ITD Cemindia JV	Unincorporated entity (subsidiary)	19,305.97	1,290.67	996.68
ITD-ITDCem JV	Unincorporated entity (joint venture)	35,888.17	12,586.30	9,554.37
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	Unincorporated entity (joint venture)	671.20	831.65	566.33
ITD Cem-Maytas Consortium	Unincorporated entity (subsidiary)	76.44	20.55	49.00
CEC-ITDCEM-TPL JV	Unincorporated entity (joint venture)	81.21	68.11	-
		56,022.99	**14,797.28**	**11,166.38**
Corporate guarantee issued on behalf of				
ITD-ITD Cem JV	Unincorporated entity (joint venture)	77,500.00	48,651.00	48,651.00
CEC -ITD Cem-TPL JV	Unincorporated entity (joint venture)	51,000.00	-	-
ITD Cemindia JV	Unincorporated entity (subsidiary)	10,000.00	-	-
		138,500.00	**48,651.00**	**48,651.00**

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Letter of credit limit utilized				
ITD-ITDCem JV	Unincorporated entity (joint venture)	**760.53**	**610.77**	**63.81**
Bank guarantee issued on behalf of				
ITD Cemindia JV	Unincorporated entity (subsidiary)	30,478.97	513.79	1,027.57
ITD Cem-Maytas Consortium	Unincorporated entity (subsidiary)	1,140.86	-	-
ITD-ITDCem JV	Unincorporated entity (joint venture)	32,051.13	2,728.16	5,327.79
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	Unincorporated entity (joint venture)	196.43	-	200.00
CEC-ITDCEM-TPL JV	Unincorporated entity (joint venture)	16,980.60	-	-
		80,847.99	**3,241.95**	**6,555.36**

NOTE 36 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ lakhs

	31 December 2017	31 December 2016
Increase in basis points	50 basis points	50 basis points
Effect on profit before tax, increase by	245.16	241.01
Decrease in basis points	50 basis points	50 basis points
Effect on profit before tax, decrease by	245.16	241.01

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

b Foreign currency risk

The following table analyses foreign currency risk from financial instruments as at 31 December 2017:

In lakhs

	Euro	Total
Trade payables	19.15	19.15

The following table analyses foreign currency risk from financial instruments as at 31 December 2016:

In lakhs

	USD	Euro	Total
Trade payables	0.65	2.31	2.96

The following table analyses foreign currency risk from financial instruments as of 1 January 2016:

In lakhs

	USD	Euro	Total
Trade payables	0.15	0.14	0.29

During the current year to mitigate the Company's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Generally, the Company's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months).

The following table gives details in respect of outstanding foreign exchange forward contracts:

	As at 31 December 2017		As at 31 December 2016		As at 1 January 2016	
	In euro lakhs	₹ lakhs	In lakhs	₹ lakhs	In lakhs	₹ lakhs
Forward contracts	19.15	1,497.60	-	-	-	-

The foreign exchange forward contracts mature within 6 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(Euro in lakhs)

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Not later than one month	8.88	-	-
Later than one month and not later than three months	10.27	-	-

Sensitivity analysis

The Company's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Company.

c Equity price risk

The Company's exposure in equity securities as at 31 December 2017 is ₹ 5 lakhs (31 December 2016 ₹ 5 lakhs, 1 January 2016 ₹ 5 lakhs) and as a result the impact of any price change will not have a material effect on the profit or loss of the Company.

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ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled revenue, cash and cash equivalents and receivable from related parties.

a Credit risk on trade receivables and unbilled revenue is limited as the customers of the Company mainly consists of the government promoted entities having a strong credit worthiness. For other customers, the Company uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Company's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others;

	31 December 2017	31 December 2016
	%	%
Revenue from government promoted agencies	40.74%	31.42%
Revenue from others	59.26%	68.58%
	100.00%	100.00%

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

	31 December 2017		31 December 2016	
	₹ lakhs	% of Revenue	₹ lakhs	% of Revenue
Revenue from top customer	25,617	13.7%	99,654	34.2%
Revenue from top five customers	68,325	36.6%	164,694	56.5%

For the year ended 31 December 2017, One (31 December 2016: One) customer, individually, accounted for more than 10% of the revenue.

The movement of the allowance for lifetime expected credit loss is stated below: ^

₹ lakhs

	31 December 2017	31 December 2016
Balance at the beginning of the year	613.57	881.51
Balance at the end of the year	182.12	613.57

^ The Company has written off ₹ 13,323.35 lakhs and ₹ 342.89 lakhs towards amounts not recoverable from trade receivables and unbilled revenue during the years ended 31 December 2017 and 31 December 2016, respectively.

b. Credit risk on cash and cash equivalents is limited as the Company generally invest in deposits with banks and financial institutions with high credit ratings.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

iii Liquidity risk

Liquidity is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

₹ lakhs

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 December 2017					
Borrowings	24,738.52	21,659.57	2,461.76	-	48,859.85
Trade payables	-	51,201.87	-	-	51,201.87
Interest accrued	-	73.93	-	-	73.93
Other financial liabilities	-	6,479.62	-	-	6,479.62
Total	**24,738.52**	**79,414.99**	**2,461.76**	**-**	**106,615.27**
As at 31 December 2016					
Borrowings	11,848.43	19,710.61	4,062.13	-	35,621.17
Trade payables	-	60,423.20	-	-	60,423.20
Interest accrued	-	37.20	-	-	37.20
Other financial liabilities	-	4,138.76	-	-	4,138.76
Total	**11,848.43**	**84,309.77**	**4,062.13**	**-**	**100,220.33**
As at 1 January 2016					
Borrowings	27,668.90	20,184.22	982.81	-	48,835.93
Trade payables	-	71,678.04	-	-	71,678.04
Interest accrued	-	137.77	-	-	137.77
Other financial liabilities	-	3,459.01	-	-	3,459.01
Total	**27,668.90**	**95,459.04**	**982.81**	**-**	**124,110.75**

NOTE 37

Subsequent to the year ended 31 December 2017, a case has been registered by the Anti-Corruption Bureau against some officers at the State Tax Enforcement Wing at Vijayawada and an employee of the Company along with a representative of the Company on the allegation of an attempt to bribe an Additional Commissioner of Commercial Taxes, Andhra Pradesh. While investigation process is on, the employee has been suspended.

Summary of significant accounting policies and other explanatory information to the standalone financial statements as at and for the year ended 31 December 2017

NOTE 38 - CAPITAL MANAGEMENT

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The Company strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Company monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Total debts	48,859.85	35,621.17	48,835.93
Total equity	61,728.24	55,202.46	50,261.19
Total debts to equity ratio (Gearing ratio)	**0.79**	**0.65**	**0.97**

In the long run, the Company's strategy is to maintain a gearing ratio less than 0.5.

NOTE 39 - Disclosure of unhedged foreign currency exposure as at 31 December 2017

	Currency	31 December 2017		31 December 2016		1 January 2016	
		Foreign currency	₹ lakhs	Foreign currency	₹ lakhs	Foreign currency	₹ lakhs
Liabilities							
Acceptances	USD	-	-	64,755.00	44.48	14,526.00	9.67
	EURO	-	-	231,409.00	168.10	13,811.00	13.73
Liabilities			-		212.58		23.40

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Independent Auditor's **Report**

To
The Members of
ITD Cementation India Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

1. We have audited the accompanying consolidated financial statements of ITD Cementation India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and it's joint ventures which comprise the Consolidated Balance Sheet as at 31 December 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and it's joint ventures, in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. The Holding Company's Board of Directors, and the respective Board of Directors/management of the subsidiaries included in the Group and it's joint ventures are responsible for the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. Further, in terms with the provisions of the Act, the respective Board of Directors/management of the Holding Company and its subsidiary which is incorporated in India, are responsible for maintenance of adequate accounting records; safeguarding the assets; preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the directors of the Holding Company, as aforesaid.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

4. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

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

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs (consolidated financial position) of the Group and it's joint ventures as at 31 December 2017 and their consolidated profit (consolidated financial performance including other comprehensive income), their consolidated cash flows and consolidated changes in equity for the year ended on that date.

OTHER MATTER

9. The Company had prepared separate sets of consolidated financial statements for the years ended 31 December 2016 and 31 December 2015 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's reports dated 21 February 2017 and 24 February 2016, respectively. These separate sets of consolidated financial statements have been adjusted for the differences in the accounting principles adopted by the Group on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditor on the separate financial statements and other financial information of the subsidiary, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the report of the other statutory auditor of its subsidiary company, none of directors of group companies covered under the Act are disqualified as at 31 December 2017 from being appointed as a director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiary company covered under the Act and the operating effectiveness of such controls, refer to our separate report in 'Annexure I';

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

        (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and it's joint ventures as detailed in Note 29 to the consolidated financial statements.

        (ii) the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

        (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company covered under the Act;

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 22 February 2018

Annexure I to the Independent Auditor's Report of even date to the members of ITD Cementation India Limited on the consolidated financial statements for the year ended 31 December 2017

Annexure I

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of ITD Cementation India Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and it's joint ventures, as at and for the year ended 31 December 2017, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Holding Company and it's subsidiaries as at that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

2. The Board of Directors of the Holding Company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") 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 the company's business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on the IFCoFR of the Holding Company and it's subsidiaries, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the IFCoFR of the Holding Company and it's subsidiaries, as aforesaid.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

6. A company's IFCoFR is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's IFCoFR include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

8. In our opinion the Holding Company and it's subsidiaries has in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 December 2017, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Per **Rakesh R. Agarwal**
Partner
Membership No.: 109632

Place: Mumbai
Date: 22 February 2018

Consolidated Balance **Sheet**

as at 31 December 2017

₹ lakhs

	Notes	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	46,175.25	38,534.25	33,564.35
Capital work-in-progress		3,849.03	560.20	196.84
Financial assets				
Investments	4	57.49	57.49	57.49
Trade receivables	5	309.00	2,863.37	2,863.37
Loans	6	225.29	248.56	254.83
Other financial assets	7	39.00	8,677.57	8,694.61
Deferred tax assets (net)	8	293.98	199.42	3,918.35
Income tax assets (net)	8	1,108.26	6,672.90	4,393.65
Other non-current assets	9	22,440.67	15,039.38	12,725.17
Total non-current assets		**74,497.97**	**72,853.14**	**66,668.66**
Current assets				
Inventories	10	15,741.70	11,057.78	14,580.11
Financial assets				
Investments	11	-	0.26	0.26
Trade receivables	5	23,985.01	21,464.86	24,670.21
Cash and cash equivalents	12	11,324.89	16,255.46	7,916.78
Other bank balances	13	253.41	272.48	6,257.82
Loans	6	40,025.29	16,211.93	11,984.62
Other financial assets	7	66,804.53	45,318.21	75,321.16
Other current assets	9	6,248.30	4,642.71	12,454.50
Total current assets		**164,383.13**	**115,223.69**	**153,185.46**
TOTAL ASSETS		**238,881.10**	**188,076.83**	**219,854.12**
EQUITY AND LIABILITIES				
Equity				
Share capital	14	1,551.58	1,551.58	1,551.58
Other equity		60,176.02	53,650.33	48,709.24
Total equity attributable to equity holders of the Company		**61,727.60**	**55,201.91**	**50,260.82**
Non-controlling interests		88.31	77.26	39.84
Total equity		**61,815.91**	**55,279.17**	**50,300.66**
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	15	2,461.76	4,062.13	982.81
Provisions	16	1,110.31	902.36	692.16
Deferred tax liabilities (net)	8	123.37	-	-
Total non-current liabilities		**3,695.44**	**4,964.49**	**1,674.97**
Current liabilities				
Financial liabilities				
Borrowings	17	42,238.52	29,348.43	45,168.90
Current maturities of long-term-borrowings	15	4,159.57	2,210.61	2,684.22
Trade payables	18	61,966.96	61,398.12	72,418.46
Other financial liabilities	19	7,085.97	4,205.04	3,658.09
Other current liabilities	20	55,516.58	28,689.37	42,351.30
Provisions	16	2,402.15	1,981.60	1,597.52
Total current liabilities		**173,369.75**	**127,833.17**	**167,878.49**
TOTAL EQUITY AND LIABILITIES		**238,881.10**	**188,076.83**	**219,854.12**

Notes 1 to 38 form an integral part of the consolidated financial statements
This is the consolidated balance sheet referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Statement of Consolidated Profit and **Loss**

for the year ended 31 December 2017

₹ lakhs

	Notes	Year ended 31 December 2017	Year ended 31 December 2016
Income			
Revenue from operations	21	206,050.89	293,772.01
Other income	22	3,526.06	2,724.12
Total income		**209,576.95**	**296,496.13**
Expenses			
Cost of construction materials consumed	23	62,241.54	65,910.54
Subcontracting expenses		46,336.03	129,568.80
Employee benefits expense	24	25,737.01	22,185.93
Finance costs	25	8,757.67	8,914.76
Depreciation expense	3	5,774.33	4,631.00
Other expenses	26	44,589.63	49,674.60
Total expenses		**193,436.21**	**280,885.63**
Profit before exceptional items, tax and share of loss of joint ventures		**16,140.74**	**15,610.50**
Share of loss from joint ventures		(1,382.66)	(5,702.21)
Profit before exceptional items and tax		**14,758.08**	**9,908.29**
Exceptional items	27	(2,183.94)	-
Profit before tax		**12,574.14**	**9,908.29**
Tax expense	8		
Current income tax		5,149.34	991.62
Deferred income tax		132.21	3,794.80
		5,281.55	**4,786.42**
Profit for the year (A)		**7,292.59**	**5,121.87**
Other comprehensive income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
- Loss on fair value of defined benefit plans as per actuarial valuation		(317.16)	(219.23)
- Tax effect on above		109.77	75.88
Items that will be reclassified subsequently to profit or loss			
- Fair value change on designated cash flow hedges, net		18.38	-
- Impairment of investment carried at fair value		(0.26)	-
- Tax effect on above		(6.36)	-
Other comprehensive loss for the year, net of tax (B)		**(195.63)**	**(143.35)**
Total comprehensive income for the year, net of tax (A+B)		**7,096.96**	**4,978.52**
Total comprehensive income attributable to:			
Owners of the parent		7,085.92	4,941.09
Non-controlling interests		11.04	37.43
		7,096.96	**4,978.52**
Earnings per equity share of nominal value ₹ 1 each			
Basic and diluted (in ₹)	28	4.69	3.28

Notes 1 to 38 form an integral part of the consolidated financial statements
This is the consolidated statement of profit and loss referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Consolidated Cash flow **statement**

for the year ended 31 December 2017

₹ lakhs

			Year ended 31 December 2017	Year ended 31 December 2016
A.	**CASH FLOW FROM OPERATING ACTIVITIES**			
	Net profit before tax		12,574.14	9,908.29
	Adjustments for			
	Depreciation expense		5,774.33	4,631.00
	Finance costs		8,757.67	8,914.76
	Interest income		(2,333.45)	(2,060.81)
	Impairment allowance on financial assets		11,709.23	1,784.87
	Share of loss from unincorporated entities (net)		1,382.66	5,702.21
	Loss on disposal of property, plant and equipment (net)		657.57	432.08
	Excess provision no longer required written back		(9,393.43)	(253.73)
	Exchange gain (net)		(15.95)	(25.64)
	Operating profit before working capital changes		**29,112.77**	**29,033.03**
	Adjustment for change in working capital			
	(Increase)/decrease in Inventories		(4,683.92)	3,522.33
	(Increase)/decrease in trade receivables		(3,278.50)	1,182.25
	(Increase)/decrease in loans and advances		(45,027.25)	25,690.86
	Increase/(decrease) in trade and other payables		30,281.60	(23,559.22)
	Cash (used in)/generated from operations		6,404.70	35,869.25
	Direct taxes paid (net of refunds received)		415.30	(3,270.87)
	Net cash generated from operating activities	**(A)**	**6,820.00**	**32,598.38**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**			
	Purchase of property, plant and equipment (including capital work in progress, capital advances and creditors for capital expenses)		(17,422.76)	(9,591.19)
	Proceeds from disposal of property, plant and equipment		352.31	86.60
	Proceeds from fixed deposit with bank (maturity beyond three months)		21.07	5,996.63
	Interest received		1,341.31	1,478.35
	Net cash used in investing activities	**(B)**	**(15,708.07)**	**(2,029.61)**
C.	**CASH FLOW FROM FINANCING ACTIVITIES**			
	Proceeds from long-term borrowings		2,672.00	5,812.63
	Repayment of long-term borrowings		(2,323.42)	(3,206.92)
	Proceeds from short term borrowings (net)		12,890.10	(15,820.47)
	Interest and other finance costs		(8,720.95)	(9,015.33)
	Dividend paid		(465.46)	-
	Tax on distributed profits		(94.77)	-
	Net cash generated/(used) in financing activities	**(C)**	**3,957.50**	**(22,230.09)**
	Net (decrease)/increase in cash and cash equivalents	**(A + B + C)**	(4,930.57)	8,338.68
	Cash and cash equivalents at the beginning of year		16,255.46	7,916.78
	Cash and cash equivalents at the end of year		**11,324.89**	**16,255.46**

Consolidated Cash flow ***statement***

for the year ended 31 December 2017

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Components of cash and cash equivalents (Refer note 12)		
Cash on hand	128.25	57.81
Balance with banks		
- current accounts	3,096.64	2,997.65
- deposit account (with original maturity upto 3 months)	8,100.00	13,200.00
	11,324.89	**16,255.46**

Notes 1 to 38 form an integral part of the consolidated financial statements

This is the cash flow statement referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Consolidated Statement of Changes in **Equity**

for the year ended 31 December 2017

a) Equity share capital

	Number of equity shares	₹ lakhs
Equity shares of ₹ 1 each issued, subscribed and paid		
As at 1 January 2016	155,157,900	1,551.58
Changes in equity share capital	-	-
As at 31 December 2016	**155,157,900**	**1,551.58**
Changes in equity share capital	-	-
As at 31 December 2017	**155,157,900**	**1,551.58**

b) Other equity

₹ lakhs

	Reserves and surplus			Other comprehensive income			Total equity attributable to equity holders	Non-controlling interests	Total equity
	Securities premium reserve	General reserve	Retained earnings	Loss on fair value of defined benefit plans	Hedge reserve	Impairment of investment carried at fair value			
As at 1 January 2016	**45,556.44**	**676.48**	**2,476.32**	**-**	**-**	**-**	**48,709.24**	**39.84**	**48,749.08**
Profit for the year	-	-	5,084.44	-	-	-	5,084.44	37.43	5,121.87
Other comprehensive income for the year	-	-	-	(143.35)	-	-	(143.35)	-	(143.35)
As at 31 December 2016	**45,556.44**	**676.48**	**7,560.76**	**(143.35)**	**-**	**-**	**53,650.33**	**77.27**	**53,727.60**
Payment of dividend and dividend distribution tax	-	-	(560.23)	-	-	-	(560.23)	-	(560.23)
Profit for the year	-	-	7,281.55	-	-	-	7,281.55	11.04	7,292.59
Other comprehensive income for the year	-	-	-	(207.39)	12.02	(0.26)	(195.63)	-	(195.63)
As at 31 December 2017	**45,556.44**	**676.48**	**14,282.08**	**(350.74)**	**12.02**	**(0.26)**	**60,176.02**	**88.31**	**60,264.33**

Nature and purpose of reserves

i. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with the provisions of the Act.

ii. Loss on fair value of defined benefit plans

The Company has recognised remeasurement loss (net of tax) on defined benefit plans in OCI. These changes are accumulated within the OCI reserve within other equity. The Company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

iii. Hedge reserve

The Company has recognised changes in the fair value of forward contracts that are designated and effective as hedges of future cash flows in OCI under hedge reserve, net of applicable deferred income taxes. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss.

Notes 1 to 38 form an integral part of the consolidated financial statements
This is the consolidated statement of changes in equity referred to in our audit report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 1 - CORPORATE INFORMATION

ITD Cementation India Limited ('ITD Cem' or 'the Group') is a public Group domiciled in India and was incorporated in 1978 under the provisions of the erstwhile Companies Act, 1956. Its shares are listed on two recognised stock exchanges in India - the BSE Limited and the National Stock Exchange of India Limited. The registered office of the Company is located at National Plastic Building, A Subhash Road, Paranjape B Scheme, Vile Parle (East), Mumbai 400057, India.

The financial statements comprises the financial statements of the Company and its subsidiaries (the Company and its subsidiaries referred to as the "Group") and unincorporated entities. The consolidated financial statements were authorised for issue in accordance with a resolution of the Board of Directors on 22 February 2018.

The Group is engaged in construction of a wide variety of structures like maritime structures, mass rapid transport systems (MRTS), dams & tunnels, airports, highways, bridges & flyovers and other foundations and specialised engineering work. The activities of the Group comprise only one business segment viz Construction.

NOTE 2.1 - SIGNIFICANT ACCOUNTING POLICIES

i Basis of Preparation

The financial statements of the Group have been prepared to comply in all material respects with the Indian Accounting Standards ("Ind AS") notified under the Companies (Accounting Standards) Rules, 2015.

The financial statements for all periods upto and including year ended 31 December 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006 notified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) ("previous GAAP"). The financial statements for the year ended 31 December 2017 are the first financial statements prepared by the Group in accordance with Ind AS. Refer note 2.3 for information on how the Group adopted Ind AS.

The financial statements have been prepared under the historical cost convention, with the exception of certain financial assets and liabilities which have been measured at fair value, on an accrual basis.

The Group's financial statements are reported in Indian Rupees, which is also the Group's functional currency, and all values are rounded to the nearest lakhs (₹ 00,000), except when otherwise indicated.

ii Operating cycle for current and non-current classification:

All the assets and liabilities have been classified as current or non-current, wherever applicable, as per the operating cycle of the Group as per the guidance set out in Schedule III to the Act. Operating cycle for the business activities of the Group covers the duration of the project/ contract/ service including the defect liability period, wherever applicable, and extends upto the realisation of receivables (including retention monies) within the credit period normally applicable to the respective project.

iii Principles of Consolidation

The financial statements have been prepared on the following basis:

(i) **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date the control ceases. The acquisition method of accounting is used to account for business combination by the Group. The Group combines the separate financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, Contingent liability, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet, respectively.

(ii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint operations

The Group recognises its direct right to the assets, liabilities, contingent liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Joint ventures

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income ("OCI").

When the Group's share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of equity accounted investees have been changed where necessary and practicable to ensure consistency with the policies adopted by the Group.

The carrying amount of the equity accounted investments are tested for impairment in accordance with the policy described in note viii(a)(iii)

(iv) Change in ownership interests

The Group treats transactions with non-controlling transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests or reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity. When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit and loss. The fair value becomes the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are reclassified to profit or loss as if the Group had directly disposed of the related assets and liabilities.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in OCI are reclassified to profit or loss where appropriate.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

The financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's separate financial statements in preparing the financial statements to ensure conformity with the Group's accounting policies, wherever necessary and practicable.

Notes to the financial statements represent notes involving items which are considered material and are accordingly disclosed. Materiality for the purpose is assessed in relation to the information contained in the financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary and/or a parent having no bearing on the true and fair view of the financial statements has not been disclosed in these financial statements.

iv Accounting Estimates

The preparation of the financial statements, in conformity with the recognition and measurement principles of Ind AS, requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as at the date of financial statements and the results of operation during the reported period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates which are recognised in the period in which they are determined.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Contract estimates

The Group, being a part of construction industry, prepares budgets in respect of each project to compute project profitability. The two major components of contract estimate are 'claims arising during construction period' (described below) and 'budgeted costs to complete the contract'. While estimating these components various assumptions are considered by the management such as (i) Work will be executed in the manner expected so that the project is completed timely (ii) consumption norms will remain same (iii) Assets will operate at the same level of productivity as determined (iv) Wastage will not exceed the normal % as determined etc. (v) Estimates for contingencies (vi) No change in design and the geological factors will be same as communicated; and (vii) Price escalations etc. Due to such complexities involved in the budgeting process, contract estimates are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Recoverability of claims

The Group has claims in respect of cost over-run arising due to client caused delays, suspension of projects, deviation in design and change in scope of work etc., which are at various stages of negotiation/discussion with the clients or under arbitration. The realisability of these claims are estimated based on contractual terms, historical experience with similar claims as well as legal opinion obtained from internal and external experts, wherever necessary. Changes in facts of the case or the legal framework may impact ultimate realisability of these claims.

Defined benefit plans

The cost and present value of the gratuity obligation and compensated absences are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, attrition rate and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Deferred tax assets

In assessing the realisability of deferred income tax assets, management considers whether some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the scheduled reversals of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, management believes that the Group will realize the benefits of those deductible differences. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

v Fair value measurement

The Group measures financial instruments, at fair value at each balance sheet date. (Refer Note 32)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, In the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the Management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

vi Property, Plant and Equipment

Property, Plant and Equipment are stated at cost of acquisition till the date of acquisition/ installation of the assets less accumulated depreciation and accumulated impairment losses, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred. The cost and related accumulated depreciation are eliminated from the financial statements, either on disposal or when retired from active use and the resultant gain or loss are recognised in the Statement of Profit and Loss.

Capital work-in-progress, representing expenditure incurred in respect of assets under development and not ready for their intended use, are carried at cost. Cost includes related acquisition expenses, construction cost and other direct expenditure.

Pursuant to transition to Indian Accounting Standard, on the date of transition i.e. 1 January 2016; the Tools and equipment as at 31 December 2015 hitherto included under inventories have been reclassified to Property, Plant and Equipment.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 January 2016 of its Property, Plant and Equipment and use that carrying value as the deemed cost of the Property, Plant and Equipment on the date of transition i.e. 1 January 2016.

vii Depreciation expenses

Depreciation is calculated on a straight line method using the useful lives as prescribed in Schedule II to the Act or in case of assets where useful lives were determined by technical evaluation and management's experience of use of those assets, over the useful life so determined. Depreciation on additions to/deductions from owned assets is calculated pro-rata to the period of use.

Depreciation method is reviewed at each financial year end to reflect the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful life and residual values are also reviewed at each financial year end and the effect of any change in the estimates of useful life/residual value is accounted on prospective basis.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount.

The estimated useful lives of items of Property, Plant and Equipment for current and comparative periods are as follows:

Asset Class	**Useful lives**
Leasehold improvements	Lease period or 5 years, whichever is lower
Buildings	60 years
Leasehold buildings	Lease period or 60 years, whichever is lower
Plant and equipment (including tools and equipment)	3 - 21 years
Vehicles	8 years
Office equipment	5 years
Furniture and fixtures	10 years
Computer equipment	3 - 6 years
Freehold land is carried at historical costs	

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

viii Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a Financial Assets

(i) Initial Recognition

In the case of financial assets, not recorded at fair value through profit or loss (FVPL), financial assets are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date i.e., the date that the Group commits to purchase or sell the asset.

(ii) Subsequent Measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- ***Financial Assets at Amortised Cost***

  Financial assets are subsequently measured at amortised cost if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Interest income from these financial assets is included in finance income using the effective interest rate ("EIR") method. Impairment gains or losses arising on these assets are recognised in the Statement of Profit and Loss.

- ***Financial Assets Measured at Fair Value***

  Financial assets are subsequently measured at fair value through OCI if these financial assets are held within a business model with an objective to hold these assets in order to collect contractual cash flows and to sell these financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the Statement of Profit and Loss.

Financial asset not measured at amortised cost or at fair value through OCI is carried at FVPL.

On transition to Ind AS, the Group has opted to continue with the carrying values measured under the previous GAAP as at 1 January 2016 of its equity investments in subsidiary and used that carrying value as the deemed cost of these investments on the date of transition i.e. 1 January 2016.

(iii) Impairment of Financial Assets

In accordance with Ind AS 109, the Group applies the Expected Credit Loss ("ECL") model for measurement and recognition of impairment loss on financial assets and credit risk exposures.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. Simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) during the period is recognised as income/expense in the Statement of Profit and Loss.

(iv) De-recognition of Financial Assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all risks and rewards of ownership of the asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the assets and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

b Equity Instruments and Financial Liabilities

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments which are issued for cash are recorded at the proceeds received, net of direct issue costs. Equity instruments which are issued for consideration other than cash are recorded at fair value of the equity instrument.

Financial Liabilities

(i) Initial Recognition

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and borrowings and payables as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

(ii) Subsequent Measurement

Non-derivative financial instruments

The measurement of financial liabilities depends on their classification, as described below :

- ***Financial liabilities at FVPL***

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation. Amortisation is recognised as finance income in the Statement of Profit and Loss.

- ***Financial liabilities at amortised cost***

  After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the Statement of Profit and Loss.

  Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses derivative financial instruments i.e. foreign exchange forward and options contracts to manage its exposure to foreign exchange risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The Company uses hedging instruments that are governed by the policies of the Company.

Hedge Accounting

The Company uses foreign currency forward and options contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles. These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognized directly in OCI and accumulated under the hedging cash flow hedge reserve, net of applicable deferred income taxes and the ineffective portion is recognized immediately to the statement of profit and loss. Amounts accumulated under the hedging cash flow hedge reserve are reclassified to the statement of profit and loss in the same period during which the forecasted transaction affects to the statement of profit and loss. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognized under the hedging cash flow hedge reserve is retained until the forecasted transaction occurs. If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognized under the hedging cash flow hedge reserve is immediately transferred to the statement of profit and loss.

(iii) De-recognition of Financial Liabilities

Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as de-recognition of the original liability and recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

c Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis to realise the assets and settle the liabilities simultaneously.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

ix Employee Benefits

a Defined Contribution Plan

Contributions to defined contribution schemes such as supperannuation plan, employees' state insurance, labour welfare are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further obligations beyond the monthly contributions.

b Defined Benefit Plan

The Provident Fund set up by the Group is administered through trusts of the Group. Interest rate payable to the members of the trust shall not be lower than the statutory rate of interest declared by Central Goverment under Employees Provident Fund and Miscellaneous Proivisions Act, 1952 and shortfall, if any, shall be made good by the Group. The contribution paid or payable including the interest shortfall, if any, is recognised as an expense in the period in which services are rendered by the employee. Accordingly the Provident Fund is treated as a defined benefit plan. Further, the pattern of investments for investible funds is as prescribed by the Government. Accordingly, other related disclosures in respect of provident fund have not been made.

The Group also provides for gratuity which is a defined benefit plan, the liabilities of which is determined based on valuations, as at the balance sheet date, made by an independent actuary using the projected unit credit method. Re-measurement, comprising of actuarial gains and losses, in respect of gratuity are recognised in the OCI, in the period in which they occur. Re-measurement recognised in OCI are not reclassified to the Statement of Profit and Loss in subsequent periods. Past service cost is recognised in the Statement of Profit and Loss in the year of plan amendment or curtailment. The classification of the Group's obligation into current and non-current is as per the actuarial valuation report.

c Leave entitlement and compensated absences

Accumulated leave which is expected to be utilised within next twelve months, is treated as short-term employee benefit. Leave entitlement, other than short term compensated absences, are provided based on a actuarial valuation, similar to that of gratuity benefit. Re-measurement, comprising of actuarial gains and losses, in respect of leave entitlement are recognised in the Statement of Profit and Loss in the period in which they occur.

d Short-term Benefits

Short-term employee benefits such as salaries, wages, performance incentives etc. are recognised as expenses at the undiscounted amounts in the Statement of Profit and Loss of the period in which the related service is rendered. Expenses on non-accumulating compensated absences is recognised in the period in which the absences occur.

x Inventories

i. Construction materials are valued at lower of cost and net realisable value. Cost is determined on a first-in, first-out method and comprises the purchase price including duties and taxes (other than those subsequently recoverable by the Group from the taxing authorities). Net Realisable value is the estimated selling price in the ordinary course of business less the estimated cost necessary to make the sale.

ii. Spares that are of regular use are charged to the statement of profit and loss as and when consumed.

xi Cash and Cash Equivalents

Cash and cash equivalents in the Balance Sheet comprises of cash at banks and on hand and short-term deposits with an original maturity of three month or less, which are subject to an insignificant risk of changes in value.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

xii Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker regularly monitors and reviews the operating result of the whole Group as one segment of “Construction”. Thus, as defined in Ind AS 108 “Operating Segments”, the Group’s entire business falls under this one operational segment and hence the necessary information has already been disclosed in the Balance Sheet and the Statement of Profit and Loss.

xiii Foreign Exchange Translation of Foreign Projects and Accounting of Foreign Exchange Transaction

a Initial Recognition

Foreign currency transactions are initially 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.

b Conversion

Monetary assets and liabilities denominated in foreign currencies are reported using the closing rate at the reporting date. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

c Treatment of Exchange Difference

Exchange differences arising on settlement/ restatement of foreign currency monetary assets and liabilities of the Group are recognised as income or expense in the Statement of Profit and Loss.

xiv Revenue Recognition

a Accounting of Construction Contracts

Revenue from construction contracts is recognised on the basis of percentage completion method. The stage of completion of a contract is determined by the proportion that contract costs incurred for work performed upto the reporting date bear to the estimated total contract costs. Contract revenue earned in excess of certification has been classified as “Unbilled revenue” under Other Financial Asset and certification in excess of contract revenue has been classified as “Amount due to customer” under Other Current Liabilities in the financial statements.

In addition, if it is expected that the contract will make a loss, the estimated loss is immediately provided for in the books of account.

Advance payments received from contractee for which no services are rendered are presented as ‘Advances from contractee’.

b Accounting for Claims

Amounts recoverable in respect of the price and other escalation, bonus claims adjudication and variation in contract work required for performance of the contract to the extent that it is probable that they will result in revenue.

c Finance and Other Income

Finance income is accrued on a time proportion basis, by reference to the principal outstanding and the applicable effective interest rate. Other income is accounted for on accrual basis. Where the receipt of income is uncertain, it is accounted for on receipt basis.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

xv Income Tax

Income tax comprises of current and deferred income tax. Income tax is recognised as an expense or income in the Statement of Profit and Loss, except to the extent it relates to items directly recognised in equity or in OCI.

a Current Income Tax

Current income tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

b Deferred Income Tax

Deferred tax is determined by applying the Balance Sheet approach. Deferred tax assets and liabilities are recognised for all deductible temporary differences between the financial statements' carrying amount of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities are measured using the enacted tax rates or tax rates that are substantively enacted at the Balance Sheet date. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the period that includes the enactment date. Deferred tax assets are only recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Such assets are reviewed at each Balance Sheet date to reassess realisation.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Minimum Alternate Tax (MAT) paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and utilised when the Group will pay normal income tax during the specified period. Deferred tax assets on such tax credit is recognised to the extent that it is probable that the unused tax credit can be utilised in the specified future period.

xvi Leases

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where the lease payments are structured to increase in line with expected general inflation.

Assets acquired on finance lease are capitalised at fair value or present value of minimum lease payment at the inception of the lease, whichever is lower.

xvii Impairment of Non-Financial Assets

As at each Balance Sheet date, the Group assesses whether there is an indication that a non-financial asset may be impaired and also whether there is an indication of reversal of impairment loss recognised in the previous periods. If any indication exists, or when annual impairment testing for an asset is required, the Group determines the recoverable amount and impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

Recoverable amount is determined:

- In case of an individual asset, at the higher of the assets' fair value less cost to sell and value in use; and
- In case of cash generating unit (a group of assets that generates identified, independent cash flows), at the higher of cash generating unit's fair value less cost to sell and value in use.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and risk specified to the asset. In determining fair value less cost to sell, recent market transaction are taken into account. If no such transaction can be identified, an appropriate valuation model is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Statement of Profit and Loss, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

When the Group considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

xviii Trade receivables

A receivable is classified as a 'trade receivable' if it is in respect of the amount due on account of goods sold or services rendered in the normal course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the EIR method, less provision for impairment.

xix Trade payables

A payable is classified as a 'trade payable' if it is in respect of the amount due on account of goods purchased or services received in the normal course of business. These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. These amounts are unsecured and are usually settled as per the payment terms stated in the contract. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

xx Earnings Per Share

Basic earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit or loss for the period attributable to the equity shareholders of the Group and weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares).

xxi Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made of the amount of obligation. Provisions (excluding gratuity and compensated absences) are determined based on management's estimate required to settle the obligation at the Balance Sheet date. In case the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent liability also arises, in rare cases, where a liability cannot be recognised because it cannot be measured reliably.

Contingent assets are neither recognised nor disclosed in the financial statements.

xxii Exceptional Items

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

NOTE 2.2 - RECENT ACCOUNTING PRONOUNCEMENTS

Standards issued but not yet effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendments are applicable to the Group from 1 January 2018.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Group is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

NOTE 2.3 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101 FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARD

The Group has adopted Ind AS with effect from 1 January 2017 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 1 January 2016 and all the periods presented have been restated accordingly.

i Exemptions availed on first time adoption of Ind AS 101:

On first time adoption of Ind AS, Ind AS 101 allows certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has availed the following exemptions:

a Since, there is no change in the functional currency of the Group, it has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for property, plant and equipment and intangible assets on the date of transition.

b The Group has opted to continue with the carrying values measured under the previous GAAP and use that carrying value as the deemed cost for equity investments on the date of transition to Ind AS.

c Fair value measurement of financial assets or liabilities at initial recognition: The Group has not applied the provision of Ind AS 109, Financial Instruments, upon the initial recognition of the financial instruments where there is no active market.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

d Designation of previously recognised financial instruments: The Group does not have any financial assets or liabilities as of the transition dates which were required to be designated, and which met the required criteria given in Ind AS 101, as a financial asset or financial liability at FVPL.

ii Exceptions

The following mandatory exceptions have been applied in accordance with Ind AS 101 in preparing the financial statements:

a **Estimates**

The estimates as at 1 January 2016 and 31 December 2016 are consistent with those made for the same dates in accordance with previous GAAP (after adjustment to reflect and differences if any, in accounting policies) apart from the following items where the application of previous GAAP did not require estimation:

(i) Impairment of financial assets based on the expected credit loss model; and

(ii) Investments in equity instruments carried as FVPL or FVOCI.

The estimates used by the Group to present the amounts in accordance with the Ind AS reflect conditions that existed at the date on transition to Ind AS.

b **Classification and movement of financial assets and liabilities**

The Group has classified the financial assets and liabilities in accordance with Ind AS 109 on the basis of facts and circumstances that existed at the date on transition to Ind AS.

iii Reconciliation of equity as previously reported under previous GAAP to Ind AS:

₹ lakhs

	Refer note	Balance sheet as at 31 December 2016			Opening balance sheet as at 1 January 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	2.3 (iii) 1, 9	38,184.36	349.89	38,534.25	34,898.52	(1,334.17)	33,564.35
Capital work-in-progress		560.20	-	560.20	267.22	(70.38)	196.84
Financial assets							
Investments	2.3 (iii) 2	-	57.49	57.49	-	57.49	57.49
Trade receivables		2,863.37	-	2,863.37	2,863.37	-	2,863.37
Loans	2.3 (iii) 3	263.72	(15.16)	248.56	295.26	(40.43)	254.83
Other financial assets		8,677.57	-	8,677.57	8,699.51	(4.90)	8,694.61
Deferred tax assets (net)	2.3 (iii) 7, 9	2,756.42	(2,557.00)	199.42	4,423.39	(505.04)	3,918.35
Income tax assets (net)	2.3 (iii) 7, 9	7,619.23	(946.33)	6,672.90	4,836.14	(442.49)	4,393.65
Other non-current assets	2.3 (iii) 3, 9	19,635.78	(4,596.40)	15,039.38	17,016.84	(4,291.67)	12,725.17
Total non-current assets		**80,560.65**	**(7,707.51)**	**72,853.14**	**73,300.25**	**(6,631.59)**	**66,668.66**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

₹ lakhs

	Refer note	Balance sheet as at 31 December 2016			Opening balance sheet as at 1 January 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS	Previous GAAP	Effects of transition to Ind AS	Ind AS
Current assets							
Inventories	2.3 (iii) 1, 9	19,704.55	(8,646.77)	11,057.78	22,722.67	(8,142.56)	14,580.11
Financial assets							
Investments		0.26	-	0.26	0.26	-	0.26
Trade receivables	2.3 (iii) 4, 9	26,482.29	(5,017.43)	21,464.86	30,917.17	(6,246.96)	24,670.21
Cash and cash equivalents		18,083.09	(1,827.63)	16,255.46	8,376.57	(459.79)	7,916.78
Other bank balances		426.73	(154.25)	272.48	6,383.69	(125.87)	6,257.82
Loans	2.3 (iii) 2, 9	9,143.47	7,068.46	16,211.93	3,592.19	8,392.43	11,984.62
Other financial assets	2.3 (iii) 4, 9	56,386.98	(11,068.77)	45,318.21	86,560.66	(11,239.50)	75,321.16
Other current assets	2.3 (iii) 3, 9	4,976.28	(333.57)	4,642.71	12,587.62	(133.12)	12,454.50
Total current assets		**135,203.65**	**(19,979.96)**	**115,223.69**	**171,140.83**	**(17,955.37)**	**153,185.46**
TOTAL ASSETS		**215,764.30**	**(27,687.47)**	**188,076.83**	**244,441.08**	**(24,586.96)**	**219,854.12**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		1,551.58	-	1,551.58	1,551.58	-	1,551.58
Other equity	2.3 (iii) 8, 9	53,520.39	129.94	53,650.33	49,269.85	(560.61)	48,709.24
Non-controlling interests		-	77.26	77.26	-	39.84	39.84
Total equity		**55,071.97**	**207.20**	**55,279.17**	**50,821.43**	**(520.77)**	**50,300.66**
Liabilities							
Non-current liabilities							
Financial liabilities							
Borrowings	2.3 (iii) 9	4,062.13	-	4,062.13	1,178.81	(196.00)	982.81
Provisions	2.3 (iii) 9	902.36	-	902.36	694.56	(2.40)	692.16
Total non-current liabilities		**4,964.49**	**-**	**4,964.49**	**1,873.37**	**(198.40)**	**1,674.97**
Current liabilities							
Financial liabilities							
Borrowings	2.3 (iii) 9	37,105.85	(7,757.42)	29,348.43	56,211.69	(11,042.79)	45,168.90
Current maturities of long-term-borrowings	2.3 (iii) 9	5,131.01	(2,920.40)	2,210.61	2,684.22	-	2,684.22
Trade payables	2.3 (iii) 9	63,966.93	(2,568.81)	61,398.12	75,429.28	(3,010.82)	72,418.46
Other financial liabilities	2.3 (iii) 2, 9	4,602.21	(397.17)	4,205.04	6,129.68	(2,471.59)	3,658.09
Other current liabilities	2.3 (iii) 9	42,377.80	(13,688.43)	28,689.37	49,690.95	(7,339.65)	42,351.30
Provisions	2.3 (iii) 5, 8 and 9	2,544.04	(562.44)	1,981.60	1,600.46	(2.94)	1,597.52
Total current liabilities		**155,727.84**	**(27,894.67)**	**127,833.17**	**191,746.28**	**(23,867.79)**	**167,878.49**
TOTAL EQUITY AND LIABILITIES		**215,764.30**	**(27,687.47)**	**188,076.83**	**244,441.08**	**(24,586.96)**	**219,854.12**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Reconciliation of net profit as previously reported under previous GAAP to Ind AS

₹ lakhs

	Refer note	Year ended 31 December 2016		
		Previous GAAP	Effects of transition to Ind AS	Ind AS
Income				
Revenue from operations	2.3 (iii) 9	307,989.92	(14,217.91)	293,772.01
Other income	2.3 (iii) 2,3 and 9	2,522.16	201.96	2,724.12
Total income		**310,512.08**	**(14,015.95)**	**296,496.13**
Expenses				
Cost of construction materials consumed	2.3 (iii) 9	73,225.93	(7,315.39)	65,910.54
Subcontracting expenses	2.3 (iii) 9	132,999.85	(3,431.05)	129,568.80
Employee benefits expense	2.3 (iii) 5, 9	25,380.31	(3,194.38)	22,185.93
Finance costs	2.3 (iii) 2, 3 and 9	11,652.27	(2,737.51)	8,914.76
Depreciation expense	2.3 (iii) 1, 9	4,494.45	136.55	4,631.00
Other expenses	2.3 (iii) 1, 3, 4 and 9	55,398.47	(5,723.87)	49,674.60
Total expenses		**303,151.28**	**(11,519.21)**	**280,885.63**
Profit before tax and share of loss of joint ventures		**7,360.80**	**(2,496.74)**	**15,610.50**
Share of loss from joint ventures	2.3 (iii) 9	-	(5,702.21)	(5,702.21)
Profit before tax		**7,360.80**	**(8,198.95)**	**9,908.29**
Tax expense				
Current income tax		883.06	108.56	991.62
Deferred income tax	2.3 (iii) 7, 9	1,666.97	2,127.83	3,794.80
		2,550.03	**2,236.39**	**4,786.42**
Profit for the year (A)		**4,810.77**	**(10,435.34)**	**5,121.87**
Other comprehensive income	2.3 (iii) 6			
Items not to be reclassified subsequently to profit or loss				
- Loss on fair value of defined benefit plans as per actuarial valuation	2.3 (iii) 5	-	(219.23)	(219.23)
- Tax effect on above		-	75.88	75.88
Other comprehensive loss for the year, net of tax (B)		**-**	**(143.35)**	**(143.35)**
Total comprehensive income for the year, net of tax (A+B)		**4,810.77**	**167.75**	**4,978.52**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Explanation for reconciliation

1. ***Property, Plant and Equipment***

The Group has elected to continue with the carrying value for all of its property, plant and equipment (PPE) as recognised in its previous GAAP financial as deemed cost at the transition date.

Pursuant to transition to Indian Accounting Standard, on the date of transition i.e. 1 January 2016; the written down value of tools and equipment as at 31 December 2015 hitherto included under inventories have been reclassified to Property, plant and equipment.

2. ***Financial guarantees***

Under Ind AS, financial guarantees given by the Group for its unincorporated entities is initially recognised as an investment and guarantee liability at fair value which is subsequently amortised as an interest income to the Statement of Profit and Loss. This transaction was not recorded under the previous GAAP.

3. ***Loans and other current assets***

Security deposits paid are recognised at fair value on initial recognition. Fair value of the deposits is arrived at by discounting the future cash flows at incremental borrowing rate or market rate on the date of deposits. Subsequently these deposits are measured at amortised costs.

4. ***Trade receivables and other financial assets***

The Group recognizes loss allowances using the expected credit loss (ECL) model for trade receivables and unbilled work-in-progress which are not fair valued through profit or loss. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in statement of profit or loss.

5. ***Employee benefits***

Under Ind AS, actuarial gains and losses are recognised in the other comprehensive income (“OCI”) as compared to being recognised in the Statement of Profit and Loss under the previous GAAP.

6. ***Other comprehensive income***

Under the previous GAAP, the Group has not presented OCI separately. Hence, it has reconciled previous GAAP profit or loss to profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS

7. ***Tax expenses***

Deferred income tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS.

8. ***Other equity***

Adjustments to retained earnings and OCI have been made in accordance with Ind AS, for the above mentioned transition items.

In previous GAAP, dividend payable is recorded as a liability in the period to which it relates. Under Ind AS, dividend to holders of equity instruments is recognized as a liability in the period in which the obligation to pay is established. Accordingly, proposed dividends and the related tax have increased the retained earnings by ₹ 560.23 lakhs, as on 31 December 2016.

9. ***Classification of jointly controlled entities into subsidiaries and joint ventures based on evaluation of control***

The Group has assessed its power and exposure to variable returns in respect of its unincorporated entities as per Ind AS 110. Based on the assessment, the Group concluded that it has joint control in respect of 3 unincorporated entities and hence equity method of accounting has been followed under Ind AS.

Further in respect of 2 unincorporated entities where the Group exercises control, the financials of these entities have been consolidated line by line.

iv Statement of cash flows

There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 3 - PROPERTY, PLANT AND EQUIPMENT (TANGIBLE ASSETS)

Gross carrying value

₹ lakhs

	Freehold land	Leasehold improvements	Leasehold buildings	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer equipment	Total
Balance as at 1 January 2016 (deemed cost)	**548.71**	**155.72**	**-**	**962.64**	**31,266.56**	**39.72**	**256.35**	**165.34**	**169.31**	**33,564.35**
Additions	1.21	39.86	528.18	170.39	9,182.96	4.55	50.82	28.11	113.50	**10,119.58**
Disposals	-	-	-	-	(1,421.21)	(1.53)	(5.68)	(9.63)	(81.18)	**(1,519.23)**
Balance as at 31 December 2016	**549.92**	**195.58**	**528.18**	**1,133.03**	**39,028.31**	**42.74**	**301.49**	**183.82**	**201.63**	**42,164.70**
Additions	-	66.22	623.68	-	13,367.27	12.86	75.95	85.73	193.50	**14,425.21**
Disposals	-	-	-	-	(1,995.87)	(12.38)	(26.67)	(13.59)	(10.76)	**(2,059.27)**
Balance as at 31 December 2017	**549.92**	**261.80**	**1,151.86**	**1,133.03**	**50,399.71**	**43.22**	**350.77**	**255.96**	**384.37**	**54,530.64**
Accumulated depreciation										
Balance as at 1 January 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation charge	-	32.47	0.23	18.86	4,369.67	9.83	55.97	67.20	76.77	**4,631.00**
Accumulated depreciation on disposals	-	-	-	-	(907.22)	(1.49)	(5.44)	(9.63)	(76.77)	**(1,000.55)**
Balance as at 31 December 2016	**-**	**32.47**	**0.23**	**18.86**	**3,462.45**	**8.34**	**50.53**	**57.57**	**-**	**3,630.45**
Depreciation charge	-	40.79	15.06	19.39	5,449.71	5.87	70.63	71.54	101.34	**5,774.33**
Accumulated depreciation on disposals	-	-	-	-	(1,021.01)	-	(17.81)	-	(10.57)	**(1,049.39)**
Balance as at 31 December 2017	**-**	**73.26**	**15.29**	**38.25**	**7,891.15**	**14.21**	**103.35**	**129.11**	**90.77**	**8,355.39**
Net carrying value										
Balance as at 1 January 2016 (deemed cost)	548.71	155.72	-	962.64	31,266.56	39.72	256.35	165.34	169.31	**33,564.35**
Balance as at 31 December 2016	549.92	163.11	527.95	1,114.17	35,565.86	34.40	250.96	126.25	201.63	**38,534.25**
Balance as at 31 December 2017	**549.92**	**188.54**	**1,136.57**	**1,094.78**	**42,508.56**	**29.01**	**247.42**	**126.85**	**293.60**	**46,175.25**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 4 - NON-CURRENT INVESTMENTS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Investments valued at deemed cost (Trade)			
Investment in unincorporated entity	57.49	57.49	57.49
Total non-current investments	**57.49**	**57.49**	**57.49**

Note 4.1 Detailed list of non-current investments

Investments valued at deemed cost, unquoted			
Investments in unincorporated entities			
In Joint Ventures *			
ITD - ITDCem JV ^	57.49	57.49	57.49
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	-	-	-
CEC-ITD Cem-TPL JV	-	-	-
	57.49	**57.49**	**57.49**
* Being unincorporated entities, the Group does not require to have any investment in these entities as per the JV agreement.			
^ Represents fair value of financial guarantee			
Details:			
Aggregate of non-current investments:			
(i) Carrying value of investments	57.49	57.49	57.49
(ii) Market value of investments	-	-	-
(iii) Impairment allowances	-	-	-
(i) Investments carried at deemed cost	57.49	57.49	57.49
(ii) Investments carried at amortised cost	-	-	-
(iii) Investments carried at fair value through profit and loss	-	-	-
	57.49	**57.49**	**57.49**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 5 - TRADE RECEIVABLES

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Trade receivables	309.00	2,863.37	2,863.37
[Including retention Nil (31 December 2016 : ₹ 571.41 lakhs, 1 January 2016 : ₹ 571.41 lakhs)]			
Total non-current trade receivables	**309.00**	**2,863.37**	**2,863.37**
Current			
Trade receivables			
- considered good [Refer note 33(c)]	23,985.01	21,464.86	24,670.21
- considered doubtful	4,816.95	6,149.78	4,469.56
[Including retention ₹ 14,343.71 lakhs (31 December 2016 : ₹ 12,484.95 lakhs, 1 January 2016 : ₹ 13,168.41 lakhs)]	**28,801.96**	**27,614.64**	**29,139.77**
Impairment allowance for doubtful debts	(4,816.95)	(6,149.78)	(4,469.56)
Total current trade receivables	**23,985.01**	**21,464.86**	**24,670.21**
Total trade receivables	**24,294.01**	**24,328.23**	**27,533.58**

Note: Trade Receivables are non-interest bearing and are generally on credit terms of 30-90 days.

NOTE 6 - LOANS

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Security deposits	225.29	248.56	254.83
Total non-current loans	**225.29**	**248.56**	**254.83**
Current			
Security deposits			
- considered good	2,984.20	2,316.20	1,454.26
- considered doubtful	63.36	55.83	97.55
Receivable from unincorporated entities [Refer note 33(c)]	37,041.09	13,895.73	10,530.36
Total	**40,088.65**	**16,267.76**	**12,082.17**
Less : Impairment allowance	(63.36)	(55.83)	(97.55)
Total current loans	**40,025.29**	**16,211.93**	**11,984.62**
Total loans	**40,250.58**	**16,460.49**	**12,239.45**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 7 - OTHER FINANCIAL ASSETS

(Unsecured, considered good unless stated otherwise)

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Unbilled revenue	-	8,677.57	8,677.57
Bank deposits with original maturity of more than 12 months	39.00	-	12.00
Interest accrued on bank deposits	-	-	5.04
Total non-current financial assets	**39.00**	**8,677.57**	**8,694.61**
Current			
Unbilled revenue			
- considered good	65,260.72	45,157.23	75,084.83
- considered doubtful	119.21	408.71	649.67
Interest accrued on deposits	27.42	29.22	115.21
Employee advances	12.96	11.47	18.29
Foreign currency forward contract ^	1,478.73	-	-
Others	24.70	120.29	102.83
	66,923.74	**45,726.92**	**75,970.83**
Less: impairment allowance	(119.21)	(408.71)	(649.67)
Total current financial assets	**66,804.53**	**45,318.21**	**75,321.16**
Total other financial assets	**66,843.53**	**53,995.78**	**84,015.77**

^ *Financial assets carried at fair value through other comprehensive income*

NOTE 8 - INCOME TAX ASSETS (NET)

i. The following table provides the details of income tax assets and liabilities:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
a) Income tax assets	8,148.52	8,766.02	5,477.76
b) Current income tax liabilities	(7,040.26)	(2,093.12)	(1,084.11)
Net income tax assets	**1,108.26**	**6,672.90**	**4,393.65**

ii. The gross movement in the current tax asset:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Net current income tax assets at the beginning	6,672.90	4,393.65
Income tax (refund)/paid, [net]	(415.30)	3,270.87
Current income tax expense	(5,149.34)	(991.62)
Net current income tax assets at the end	**1,108.26**	**6,672.90**

iii. Income tax expense in the Statement of Profit and Loss comprises:

Current income taxes	5,149.34	991.62
Tax adjustment for earlier years	-	-
Deferred income taxes	132.21	3,794.80
Income tax expenses (net)	**5,281.55**	**4,786.42**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

iv. A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before income taxes is as below:

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Profit before income tax	12,574.14	9,908.29
Applicable income tax rate	34.61%	34.61%
Computed expected tax expense	4,351.91	3,429.26
Effect of expenses not allowed for tax purpose	690.80	1,938.49
Tax adjustments for earlier years	159.19	(137.90)
Effect of difference in tax rates in unincorporated entities - AOP's	79.64	(29.81)
Effect of change in tax rate	-	(413.61)
Income tax expense charged to the Statement of Profit and Loss	**5,281.55**	**4,786.42**

v. Components of deferred income tax assets and liabilities arising on account of temporary differences are:

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
A	Impairment allowance for doubtful debts, deposits and unbilled revenue	1,730.22	2,289.09	1,644.69
	Provision for employee benefits	1,719.09	1,471.44	981.76
	Disallowance for forseeable losses as per Income Computation and Disclosure Standards (ICDS)	-	163.59	356.54
	Brought forward business loss	-	-	4,211.57
	Others	229.04	0.36	11.01
	Deferred tax assets	**3,678.35**	**3,924.48**	**7,205.57**
	Deferred income tax liability			
	Timing difference on amount of depreciation on tangible assets	3,384.37	3,708.74	3,282.10
	Others	-	16.32	5.12
	Deferred tax liability	**3,384.37**	**3,725.06**	**3,287.22**
	Deferred tax assets (net)	**293.98**	**199.42**	**3,918.35**
B	**Deferred income tax liability**			
	Timing difference on amount of depreciation on tangible assets	123.37	-	-
	Deferred tax liability	**123.37**	**-**	**-**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 9 - OTHER ASSETS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Capital advances	855.89	499.90	1,212.05
Balances with government authorities	21,506.09	14,536.79	11,500.72
Prepaid expenses	78.69	2.69	12.40
Total other non-current assets	**22,440.67**	**15,039.38**	**12,725.17**
Current			
Advance to suppliers and subcontractors	1,996.24	2,467.47	10,304.62
Balances with government authorities	2,674.95	-	-
Prepaid expenses	1,577.11	2,175.24	2,149.88
Total other current assets	**6,248.30**	**4,642.71**	**12,454.50**
Total other assets	**28,688.97**	**19,682.09**	**25,179.67**

NOTE 10 - INVENTORIES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Construction materials	14,105.64	9,763.57	13,213.38
Spares	1,636.06	1,294.21	1,366.73
Total inventories	**15,741.70**	**11,057.78**	**14,580.11**

NOTE 11 - CURRENT INVESTMENTS

Investments in unquoted equity shares

	As at 31 December 2017		As at 31 December 2016		As at 1 January 2016	
	No. of shares	₹ lakhs	No. of shares	₹ lakhs	No. of shares	₹ lakhs
AVR Infra Private Limited ^	2,600	0.26	2,600	0.26	2,600	0.26
Less: impairment allowance		(0.26)		-		-
Total current investments		**-**		**0.26**		**0.26**

^ *Face value of ₹ 10 each*

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 12 - CASH AND CASH EQUIVALENTS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Balances with banks			
- in current accounts	3,096.64	2,997.65	3,473.28
- in deposit account (with original maturity upto 3 months)	8,100.00	13,200.00	4,303.37
Cash on hand	128.25	57.81	140.13
Total cash and cash equivalents	**11,324.89**	**16,255.46**	**7,916.78**

NOTE 13 - OTHER BANK BALANCES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Earmarked balances with banks for:			
Bank deposits with maturity of more than 3 months but less than 12 months (Refer note 13.1 below)	245.95	267.02	6,251.65
Balances with bank for unclaimed dividend (Refer note 13.2 below)	7.46	5.46	6.17
Total other bank balances	**253.41**	**272.48**	**6,257.82**

Note 13.1 Includes ₹ 242.45 lakhs (31 December 2016 ₹ 241.65 lakhs, 1 January 2016 ₹ 241.65 lakhs) earmarked against bank guarantees taken by the Group and Nil (31 December 2016 ₹ 22 lakhs, 1 January 2016 ₹ 10 lakhs) placed as earnest money deposit.

Note 13.2 There are no amounts due and outstanding to be credited to the Investor Education and Protection Fund as at each reporting period.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 14 - SHARE CAPITAL

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Authorised share capital			
300,000,000 Equity shares of ₹ 1 each (31 December 2016: 300,000,000; 1 January 2016: 300,000,000)	3,000.00	3,000.00	3,000.00
45,000,000 Redeemable preference shares of ₹ 10 each (31 December 2016: 45,000,000; 1 January 2016: 45,000,000)	4,500.00	4,500.00	4,500.00
Total authorised share capital	**7,500.00**	**7,500.00**	**7,500.00**
Issued equity share capital:			
155,183,160 Equity shares of ₹ 1 each (31 December 2016:155,183,160; 1 January 2016:155,183,160)	1,551.83	1,551.83	1,551.83
Total issued equity share capital	**1,551.83**	**1,551.83**	**1,551.83**
Subscribed and fully paid-up equity share capital:			
155,157,900 Equity shares of ₹ 1 each fully paid up (31 December 2016:155,157,900; 1 January 2016: 155,157,900)	1,551.58	1,551.58	1,551.58
Total Subscribed and fully paid-up equity share capital	**1,551.58**	**1,551.58**	**1,551.58**

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

	Number	₹ lakhs
As at 1 January 2016	**155,157,900**	**1,551.58**
Changes in equity share capital	-	-
As at 31 December 2016	**155,157,900**	**1,551.58**
Changes in equity share capital	-	-
As at 31 December 2017	**155,157,900**	**1,551.58**

b. Terms/rights attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed if any by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts,if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

c. Shares held by holding Company

	31 December 2017		31 December 2016		1 January 2016	
	% held	No. of shares	% held	No. of shares	% held	No. of shares
Equity shares of ₹ 1 each						
Italian-Thai Development Public Company Limited, Thailand	51.63%	80,113,180	51.63%	80,113,180	51.63%	80,113,180

d. Shareholding of more than 5%:

Name of the Shareholder	% held	No. of shares	% held	No. of shares	% held	No. of shares
Promoter						
Italian-Thai Development Public Company Limited, Thailand	51.63%	80,113,180	51.63%	80,113,180	51.63%	80,113,180
Non-promoter						
HDFC Trustee Company Limited	-	-	6.82%	10,576,780	7.11%	11,033,180
Reliance Capital Trustee Co. Limited	6.04%	9,376,105	-	-	-	-

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

e. Bonus shares/ buy back/shares for consideration other than cash issued during past five years:

(i) Aggregate number and class of shares allotted as fully paid up pursuant to contracts without payment being received in cash - **Nil**

(ii) Aggregate number and class of shares allotted as fully paid up by way of bonus shares - **Nil**

(iii) Aggregate number and class of shares bought back - **Nil**

f. Out of the total issued capital, 25,260 (31 December 2016: 25,260, 1 January 2016 25,260 equity shares of ₹1 each have been kept in abeyance pending final settlement of rights issues.

g. Subsequent to 31 December 2017, pursuant to the approval of the QIP Committee of Directors of the Board of the Company at its meeting held on 30 January 2018, the Company issued 16,629,684 equity shares of ₹ 1 each, at an issue price of ₹ 202.55 per equity share (of which ₹ 201.55 per share is towards securities premium) aggregating ₹ 33,683.42 lakhs to Qualified Institutionals Buyers in accordance with Chapter VIII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended and Section 42 of the Companies Act, 2013, as amended, and the rules made thereunder.

h. The Board of Directors of the Company has recommended Equity dividend of ₹ 0.40 per share (Previous Year: ₹ 0.30) for the year ended 31 December 2017.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 15 - BORROWINGS

Non-current portion:

	Effective interest rate		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
	31 December 2017	31 December 2016	₹ lakhs	₹ lakhs	₹ lakhs
Secured					
(A) Rupee term loans					
(i) From Banks	10.15%	10.15%	-	2,650.00	-
(ii) From Others	13.50%	13.50%	-	-	315.04
(B) Plant loans					
(i) From Banks	9.65%-11.03%	9.65%-11.03%	1,205.30	484.56	212.91
(ii) From Others	11.00%-12.50%	11.00%-12.50%	1,144.74	843.61	364.77
(C) Vehicle loans from banks	9.50%-10.50%	9.50%-10.50%	111.72	83.96	90.09
Total non-current borrowings			**2,461.76**	**4,062.13**	**982.81**

Current maturities of long-term borrowings

	Effective interest rate		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
	31 December 2017	31 December 2016	₹ lakhs	₹ lakhs	₹ lakhs
Secured					
(A) Rupee term loans					
(i) From Banks	10.15%	10.15%	2,650.00	1350.00	1,989.04
(ii) From Others	13.50%	13.50%	-	-	273.94
(B) Plant loans					
(i) From Banks	9.65%-11.03%	9.65%-11.03%	752.10	361.94	100.76
(ii) From Others	11.00%-12.50%	11.00%-12.50%	699.42	435.32	281.04
(C) Vehicle loans from bank	9.50%-10.50%	9.50%-10.50%	58.05	63.35	39.44
Total current maturities of long-term borrowings			**4,159.57**	**2,210.61**	**2,684.22**
Total borrowings			**6,621.33**	**6,272.74**	**3,667.03**

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Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Terms of repayment and details of security

Note 15.1 - Rupee term loan - from banks

Term loans are repayable in 3 equal quaterly installments starting from November 2017. These loans are secured by hypothecation of Kolkata area depot land.

Note 15.2 - Rupee term loans from others

Term Loan from others has been fully repaid during the year. This loan was secured by hypothecation of Kolkata office premises.

Note 15.3 - Plant loans from banks

Loans obtained for purchase of construction equipments are repayble in 36 to 58 monthly structured installments. These loans are secured by first and exclusive charge on specific equipments financed by the bank.

Note 15.4 - Plant loans from others

Loans obtained for purchase of construction equipment are repayable in 29 to 60 monthly structured installments. These loans are secured by first and exclusive charge on specific equipments financed by the financial institution.

Note 15.5 - Vehicle loans from banks

Loans obtained for purchase of vehicles are repayble in 60 monthly structured installments. These loans are secured by hypothecation of the vehicles purchased out of these loans.

NOTE 16 - PROVISIONS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Non-current			
Provision for employee benefits			
- Leave entitlement and compensated absences	1,110.31	902.36	692.16
Total non-current provisions	**1,110.31**	**902.36**	**692.16**
Current			
Provision for employee benefits			
- Gratuity	2,051.00	1,653.81	1,315.03
- Leave entitlement and compensated absences	144.44	131.13	100.38
- Provident fund	206.71	196.66	182.11
Total current provisions	**2,402.15**	**1,981.60**	**1,597.52**
Total provisions	**3,512.46**	**2,883.96**	**2,289.68**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 17 - CURRENT BORROWINGS

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
I.	**Secured**			
	Rupee loan from banks (Repayable on demand)			
	Cash credit facilities	12,977.26	3,361.23	19,181.70
	Working capital demand loan	11,761.26	8,487.20	8,487.20
		24,738.52	**11,848.43**	**27,668.90**
II.	**Unsecured**			
	Commercial paper from others	17,500.00	17,500.00	17,500.00
Total current borrowings (I+II)		**42,238.52**	**29,348.43**	**45,168.90**

Note 17.1 - Cash credit facilities (secured) :

Cash credit facilities are availed from consortium bankers carries various effective interest rates ranging from 11.02 to 14.50 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Plant loans. These facilities are payable on demand.

Note 17.2 - Working capital demand loan :

Working capital demand loans carry an effective interest rate ranging from 9.70 to 12.00 percent per annum and are secured by first pari passu charge on the current assets and movable plant and machinery other than those charged in favour of Plant loans. This facility is payable on demand.

Note 17.3 - Commercial Paper (unsecured) :

Commercial Paper carry effective interest rate ranging between 10.00 to 10.50 percent per annum.

NOTE 18 - TRADE PAYABLES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
- Total outstanding dues of Micro Enterprises and Small Enterprises (Refer note 18.1)	77.80	709.27	-
- Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises	61,889.16	60,688.85	72,418.46
Total trade payables	**61,966.96**	**61,398.12**	**72,418.46**

Note 18.1 - The Group has amounts due to micro and small suppliers registered under the Micro, Small and Medium Enterprises Development Act 2006 (MSMED Act), as at 31 December 2017.

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
The disclosure pursuant to the said Act is as under:			
Principal amount due to suppliers under MSMED Act	77.80	709.27	-
Interest accrued and due to suppliers under MSMED Act on the above amount	2.47	6.78	-
Payment made to suppliers (other than interest) beyond appointed day during the year	916.04	632.89	-

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Interest paid to suppliers under MSMED Act	-	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	18.57	5.10	-
Interest accrued and remaining unpaid at the end of the accounting year	21.04	6.78	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act.	21.04	6.78	-

Note: This information, as required to be disclosed under the MSMED Act, has been determined to the extent such parties have been identified on the basis of information available with the Group.

Note 18.2 - Trade payables are normally non-interest bearing and settled as per the payment terms stated in the contract.

NOTE 19 - OTHER FINANCIAL LIABILITIES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Current			
Interest accrued but not due	73.93	37.20	137.77
Unpaid dividends ^	7.46	5.46	6.17
Amount due to parent company (Refer note 33(c))	246.66	-	-
Creditors for capital expenses	1,006.26	358.99	179.39
Employee related dues	3,652.77	3,172.13	2,552.90
Financial guarantees	-	12.18	42.69
Foreign currency forward contract ^^	1,497.60	-	-
Others	601.29	619.08	739.17
Total other financial liabilities	**7,085.97**	**4,205.04**	**3,658.09**

^ Not due for credit to Investor Education and Protection Fund

^^ Financial liability carried at fair value through profit and loss

NOTE 20 - OTHER CURRENT LIABILITIES

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Advances from contractee	34,443.12	14,864.76	39,594.91
Amount due to customers	19,838.60	13,169.84	1,892.66
Statutory dues payable	630.84	333.08	589.62
Others	604.02	321.69	274.11
Total other current liabilities	**55,516.58**	**28,689.37**	**42,351.30**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 21 - REVENUE FROM OPERATIONS

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Contract revenue	205,923.42	293,566.33
Other operating revenues - Service income from unincorporated entities	127.47	205.68
Total revenue from operations	**206,050.89**	**293,772.01**

NOTE 22 - OTHER INCOME

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Interest income		
- on bank deposits	1,023.07	1,158.23
- on financial assets carried at amortised cost	890.38	651.67
- on income tax refund	293.40	184.67
- on sales tax refund	103.56	21.82
- others	23.04	44.42
Other non-operating income		
- Excess provision no longer required written back	345.20	253.73
- Insurance claim	387.86	34.87
- Exchange gain (net)	15.95	25.64
- Miscellaneous income	443.60	349.07
Total other income	**3,526.06**	**2,724.12**

NOTE 23 - COST OF CONSTRUCTION MATERIALS CONSUMED

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Stock at beginning of the year	9,763.57	13,213.38
Add: Purchases	66,583.61	62,460.73
	76,347.18	**75,674.11**
Less: Stock at the end of the year	14,105.64	9,763.57
Total cost of construction materials consumed	**62,241.54**	**65,910.54**

NOTE 24 - EMPLOYEE BENEFITS EXPENSE

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Salaries and wages	22,977.56	19,995.03
Contribution to provident and other funds	1,952.67	598.82
Gratuity	722.17	1,533.62
Staff welfare	84.61	58.46
Total employee benefits expense	**25,737.01**	**22,185.93**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 25 - FINANCE COSTS

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Interest on:		
- Cash credit facilities	3,318.56	3,233.13
- Term loans	665.67	333.68
- Commercial papers	1,313.04	1,668.62
- Advances from customers	414.88	772.93
- Letter of credit	255.87	367.25
- Others	27.70	37.95
Other borrowing costs		
- Bank charges and guarantee commission	2,761.95	2,501.20
Total finance costs	**8,757.67**	**8,914.76**

NOTE 26 - OTHER EXPENSES

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Plant hire expenses	6,543.07	5,529.73
Power and fuel	8,250.16	7,669.22
Rates and taxes	8,753.19	17,855.19
Travelling expenses	1,169.81	941.73
Site transport and conveyance	2,352.58	2,523.35
Repairs and maintenance:		
- Plant and machinery	1,028.94	1,218.35
- Others	193.92	177.98
Insurance	1,099.67	1,087.90
Professional fees	2,425.92	1,125.81
Rent	2,917.20	2,600.97
Consumption of spares	1,914.13	2,104.66
Security charges	918.81	838.80
Temporary site installations	1,560.97	402.17
Postage, telephone and telegram	195.19	212.12
Auditor remuneration (Refer note 26.1)	98.78	94.95
Impairment allowance on financial assets (net)	477.06	1,784.87
Water charges	630.85	791.74
Printing and stationery	185.12	161.46
Infotech expenses	267.11	259.90
Royalty expense	933.15	-
Directors' sitting fees [Refer note 33(b)]	11.00	8.90
CSR expenses ^	-	2.25
Loss on disposal of property, plant and equipment (net)	657.57	432.08
Miscellaneous expenses	2,005.43	1,850.47
Total other expenses	**44,589.63**	**49,674.60**

^ *The Company is not liable to incur any expenses on CSR as per section 135 of the Companies Act, 2013*

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Note 26.1 - Auditor Remuneration

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
- Audit fees	44.95	45.80
- Tax audit fee (including tax accounts)	14.62	19.36
- Limited review	22.57	24.98
- Certification fees	14.39	3.10
- Reimbursement of out of pocket expenses	2.25	1.71
	98.78	**94.95**

NOTE 27 - EXCEPTIONAL ITEM

₹ lakhs

	Year ended 31 December 2017	Year ended 31 December 2016
Non-current trade receivables and non-current other financial assets written off	11,232.17	-
Provisions no longer required written back	(9,048.23)	-
	2,183.94	**-**

NOTE 28 - EARNINGS PER SHARE (EPS)

Basic and diluted EPS

		Year ended 31 December 2017	Year ended 31 December 2016
Profit computation for basic earnings per share of ₹ 1 each			
Net profit as per the Statement of Profit and Loss available for equity shareholders	(₹ lakhs)	7,281.55	5,084.44
Weighted average number of equity shares for EPS computation	(Nos.)	155,157,900	155,157,900
EPS - Basic and Diluted EPS	(₹)	4.69	3.28

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 29 - CONTINGENT LIABILITIES AND COMMITMENTS

A. Contingent liabilities

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
(i)	Guarantees given by banks in respect of contracting commitments in the normal course of business			
	- for the Group	42,255.87	39,755.10	29,548.65
	- for Joint Venture	1,128.79	2,728.16	5,527.79
(ii)	Corporate Guarantee given to bank on behalf of unincorporated entities	128,500.00	48,651.00	48,651.00
(iii)	Letter of credit limit utilized by unincorporated entities	760.53	610.77	63.81
(iv)	Claims against the Group not acknowledged as debts (Refer notes below)	11,945.77	13,116.77	12,016.77
(v)	Sales Tax matters pending in appeals	5,809.55	5,277.39	3,278.00
(vi)	Income Tax matters pending in appeal	1,473.72	1,938.59	1,680.12
(vii)	Excise matter pending in appeal	51.70	51.70	51.70

Notes-

1. The Group has a number of claims on customers for price escalation and / or variation in contract work. In certain cases which are currently under arbitration, the customers have raised counter-claims. The Group has received legal advice that none of the counter-claims are legally tenable. Accordingly no provision is considered necessary in respect of these counter claims.
2. It is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above contingent liabilities other than stated therein above. Future cash outflows in respect of the above are determinable only on receipt of judgments/ decisions pending with various forums/ authorities. The Group does not expect any outflow of economic resources in respect of the above and therefore no provision is made in respect thereof.

B. Commitments

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Estimated amount of contracts remaining to be executed and not provided for (net of advances)	639.92	1,362.36	310.28

NOTE 30 - DISCLOSURE IN ACCORDANCE WITH IND AS 11 - CONSTRUCTION CONTRACTS

₹ lakhs

	As at 31 December 2017	As at 31 December 2016
Contract revenue for the year	205,923.42	293,566.33
Aggregate amount of cost incurred and recognized profits less recognized losses up to the reporting date on contract under progress	696,186.32	610,555.15
Advances received from customers	34,443.12	14,864.76
Retention money	14,343.71	13,056.36
Gross amount due from customers for contract work (net of retention)	75,211.02	65,106.67
Gross amount due to customers for contract work	19,838.60	13,169.84

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 31 - SEGMENT REPORTING

The Company is principally engaged in a single business segment viz. Construction. Also refer note 35 for information on revenue from major customers.

NOTE 32 - FINANCIAL INSTRUMENTS

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

(a) Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments

(b) Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counter party. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A Financial instruments by category

The carrying value and fair value of financial instruments by categories as at 31 December 2017 were as follows:

₹ lakhs

	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares (unquoted)	4	-	-	-	57.49	-	57.49	57.49
Trade receivables	5	24,294.01	-	-	-	-	24,294.01	24,294.01
Loans	6	40,250.58	-	-	-	-	40,250.58	40,250.58
Other financial assets	7	65,364.80	-	-	1,478.73	-	66,843.53	66,843.53
Cash and cash equivalents	12	11,324.89	-	-	-	-	11,324.89	11,324.89
Other bank balances	13	253.41	-	-	-	-	253.41	253.41
Liabilities:								
Borrowings	15,17	48,859.85	-	-	-	-	48,859.85	48,859.85
Trade payables	18	61,966.96	-	-	-	-	61,966.96	61,966.96
Other financial liabilities	19	7,085.97	-	-	-	-	7,085.97	7,085.97

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The carrying value and fair value of financial instruments by categories as at 31 December 2016 were as follows:

₹ lakhs

	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares (unquoted)	4,11	-	-	-	57.75	-	57.75	57.75
Trade receivables	5	24,328.23	-	-	-	-	24,328.23	24,328.23
Loans	6	16,460.49	-	-	-	-	16,460.49	16,460.49
Other financial assets	7	53,995.78	-	-	-	-	53,995.78	53,995.78
Cash and cash equivalents	12	16,255.46	-	-	-	-	16,255.46	16,255.46
Other bank balances	13	272.48	-	-	-	-	272.48	272.48
Liabilities:								
Borrowings	15,17	35,621.17	-	-	-	-	35,621.17	35,621.17
Trade payables	18	61,398.12	-	-	-	-	61,398.12	61,398.12
Other financial liabilities	19	4,205.04	-	-	-	-	4,205.04	4,205.04

The carrying value and fair value of financial instruments by categories as at 1 January 2016 were as follows

₹ lakhs

	Refer note	Amortised cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
Investments								
Investments in equity shares (unquoted)	4,11	-	-	-	57.75	-	57.75	57.75
Trade receivables	5	27,533.58	-	-	-	-	27,533.58	27,533.58
Loans	6	12,239.45	-	-	-	-	12,239.45	12,239.45
Other financial assets	7	84,015.77	-	-	-	-	84,015.77	84,015.77
Cash and cash equivalents	12	7,916.78	-	-	-	-	7,916.78	7,916.78
Other bank balances	13	6,257.82	-	-	-	-	6,257.82	6,257.82
Liabilities:								
Borrowings	15,17	48,835.93	-	-	-	-	48,835.93	48,835.93
Trade payables	18	72,418.46	-	-	-	-	72,418.46	72,418.46
Other financial liabilities	19	3,658.09	-	-	-	-	3,658.09	3,658.09

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

B Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

₹ lakhs

	31 December 2017			31 December 2016			1 January 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets									
Investments in Equity shares (unquoted)	-	-	57.49	-	-	57.75	-	-	57.75
Foreign currency forward contract	-	1,478.73	-	-	-	-	-	-	-

NOTE 33 - DISCLOSURE IN ACCORDANCE WITH IND-AS 24 RELATED PARTY TRANSACTIONS

A) Names of related parties and description of relationship

a) Enterprise where control exists

Holding Company

Italian-Thai Development Public Company Limited

b) Other related parties with whom the Group had transactions

i) **Unincorporated entities - Joint Venture**

ITD - ITD Cem JV

ITD - ITDCem JV (Consortium of ITD - ITD Cementation)

CEC-ITD Cem-TPL JV

ii) **Key managerial personnel (KMP)**

Mr. Adun Saraban – Managing Director

Mr. S. Ramnath – Chief Financial Officer (retired on 15 July 2017)

Mr. Prasad Patwardhan – Chief Financial Officer (appointed w.e.f. 16 July 2017)

Mr. Rahul Neogi - Company Secretary (appointed w.e.f. 1 February 2017)

Mr. R C Daga – Company Secretary (retired on 31 January 2017)

Mr. D.E.Udwadia - Independent Director

Mr. D.P. Roy - Independent Director

Mrs. Ramola Mahajani - Independent Director

iii) **Entities where KMP has significant influence**

Udwadia & Co.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 33 - DISCLOSURE IN ACCORDANCE WITH IND AS 24 RELATED PARTY TRANSACTIONS

B) Nature of Transactions

Transactions with related parties:

₹ lakhs

		Year ended 31 December 2017	Year ended 31 December 2016
Contract Revenue			
Italian-Thai Development Public Company Limited	Holding Company	-	131.61
CEC-ITDCEM-TPL JV	Unincorporated entity (joint venture)	2,179.06	-
		2,179.06	**131.61**
Royalty expense			
Italian-Thai Development Public Company Limited	Holding Company	**933.15**	**-**
Plant and tools hire income (net of expenses)			
ITD-ITDCem JV	Unincorporated entity (joint venture)	**127.47**	**205.68**
Purchases of property, plant and equipment			
ITD-ITDCem JV	Unincorporated entity (joint venture)	**412.69**	**-**
Purchases of construction materials and spares			
ITD-ITDCem JV	Unincorporated entity (joint venture)	**-**	**71.61**
Remuneration			
Mr. Adun Saraban	KMP	146.37	132.55
Mr. S. Ramnath	KMP	54.86	62.16
Mr. Prasad Patwardhan	KMP	39.48	-
Mr. Rahul Neogi	KMP	45.60	-
Mr. R. C. Daga	KMP	4.73	54.02
		291.04	**248.73**
Director sitting fees			
Mr. D. E. Udwadia	KMP	5.10	4.50
Mr. D. P. Roy	KMP	3.60	2.80
Mrs. Ramola Mahajani	KMP	2.30	1.60
		11.00	**8.90**
Professional fees			
Udwadia & Co.	Entities where KMP has significant influence	**15.16**	**23.59**
Share of profit/(loss) after tax in unincorporated entity			
ITD-ITDCem JV	Unincorporated entity (joint venture)	(1,382.23)	(5,517.53)
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	Unincorporated entity (joint venture)	(0.43)	(184.68)
		(1,382.66)	**(5,702.21)**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

C) Outstanding balances:

₹ lakhs

		As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Trade receivables				
Italian-Thai Development Public Company Limited	Holding Company	**-**	**2.26**	**25.89**
Creditors for capital expenses				
ITD-ITDCem JV	Unincorporated entity (joint venture)	**79.70**	**70.02**	**70.02**
Balances - payable				
Italian-Thai Development Public Company Limited	Holding Company	**246.66**	**-**	**-**
Balances - receivable				
Italian-Thai Development Public Company Limited	Holding Company	400.51	409.67	409.66
ITD-ITDCem JV	Unincorporated entity (joint venture)	35,888.17	12,586.30	9,554.37
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	Unincorporated entity (joint venture)	671.20	831.65	566.33
CEC-ITDCEM-TPL JV	Unincorporated entity (joint venture)	81.21	68.11	-
		37,041.09	**13,895.73**	**10,530.36**
Corporate guarantee issued on behalf of				
ITD-ITD Cem JV	Unincorporated entity (joint venture)	77,500.00	48,651.00	48,651.00
CEC -ITD Cem-TPL JV	Unincorporated entity (joint venture)	51,000.00	-	-
		128,500.00	**48,651.00**	**48,651.00**
Letter of credit limit utilized				
ITD-ITDCem JV	Unincorporated entity (joint venture)	**760.53**	**610.77**	**63.81**
Bank guarantee issued on behalf of				
ITD-ITDCem JV	Unincorporated entity (joint venture)	32,051.13	2,728.16	5,327.79
ITD-ITDCem JV (Consortium of ITD-ITD Cementation)	Unincorporated entity (joint venture)	196.43	-	200.00
CEC-ITDCEM-TPL JV	Unincorporated entity (joint venture)	16,980.60	-	-
		49,228.16	**2,728.16**	**5,527.79**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 34 - INTERESTS IN OTHER ENTITIES

Note 34.1 - Subsidiaries

Name of the entity	Country of incorporation	Ownership interest held by the group (%)			Ownership interest held by non controlling interests (%)			Principal activities
		31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016	
ITD Cementation Projects India Limited	India	100.00	100.00	100.00	-	-	-	Construction
ITD Cemindia JV	NA	80.00	80.00	80.00	20.00	20.00	20.00	Construction
ITD Cem-Maytas Consortium	NA	95.00	95.00	95.00	5.00	5.00	5.00	Construction

Note 34.2 Non-controlling interests (NCI)

The following table summarises the information relating to each of the subsidiaries that has NCI. The amounts disclosed for each subsidiary are before intra-group eliminations

₹ lakhs

	ITD Cemindia JV			ITD Cem-Maytas Consortium		
	31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016
Non-current assets	10,962.85	869.05	702.62	-	-	-
Current assets	22,527.98	1,015.90	866.68	2,514.08	2,516.27	2,601.12
Non-current liabilities	123.37	0.64	3.82	-	-	-
Current liabilities	33,019.62	1,591.24	1,468.59	2,139.35	2,143.32	2,192.03
Net assets	**347.84**	**293.07**	**96.89**	**374.73**	**372.95**	**409.09**
Net assets attributable to NCI	**69.57**	**58.61**	**19.38**	**18.74**	**18.65**	**20.46**
Revenue	19,345.74	1,923.07	*^	55.23	176.06	*^
Profit for the year	**54.77**	**196.18**	***^**	**1.78**	**(36.14)**	***^**
Other comprehensive income	-	-	*^	-	-	*^
Total comprehensive income	**54.77**	**196.18**	***^**	**1.78**	**(36.14)**	***^**
Profit/(loss) allocated to NCI	10.95	39.24	*^	0.09	(1.81)	*^
OCI allocated to NCI	-	-	*^	-	-	*^
Total comprehensive income allocated to NCI	**10.95**	**39.24**	***^**	**0.09**	**(1.81)**	***^**
Cash flow from operating activities	(9,682.52)	42.52	*^	(49.47)	(13.37)	*^
Cash flow from investing activities	(7,520.10)	(163.70)	*^	-	6.18	*^
Cash flow from financing activities	17,776.89	100.61	*^	54.09	(0.01)	*^
Net increase/(decrease) in cash and cash equivalents	574.27	(20.57)	*^	4.62	(7.20)	*^

**^ Indicates disclosures that are not required*

Note 34.3 Unincorporated entities - Joint Venture

Name of the entity	Ownership interest (%)			Carrying amount as at *			Principal activities
	31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016	
ITD - ITD Cem JV	49.00	49.00	49.00	57.49	57.49	57.49	Construction
ITD - ITDCem JV (Consortium of ITD - ITD Cementation)	40.00	40.00	40.00	-	-	-	Construction
CEC-ITD Cem-TPL JV	60.00^	60.00^	-	-	-	-	Construction
				57.49	**57.49**	**57.49**	

** Unlisted entity - no quoted price available*

^ Though the Group's effective interest in the joint venture exceeds 50%, the entity has been classified as a joint venture. The management has assessed whether or not the Group has control over the entity based on whether the Group has practical ability to direct relevant activities unilaterally. In this case, based on specific joint venture agreement, the management concluded that the Group does not have practical ability to direct the relevant activities unilaterally but has such ability along with the other co-venturer.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

Note 34.4 Table below provide summarised financial information for Unincorporated Joint ventures

₹ lakhs

	ITD - ITD Cem JV			ITD - ITDCem JV (Consortium of ITD - ITD Cementation)			CEC-ITD Cem-TPL JV		
	31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016	31 December 2017	31 December 2016	1 January 2016
Non-current assets	21,059.51	26,306.88	24,555.24	1,548.50	2,065.53	2378.48	15,514.10	2,049.33	-
Current assets									
- Cash and cash equivalents	6,755.79	585.45	924.20	74.29	334.20	62.68	4,023.84	3,543.45	-
- Other assets	39,370.00	35,752.29	39,634.23	138.96	141.91	187.58	18,904.29	2,425.96	-
Current assets	46,125.79	36,337.74	40,558.43	213.25	476.11	250.26	22,928.13	5,969.41	-
Non-current liabilities									
- Financial liabilities (excluding trade payables)	-	-	-	-	5.41	-	-	-	-
- Other liabilities	-	-	-	-	-	13.08	1.13	-	-
Non-current liabilities	-	-	-	-	5.41	13.08	1.13	-	-
Current liabilities									
- Financial liabilities (excluding trade payables)	13,954.05	25,278.42	28,125.42	2.70	7.64	8.74	1,468.64	45.98	-
- Other liabilities	12,707.23	24,326.44	21,309.67	86.98	455.42	520.57	36,953.45	7,841.80	-
Current liabilities	26,661.28	49,604.86	49,435.09	89.68	463.06	529.31	38,422.09	7,887.78	-
Net assets	40,524.02	13,039.76	15,678.58	1,672.07	2,073.17	2,086.35	19.01	130.96	-
Group share of net assets									
Revenue	28,578.34	28,439.56	*^	266.02	1.45	*^	23,909.39	1,693.98	*^
Other income	6,602.94	1,438.03	*^	69.89	23.64	*^	568.25	14.52	*^
Cost of construction materials consumed	13,386.48	15,359.82	*^	-	0.10	*^	5,411.90	120.23	*^
Subcontracting expenses	7,986.19	7,238.95	*^	66.75	45.75	*^	6,807.77	74.66	*^
Employee benefits expense	4,639.85	5,634.43	*^	120.56	302.15	*^	2,574.06	357.63	*^
Finance cost	3,130.92	5,544.32	*^	20.31	2.58	*^	331.93	90.92	*^
Depreciation expense	2,352.02	3,075.54	*^	-	1.02	*^	610.06	2.28	*^
Other expense	5,498.75	8,509.45	*^	129.37	110.45	*^	8,744.01	1,062.78	*^
Loss for the year									
before tax	(1,812.93)	(15,484.92)	*^	(1.08)	(436.96)	*^	(2.09)	-	*^
Income tax expenses	1,007.94	(4,226.59)	*^	-	24.54	*^	(2.41)	-	*^
Loss for the year	(2,820.87)	(11,258.33)	*^	(1.08)	(461.50)	*^	0.32	-	*^
Other comprehensive income	-	-	*^	-	(0.22)	*^	(0.32)	-	*^
Total comprehensive income	**(2,820.87)**	**(11,258.33)**	***^**	**(1.08)**	**(461.72)**	***^**	**-**	**-**	***^**
Group share of profit/ (Loss)	(1,382.23)	(5,516.58)	*^	(0.43)	(184.60)	*^	0.19	-	*^
Group share of OCI	-	-	*^	-	(0.09)	*^	(0.19)	-	*^
Group share of total comprehensive income	**(1,382.23)**	**(5,516.58)**	***^**	**(0.43)**	**(184.69)**	***^**	**-**	**-**	***^**

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 35 - FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

i Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Major financial instruments affected by market risk includes loans and borrowings.

a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's total debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ lakhs

	31 December 2017	31 December 2016
Increase in basis points	50 basis points	50 basis points
Effect on profit before tax, increase by	245.16	241.01
Decrease in basis points	50 basis points	50 basis points
Effect on profit before tax, decrease by	245.16	241.01

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

b Foreign currency risk

The following table analyses foreign currency risk from financial instruments as at 31 December 2017:

In lakhs

	Euro	Total
Trade payables	19.15	19.15

The following table analyses foreign currency risk from financial instruments as at 31 December 2016:

In lakhs

	USD	Euro	Total
Trade payables	0.65	2.31	2.96

The following table analyses foreign currency risk from financial instruments as of 1 January 2016:

In lakhs

	USD	Euro	Total
Trade payables	0.15	0.14	0.29

During the current year to mitigate the Group's exposure to foreign currency risk, non-INR cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within 6 months) from longer-term cash flows (due after 6 months).

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

The following table gives details in respect of outstanding foreign exchange forward contracts:

	As at 31 December 2017		As at 31 December 2016		As at 1 January 2016	
	In euro lakhs	₹ lakhs	In lakhs	₹ lakhs	In lakhs	₹ lakhs
Forward contracts	19.15	1,497.60	-	-	-	-

The foreign exchange forward contracts mature within 6 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(Euro in lakhs)

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Not later than one month	8.88	-	-
Later than one month and not later than three months	10.27	-	-

Sensitivity analysis

The Group's exposure in foreign currency is not material and hence the impact of any significant fluctuation in the exchange rates is not expected to have a material impact on the operating profits of the Group.

ii Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure of the financial assets are contributed by trade receivables, unbilled revenue, cash and cash equivalents and receivable from related parties.

a Credit risk on trade receivables and unbilled revenue is limited as the customers of the Group mainly consists of the government promoted entities having a strong credit worthiness. For other customers, the Group uses a provision matrix to compute the expected credit loss allowance for trade receivables and unbilled revenue. The provision matrix takes into account available external and internal credit risk factors such as credit ratings from credit rating agencies, financial condition, ageing of accounts receivable and the Group's historical experience for customers.

The following table gives details in respect of percentage of revenues generated from government promoted agencies and others

	31 December 2017	31 December 2016
	%	%
Revenue from government promoted agencies	46.27%	31.58%
Revenue from others	53.73%	68.42%
	100.00%	**100.00%**

The following table gives details in respect of contract revenues generated from the top customer and top 5 customers for the year ended:

	31 December 2017		31 December 2016	
	₹ lakhs	% of Revenue	₹ lakhs	% of Revenue
Revenue from top customer	25,617	12.44%	99,654	33.95%
Revenue from top five customers	68,325	33.18%	164,694	56.10%

For the year ended 31 December 2017, One (31 December 2016: One) customer, individually, accounted for more than 10% of the revenue.

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The movement of the allowance for lifetime expected credit loss is stated below: ^

₹ lakhs

	31 December 2017	31 December 2016
Balance at the beginning of the year	613.57	881.51
Balance at the end of the year	182.12	613.57

^ The Company has written off ₹ 13,323.35 lakhs and ₹ 342.89 lakhs towards amounts not recoverable from trade receivables and unbilled revenue during the years ended 31 December 2017 and 31 December 2016, respectively.

b. Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings.

iii Liquidity risk

Liquidity is defined as the risk that the Group will not be able to settle or meet its obligations on time or at a reasonable price. The Group's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

₹ lakhs

	On demand	Less than 1 year	1 - 5 years	More than 5 years	Total
As at 31 December 2017					
Borrowings	24,738.52	21,659.57	2,461.76	-	48,859.85
Trade payables	-	61,966.96	-	-	61,966.96
Interest accrued	-	73.93	-	-	73.93
Other financial liabilities	-	7,012.04	-	-	7,012.04
Total	**24,738.52**	**90,712.50**	**2,461.76**	**-**	**117,912.78**
As at 31 December 2016					
Borrowings	11,848.43	19,710.61	4,062.13	-	35,621.17
Trade payables	-	61,398.12	-	-	61,398.12
Interest accrued	-	37.20	-	-	37.20
Other financial liabilities	-	4,167.84	-	-	4,167.84
Total	**11,848.43**	**85,313.77**	**4,062.13**	**-**	**101,224.33**
As at 1 January 2016					
Borrowings	27,668.90	20,184.22	982.81	-	48,835.93
Trade payables	-	72,418.46	-	-	72,418.46
Interest accrued	-	137.77	-	-	137.77
Other financial liabilities	-	3,520.32	-	-	3,520.32
Total	**27,668.90**	**96,260.77**	**982.81**	**-**	**124,912.48**

NOTE 36

Subsequent to the year ended 31 December 2017, a case has been registered by the Anti-Corruption Bureau against some officers at the State Tax Enforcement Wing at Vijayawada and an employee of the Company along with a representative of the Company on the allegation of an attempt to bribe an Additional Commissioner of Commercial Taxes, Andhra Pradesh. While investigation process is on, the employee has been suspended.

Summary of significant accounting policies and other explanatory information to the consolidated financial statements as at and for the year ended 31 December 2017

NOTE 37 - CAPITAL MANAGEMENT

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The Group strives to safeguard its ability to continue as a going concern so that they can maximise returns for the shareholders and benefits for other stake holders. The aim to maintain an optimal capital structure and minimise cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to shareholders, issue new shares or adjust the dividend payment to shareholders (if permitted). Consistent with others in the industry, the Group monitors its capital using the gearing ratio which is total debt divided by total capital.

₹ lakhs

	As at 31 December 2017	As at 31 December 2016	As at 1 January 2016
Total debts	48,859.85	35,621.17	48,835.93
Total equity	61,815.90	55,279.17	50,300.65
Total debts to equity ratio (Gearing ratio)	**0.79**	**0.64**	**0.97**

In the long run, the Group's strategy is to maintain a gearing ratio less than 0.5.

NOTE 38 - Disclosure of unhedged foreign currency exposure as at 31 December 2017

	Currency	31 December 2017		31 December 2016		1 January 2016	
		Foreign currency	₹ lakhs	Foreign currency	₹ lakhs	Foreign currency	₹ lakhs
Liabilities							
Acceptances	USD	-	-	64,755.00	44.48	14,526.00	9.67
	EURO	-	-	231,409.00	168.10	13,811.00	13.73
Liabilities			-		212.58		23.40

This is a summary of significant accounting policies and other explanatory information referred to in our audit report of even date.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Rakesh R. Agarwal
Partner
Membership No: 109632

Place : Mumbai
Date : 22 February 2018

For and on behalf of the Board of Directors

Adun Saraban
Managing Director
DIN: 01312769

P. Chakornbundit
Director
DIN: 00254312

Prasad Patwardhan
Chief Financial Officer
ACA No.44453

Rahul Neogi
Company Secretary
ACS No.10653

Place : Mumbai
Date : 22 February 2018

Notes

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Corporate *Information*

BOARD OF DIRECTORS

P. Karnasuta, *Chairman*

P. Chakornbundit, *Vice Chairman*

A. Saraban, *Managing Director*

D. E. Udwadia

Per Hofvander
(Resigned w.e.f. 23rd February, 2018)

D. P. Roy

Ramola Mahajani

Piyachai Karnasuta

Sunil Shah Singh
(Appointed as an Additional Director w.e.f. 22nd February, 2018)

COMMITTEES OF DIRECTORS

Audit Committee

Per Hofvander
(Resigned w.e.f. 23rd February, 2018)

D. E. Udwadia

P. Chakornbundit

D. P. Roy

Stakeholders' Relationship Committee

P. Chakornbundit

A. Saraban

Nomination And Remuneration Committee

D. E. Udwadia

P. Karnasuta

P. Chakornbundit

Per Hofvander
(Resigned w.e.f. 23rd February, 2018)

Corporate Social Responsibility Committee

Per Hofvander
(Resigned w.e.f. 23rd February, 2018)

P. Chakornbundit

A. Saraban

CHIEF FINANCIAL OFFICER

Prasad Patwardhan

COMPANY SECRETARY

Rahul Neogi

AUDITORS

Walker Chandiok & Co LLP, Mumbai

LEGAL ADVISERS

Udwadia & Co., Mumbai

BANKERS

Allahabad Bank
Axis Bank Limited
Bank of Baroda
Bank of India
Bank of Maharashtra
Central Bank of India
Export-Import Bank of India
IDBI Bank Limited
Punjab National Bank
Standard Chartered Bank
State Bank of India
Syndicate Bank
The Federal Bank Limited
Union Bank of India

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Email: investors.relation@itdcem.co.in
Website: www.itdcem.co.in

AREA OFFICES

Mumbai
Kolkata
Delhi
Chennai

R & D LOCATION

Kolkata

REGISTRARS AND SHARE TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
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Phone No.: +91 40 67162222
Fax No.: +91 40 23420814
Email: einward.ris@karvy.com

ANNUAL GENERAL MEETING

Thursday, 10th May, 2018, 4.00 p.m.
Rama and Sundri Watumull Auditorium, Kishinchand
Chellaram College, Vidyasagar Principal
K. M. Kundnani Chowk, 124, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020.

Cem

Commitment, Reliability & Quality

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